



ASX ANNOUNCEMENT

ASX: CXO

6th July 2016

Core doubles lithium landholding as new large scale pegmatites found and lithium potential increases

HIGHLIGHTS

- **Core has doubled its tenement holding in the Finniss Lithium Project**
- **Newly identified pegmatites indicate that the Bynoe Pegmatite Field is up to 20km wide and 75km long**
- **These newly identified pegmatites are large scale (+1,000m x 450m) and comparable in size to those at Pilgangoora in WA**
- **The weathering and depletion of lithium near surface at the Finniss Lithium Project is similar to Greenbushes - the highest grade and largest producing lithium mine in the world**
- **Core's mapping, sampling and soils are defining high quality large scale lithium pegmatite drill targets**
- **Drilling approvals expected next month**

Core Exploration Ltd's (ASX: CXO) ("Core" or the "Company") is pleased to provide the following update.

Finniss Lithium Project Tenement Holding Doubled

Core has recently applied for two new exploration licences immediately west and east of the previously defined Bynoe Pegmatite Field and the Company's initial Finniss Lithium Project tenure. The new licences double Core's tenement holding of the Finniss Lithium Project to 480km².

While there is limited outcrop mapped in Core's new tenements, NTGS stratigraphic drilling in the 1980's intersected substantial pegmatites under a few metres of cover. In addition,



analysis of Haddington Resources Ltd (now Altura Mining Limited ASX:AJM)) regional geochemistry shows that lithium anomalism clearly extends westward into Core's new EL31279 from the outcropping Leviathan Group of pegmatites.

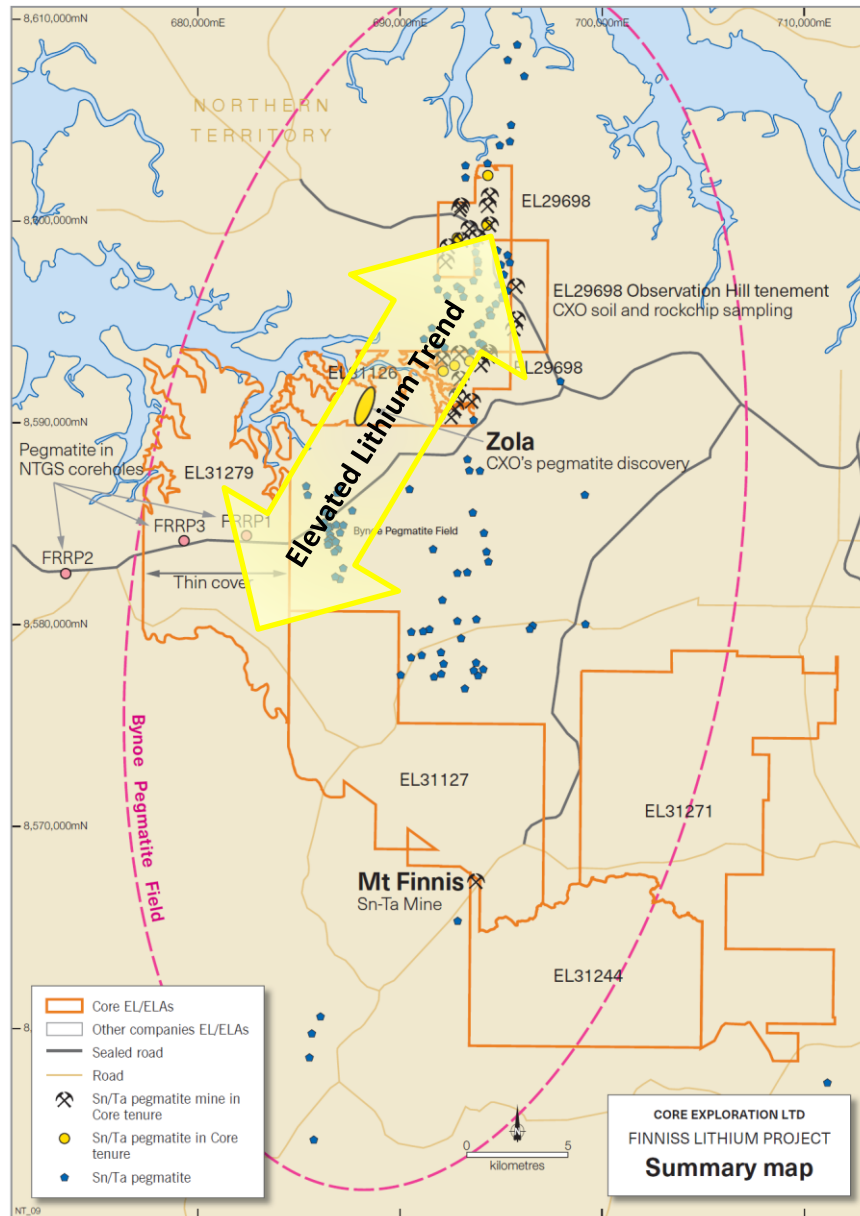


Figure 1. Core's Finnis Project current tenement holding in the Bynoe Pegmatite Field, NT.

Further to these observations, field work undertaken by CXO has also demonstrated that there are more pegmatites within the current Bynoe Field than currently located and documented by the NTGS. For example, a very large pegmatite has recently been identified by Core to the north of the Leviathan Group at Zola (Figure 1).



The scale of the Zola Pegmatite prospect found within the Bynoe Field is also directly comparable to the scale of pegmatites hosting large resources in the Pilgangoora region in Western Australia (ASX:CXO announcement 23/06/16). Zola Pegmatite is unusually large by world standards and represents an outstanding exploration target for lithium.

Core interprets that the previous extent of the Bynoe Pegmatite Field is currently only defined on the readily-accessible tin-tantalum resources at surface exploited by the small-scale mining industry during the 1900s. There appears to have been little consideration given to the pegmatite field continuing under thin cover.

Accordingly, Core believes the Bynoe Field is actually much larger than previously thought.

Weathering of pegmatites at both Finniss (Core) and Greenbushes Lithium Mine (Talison)

Even though Greenbushes Pegmatite Mine in WA is the highest grade and largest producing lithium pegmatite mine in the world, a number of sources state a similar theme at Greenbushes. According to Greenbushes Lithium Operations NI43-101 Technical Report, 15/06/2011 for Talison Lithium Limited *“Lithium is strongly leached in the weathering environment and is virtually absent in weathered pegmatite”*.

The Greenbushes NI43-101 report goes on to state: *“While surface exploration has proven useful in locating pegmatite bodies, weathering and associated leaching means that economic lithium mineralization does not occur at surface. Consequently, diamond and reverse circulation (“RC”) percussion drilling have been the primary tools in developing the lithium Mineral Resources.”*

In the near surface lateritic environments at both Greenbushes and Finniss, pegmatites are highly depleted in lithium near surface. At Greenbushes lithium production is limited to below the weathered zone and economic lithium was only discovered in the 1980’s as a result of deeper drilling.

Based on the Greenbushes example, the evidence strongly supports that large weathered pegmatite targets like those in the Bynoe Field, which are prioritised on scale and elevated lithium indicator chemistry constitute compelling lithium targets and that drilling is the only effective test of lithium pegmatites in weathered environments like Finniss and Greenbushes.



Next Steps

Core geologists are noting that pegmatites in the Bynoe Field can be tens to hundreds of metres wide and occur in swarms several kilometres long, which are segmented by cover.

The lateral continuity in the subsurface can only be confirmed by drilling, but supporting evidence is being gathered by Core through mapping obvious pegmatite bodies, quartz blows, utilising in situ outcrop, float, pits, costeans, satellite imagery and historic maps and reports where possible.

Soil geochemistry is being used to define the fertile “fairways”, and the individual extent of the pegmatites and the degree of geochemical dispersion. CXO will shortly be completing a soil survey over drill target areas and the most prospective parts of the 480km² project area.

CXO believes the evidence being collected supports the concept that Bynoe Field has the potential to deliver a large and robust lithium pegmatite drill targets.

Core’s drill applications are with the NT Government and approvals are expected next month.

Finniss Lithium Project background

Core’s Finniss Lithium Project covers a large portion of the Bynoe Tin-Tantalum-Lithium Pegmatite field. The Bynoe is one of the most prospective areas for lithium in the NT and has many similarities to Greenbushes in WA, one of the world’s largest spodumene deposits.

The Bynoe Pegmatite Field; a 15-20km kilometre wide belt of more than 90 tin and tantalum prospects and mines which stretches in a north-north-east trending direction over a distance of 75 kilometres from Mount Tolmer to Kings Table (near Port Darwin) in the north.

As with Greenbushes, before economic lithium was recognised, Finniss also has a 100 year history of tin and tantalum mining. It is also evident that the lithium enriched pegmatites in the region are zoned with the economic minerals of tin and tantalum and potentially lithium associated within highly fractioned zones in pegmatites.

Core’s Finniss Lithium Project has substantial infrastructure advantages being close to grid power, gas and rail infrastructure and within easy trucking distance by sealed road to Darwin Port - Australia’s nearest port to Asia (Figure 2).

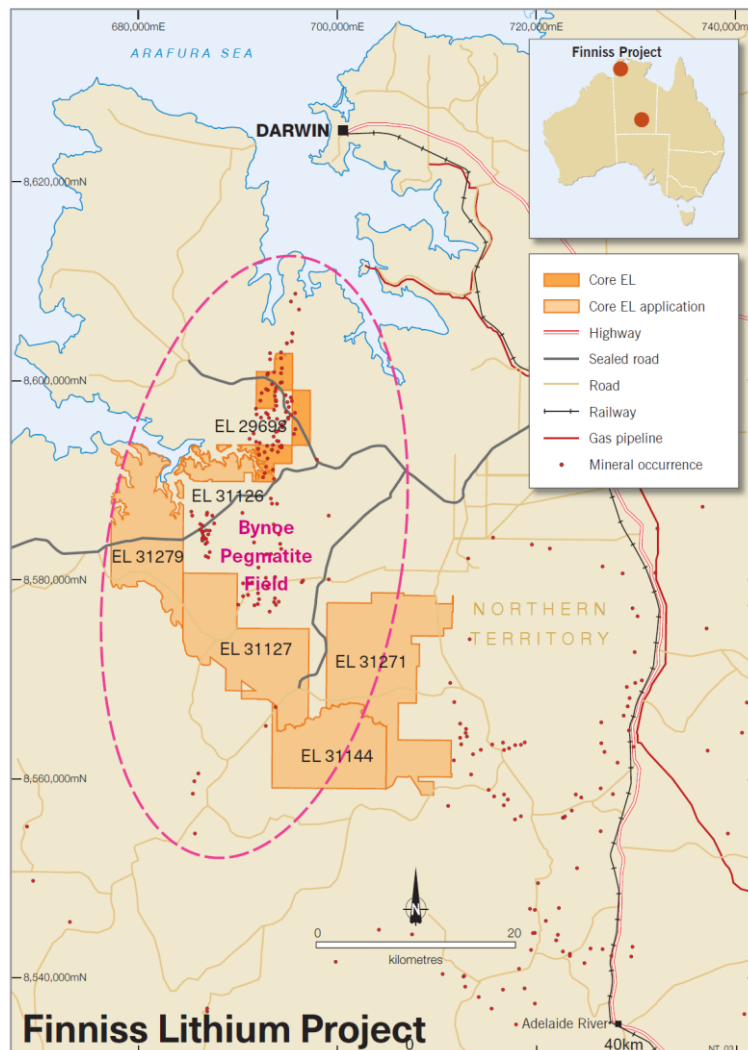


Figure 2. Finnis Lithium Project linked by sealed road to Darwin, NT.

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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.