ASX ANNOUNCEMENT

ASX: CXO

1st March 2018

Wide high-grade lithium intersections positive for BP33

HIGHLIGHTS

- **Wide and high- grade assays results returned from recent diamond drilling at BP33 Prospect include 42.9m @ 1.39% Li_2O (drillhole FMRD004)**
- **High-grade results are positive for pending assays from nearby drillhole FMRD0007 that recently intersected 86m of spodumene pegmatite (with the drillhole still in spodumene pegmatite at end of hole)**
- **The wide spodumene intersection in FMRD007 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**
- **Final assays from recent BP33 2018 diamond drill core expected this month**
- **BP33 maiden Resource estimate expected shortly after receipt of all assays**
- **Drilling to re-commence testing for potential extensions to BP33 and adjacent BP32 and BP32W upon commencement of the dry season in Q2 2018**
- **Resource upgrade drilling continuing at Grants located 5km from BP33**

Core Exploration Ltd (**ASX: CXO**) ("**Core**" or the "**Company**") is pleased to announce a new high-grade intersection of 42.9m @ 1.39% Li_2O at the BP33 Prospect within Core's 100%-owned Finniss Lithium Project near Darwin in the NT.

The new high lithium grades in drillhole FMRD004 are positive for the nearby 86m spodumene pegmatite intersection containing high average concentrations of spodumene in FMRD007 (ASX:19/2/18).

The visual spodumene content of drill core from FMRD004 is comparable to that from recently drilled FMRD007 that has now been cut and delivered to the laboratory for assay (Photo 1 and refer ASX:19/2/18).

Photo 1. Spodumene pegmatite drill core at BP33 grading at 1.84% Li_2O from 129m-140m FMRD004.

The nearby 86m intersection in FMRD007 is the widest interval of spodumene pegmatite ever drilled in the NT. As the drillhole ended within the spodumene pegmatite body, further drilling collared to the east at BP33 is planned to define the geometry of this pegmatite body.

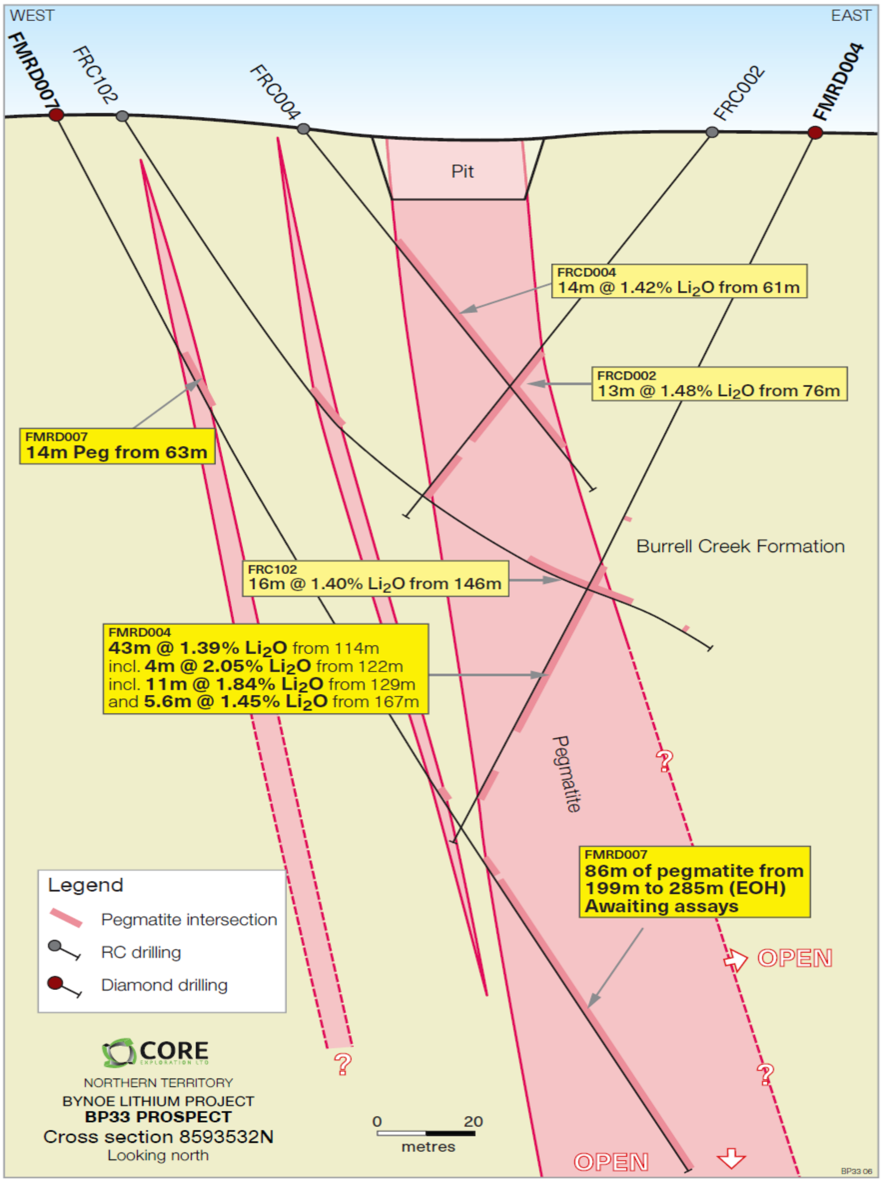

Figure 1. Drill cross-section at southern BP33.

Results from the recent diamond and RC drilling confirm that the BP33 pegmatite is open at depth and along strike to the south. It is probable that the pegmatite body becomes broader with depth at the southern end of BP33 and plunges to the south under cover toward pegmatites at BP32 and BP32W prospects (Figure 2).

Pegmatites at BP32 & BP32W 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 at either of these Prospects.

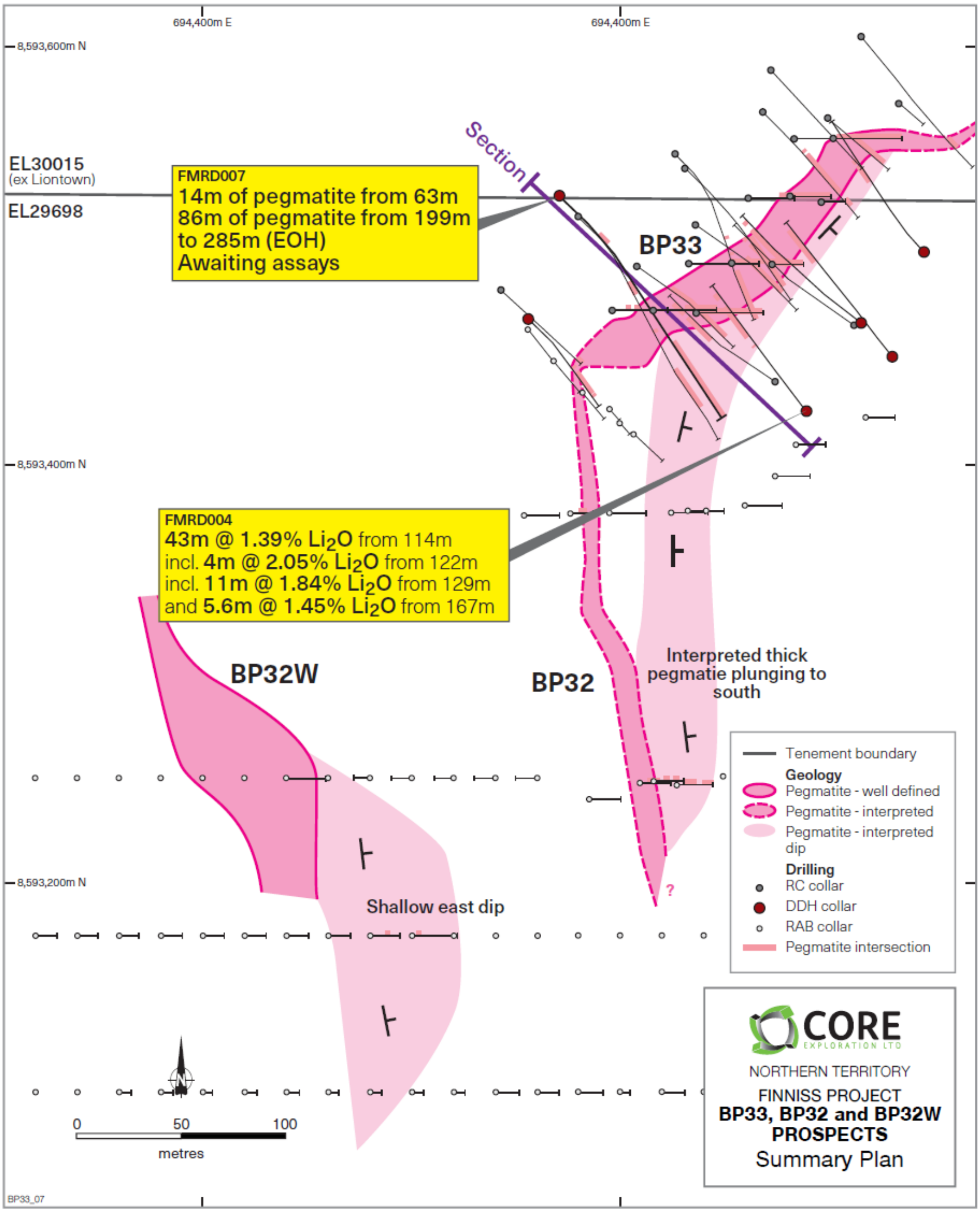

Figure 2. BP33, BP32 and BP32W prospects, interpreted geology and location plan of Core's drilling.

BP33 is located only 5km south of the proposed development of the Grants lithium deposit, offering strong development synergies and potential for extending mine life at the Finniss Project.

CORE EXPLORATION LTD

Next Steps at BP33

The first phase of resource focused diamond drilling at BP33 has been completed with final assays from recent drillhole FMRD007 expected during March 2018.

Core is planning to commence an initial resource evaluation at BP33 in late March 2018.

Follow-up drilling is planned to better define the southward and shallow up-dip extension of the wide spodumene pegmatite body intersected by FMRD007 at BP33. Further drilling is also planned at both BP32 and BP32W Prospects as soon as the site becomes accessible in the dry season during Q2 2018.

For further information please contact:

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

Hole	East	North	RL (m)	Azimuth (°)	Dip (°)	Depth (m)		From (m)	To (m)	Interval (m)	Li_2O (%)
FMRD004	694489	8593426	20.0	321.0	-67.0	186.0		114.0	156.9	42.9	1.39
							including	122.0	126.0	4.0	2.05
							including	129.0	140.0	11.0	1.84
							and	167.4	173.0	5.6	1.45
FMRD005	694356	8593470	20.0	132.0	-67.0	125.8		83.0	85.0	2.0	1.54
							and	93.0	94.0	1.0	0.43
							and	99.0	106.0	7.0	0.85

(i) Mean grades have been calculated on a 0.4% Li_2O lower cut-off grade with no upper cut-off grade applied, and maximum length of consecutive internal waste of 3.0 metres.

Table 1. All recently received drill hole data for the diamond core drilling at BP33.

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% Li_2O" and 14/02/2018 as "BP33 Extended by High Grade Lithium Intersections" and 19/02/2018 as "86m Spodumene Pegmatite Intersected at BP33 Prospect".

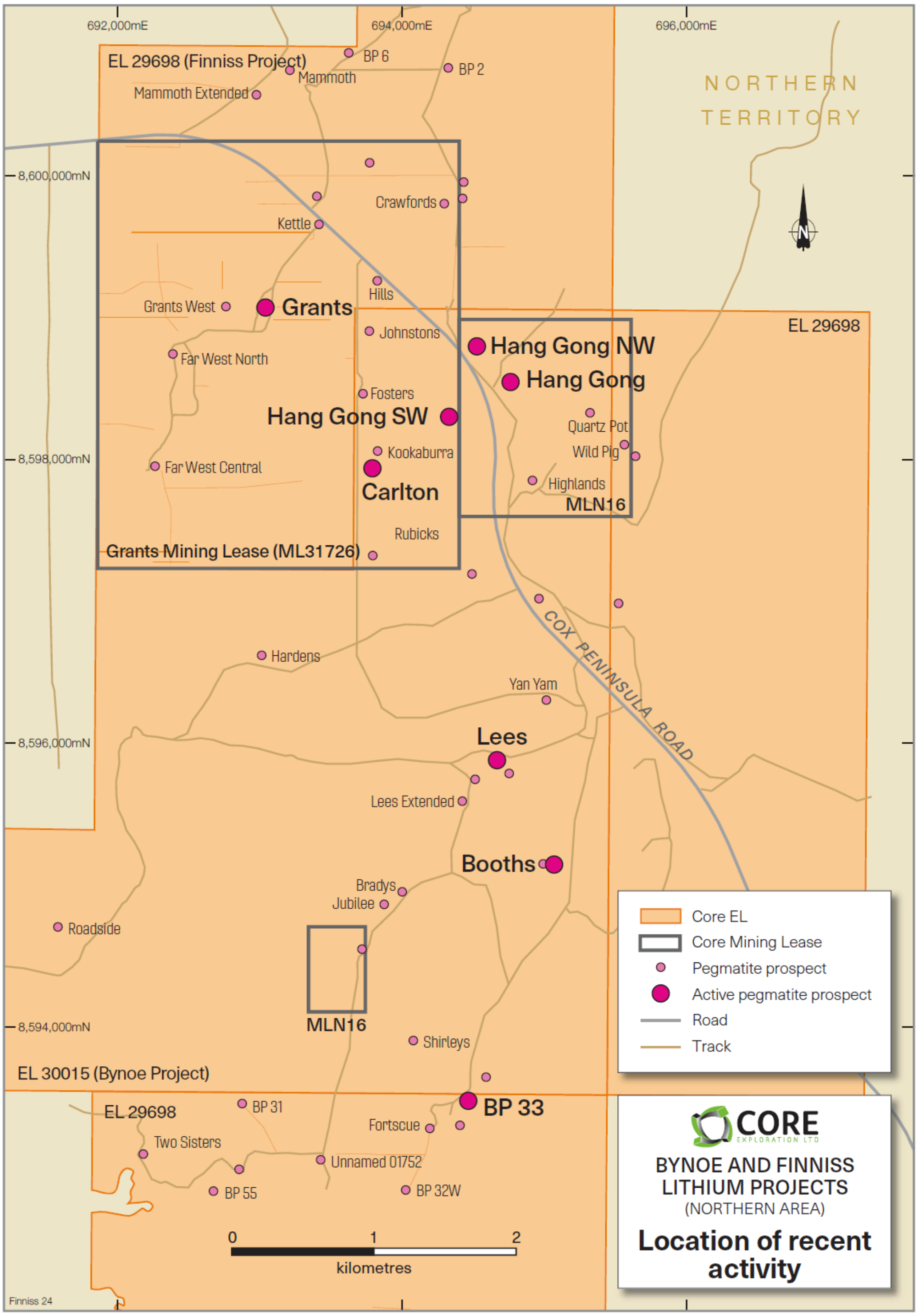

Figure 3. Recent exploration and drilling at pegmatite prospects within the Finniss Lithium Project near Darwin in the NT.

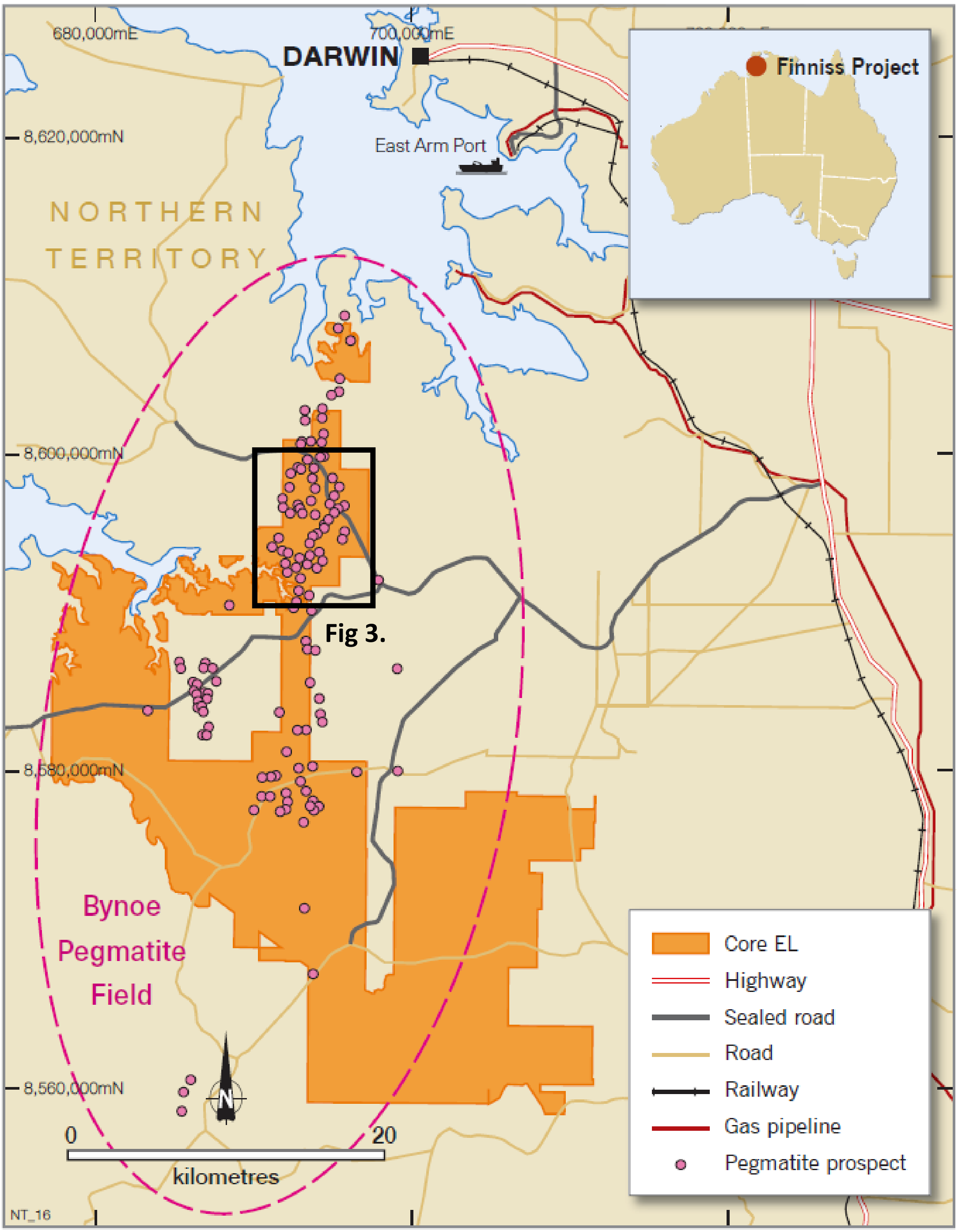

Figure 4. Pegmatite prospects within the Finniss Lithium Project near Darwin, NT

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 and DD drill holes at the BP33 Prospect on ELs 29698 and 30015
		• DDH holes FMRD004, FMRD005 and FRMD007 were drilled during January and February 2018 - assays not yet received for FRMD007.
		• 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.
		• 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 Reverse Circulation (RC) 4 and ¾ inch face sampling hammer (5.5 inch diameter bit). The rig used is a multipurpose wheel mounted UDR1000 and running a 1600 CFM 500 psi compressor/booster combo. The rig is operated by WDA Drilling Services, Humpty Doo NT.

		○ 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 RC drill chips were logged on a metre basis with attention to main rock forming minerals within the pegmatite intersections. • 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*	• RC samples referred to in this report have been collected on a 1m-basis utilising the cone splitter mounted under the drill rig's cyclone. • Where the sample was too wet for the cone splitter to operate, 1m samples were collected from the 1m bulk bags using a spear. • The type of sub-sampling technique and the quality of the sub-sample was recoded for each metre. The quality of the samples was assessed prior to

	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.*	their inclusion in calculated interval averages. • Quarter Drill Core sample intervals were constrained by geology, alteration or structural boundaries, intervals varied between a minimum of 0.3 metres to a maximum of 1 m.

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.*
		• Sample prep occurs at North Australian Laboratories, Pine Creek, NT.
		• DDH samples are crushed to a nominal size to fit into mills.
		• DDH crushed material and RC Samples are then prepared by pulverising in Steel Ring Mill to 95% passing -100 um.
		• A 0.3 g sub-sample is then digested in a standard 4 acid mixture and analysed via ICP-MS and ICP-OES methods for the following elements: Li, Cs, Rb, Sr, Nb, Sn, Ta, U, As, K, P and Fe. The lower and upper detection range for Li by this method are 1 ppm and 5000 ppm respectively.
		• For any sample reporting above 3000 ppm Li, a trigger is set to process that sample via a fusion method. For this, a 0.3 g sub-sample is fused with a Sodium Peroxide Fusion flux and then digested in 10% hydrochloric acid. ICP-OES is used for the following elements: Li, P and Fe. The lower and upper detection range for Li by this method are 10 ppm and 20,000 ppm respectively.
		• A barren flush is inserted between samples at the laboratory.
		• The laboratory has a regime of 1 in 8 control subsamples.
		• NAL utilise standard internal quality control measures including the use of Certified Lithium Standards and duplicates/repeats.
		• CXO-implemented quality control procedures include:
		    ○ One in 20 certified Lithium ore standards are used for this drilling.
		    ○ One in 20 duplicates are used for this RC samples. DDH core is too heterogeneous to utilise duplicates. Repeatability is tested in due course via coarse reject Umpire preparation/analysis.

		○ One in 20 Blanks were used in this program. • External laboratory checks will be completed in due course.
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.*	• Core's experienced project geologists are supervised by Core's Exploration Manager. • All field data is entered into excel spreadsheets (supported by look-up tables) at site and subsequently validated as it is imported into the centralized CXO Access database. • Hard copies of survey and sampling data are stored in the local office and electronic data is stored on the Core server. • Metallic Lithium percent was multiplied by a conversion factor of 2.15283/10000 to report Li ppm as Li_2O%
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 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. Drill hole deviation has been good to moderate for RC holes reported here and excellent for DDH holes, 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. • Sample compositing reported here are calculated length weighted averages of the assays. Length weighted averages are acceptable method because the density of the rock (pegmatite) is constant.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• 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.

geological structure	• *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.*	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.*	• Sample compositing reported here are calculated length weighted averages of the assays. Length weighted averages are acceptable method because the density of the rock (pegmatite) is constant. • 0.3% Li_2O was used as lower cut off grades for compositing with allowance for including up to 3 m of consecutive drill material of below cut-off grade (internal dilution).
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.