ASX: CXO ANNOUNCEMENT

31 January 2019

Finniss Mineral Resource grows to 8.6Mt with initial Resource Estimate for Hang Gong Deposit

HIGHLIGHTS

- Rapidly growing Finniss Lithium Project global Mineral Resource Estimate expanded to 8.55Mt at 1.33% Li_2O through addition of Hang Gong Resource estimate
- Further growth is expected from the Exploration Target adjacent to the new MRE in the Hang Gong area
- Follow-up drilling targeting larger Mineral Resource already underway in the Hang Gong area
- Expanding global Mineral Resource base at the Finniss Project aimed at increasing mine life and further enhancing project economics, ahead of Definitive Feasibility Study (**DFS**)
- Considerable scope remains to further increase the Mineral Resource from additional lithium-rich pegmatites within Core's large >500km^2 of tenure at Finniss

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Emerging Northern Territory lithium developer, Core Lithium Ltd (ASX: CXO) (**Core** or the **Company**), is pleased to announce the global Mineral Resource Estimate (**MRE**) for the Company's Finniss Lithium Project in the Northern Territory (**Finniss Project**) has again been increased to now total **8.6Mt @ 1.33% Li_2O** with the addition of an initial MRE in respect of the Hang Gong Deposit (Table 1).

The initial Hang Gong MRE is 1.4Mt at 1.2% Li_2O and is classified as Inferred under the JORC code 2012. The maiden MRE announced today at Hang Gong is expected to be significantly upgraded in scale and in confidence category over the course of 2019, to add additional resources to the proposed development project with further resource drilling.

In addition to the new MRE, a further Exploration Target of 3 to 5 million tonnes grading between 1.0% and 1.4% Li_2O has been identified by Core at Hang Gong. The potential quantity and grade of this Exploration Target is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of additional Mineral Resources.

Hang Gong is located less than 1km from the proposed mine and processing facility at the Grants Deposit and only a few hundred metres from the Carlton Prospect (Figures 5 and 6) where Core recently announced a spodumene lithium Mineral Resource Estimate (ASX 18/12/2018).

Based on the potential outlined by the 3Mt-5Mt Exploration Target, Core is currently conducting follow-up drilling at Hong Gong with the aim of expanding on the initial Mineral Resource Estimate.

The Exploration Target is based on a number of very broadly space RC drill holes immediately surrounding the Hang Gong SW Mineral Resource Estimate (Figure 3). The Exploration Target assumes extensions of the existing Hang Gong SW mineralised pegmatites to the south and north with average thicknesses of between 5-8m and density of 2.72 g/cm3. Giving a range of 3-5 Mt. The average grade range of 1.0-1.4 % Li_2O was derived from the typical range of grades seen for drilling at this and other similar deposits nearby.

Mining was first reported over 100 years ago at Hang Gong, where rich pegmatite shoots were mined for tin and tantalum. In the 1980's, Greenex (Greenbushes) completed drilling before mining Hang Gong during the 1990's. Greenex described the main pegmatite as being approximately 390m long and mined over a maximum width of 60m (Figure 1).

Core's recent evaluation of Hang Gong highlights that there are multiple stacked pegmatites that are relatively flat lying to shallow dipping and vary from less than 1m up to 15m in true thickness. Three dominant and continuous stacked pegmatite bodies were identified in the logging and interpreted between regularly spaced sections oriented approximately perpendicular to the strike of the body (Figures 2-4).

Figure 1. Historic open pit mine at Hang Gong, Finniss Lithium Project.

Commenting on the results, Core Lithium's Managing Director, Stephen Biggins, commented:

"The global Mineral Resource for the Finniss Project has increased rapidly from 1.8Mt at the start of 2018 to 8.55Mt as of today, and we expect that it will continue to grow with our ongoing drilling at the Finniss Project.

"We continue to be excited by the new results that the Finniss Project turns up for us, and we are confident that Hang Gong, together with the other prospects and deposits at Finniss, will add up to a substantial lithium project."

The increasing global Mineral Resource at Finniss enhances the potential for the Project to deliver robust returns, which are expected to be confirmed by the DFS work that is currently underway, albeit this DFS may not be able to include the economics from all of the recent Mineral Resources estimated given the need for further drilling to increase the confidence of these resources."

Core is undertaking a DFS for the development of a spodumene concentrate operation at the Finniss Project and is aiming to build on the strong financial outcomes highlighted in the Pre-Feasibility Study (PFS) (refer to ASX announcement 25 June 2018). The Company is targeting commencement of mining and construction in mid-2019 and first production of high-quality spodumene concentrate in late 2019, subject to financing and regulatory approvals.

The Finniss Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Project is within 25km of port, power station, gas, rail and 1 hour by sealed road to workforce accommodated in Darwin and importantly to Darwin Port - Australia's nearest port to Asia.

Core has established offtake and prepayment agreements and is also in the process of negotiating further agreements with some of Asia's largest lithium consumers and producers that support and finance the Project's modest capex requirements and the Company into production in 2019.

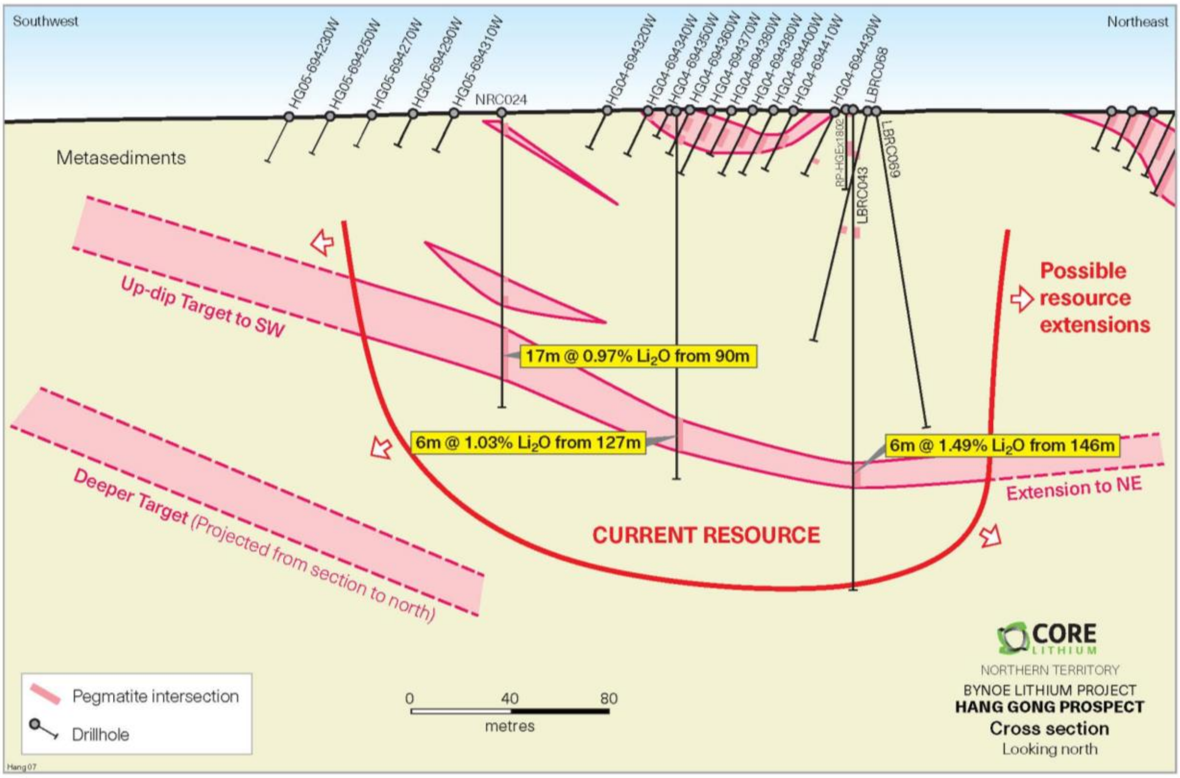

Figure 2. Recent RC drill intersections at Hang Gong Prospect in section (refer Figure 3).

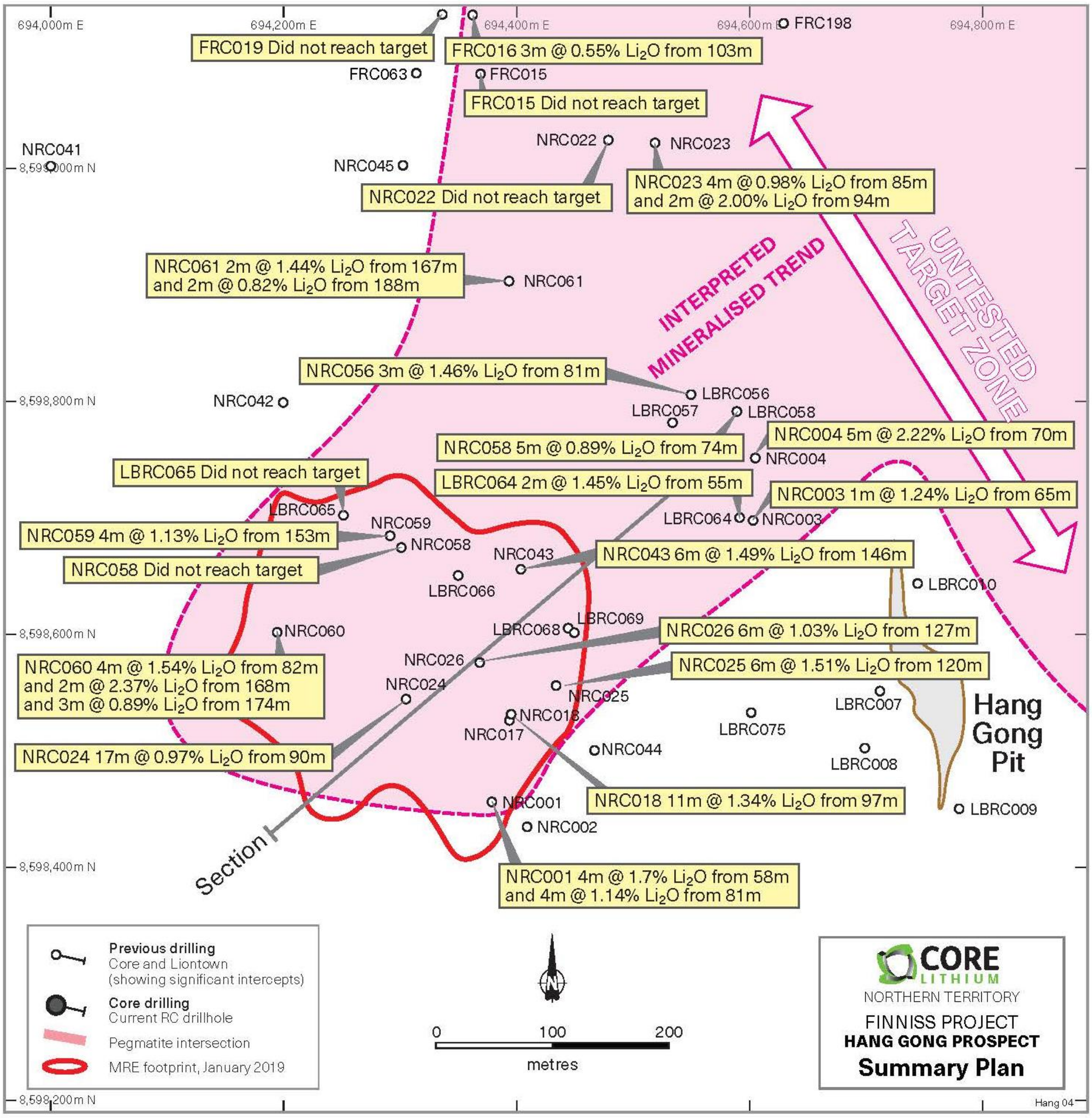

Figure 3. Recent RC drill intersections and section location (Fig 2) at Hang Gong Prospect in plan.

Hang Gong and Finniss Project Mineral Resource

The result of the Mineral Resource Estimate is provided in Table 1 and Figures 2-4.

Deposit		Tonnes (Mt)	Li_2O %	Li_2O (t)	$LiCO_3$ (t)
Grants	Measured	1.09	1.48	16,100	39,815
	Indicated	0.82	1.54	12,600	31,160
	Inferred	0.98	1.43	14,000	34,622
	Total	**2.89**	**1.48**	**42,700**	**105,597**
BP33	Indicated	0.63	1.39	9,000	22,257

	Inferred	1.52	1.56	24,000	59,352
	Total	**2.15**	**1.51**	**33,000**	**81,609**
Sandras	Inferred	1.30	1.0	13,000	32,149
	Total	**1.30**	**1.0**	**13,000**	**32,149**
Carlton	Inferred	0.79	1.3	10,000	24,730
	Total	**0.79**	**1.3**	**10,000**	**24,730**
Hang Gong	Inferred	1.42	1.2	17,000	42,041
	Total	**1.42**	**1.2**	**17,000**	42,041
Finniss Project	**Total**	**8.55**	**1.33**	**115,700**	**286,126**

Table 1. Mineral Resource Estimate for Hang Gong and the Finniss Lithium Project. Grants (22/10/18), BP33 (06/11/18), Sandras (29/11/18) and Carlton Mineral Resources (18/12/18) are unchanged. Grants, BP33, Carlton and Hang Gong use a 0.75% Li_2O cut-off, whereas Sandras uses at 0.6% Li_2O cut-off.

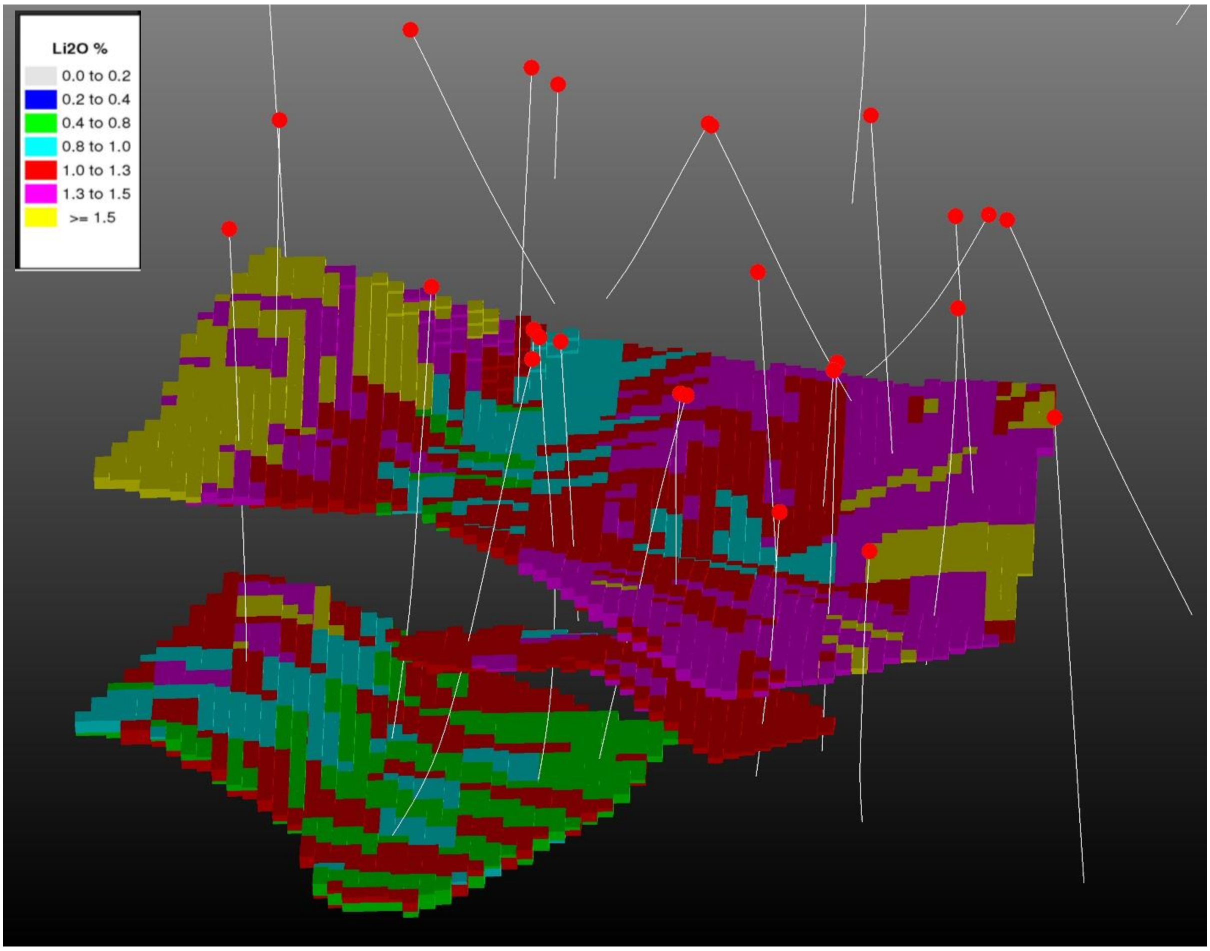

Figure 4. Lithium Grade (% Li_2O) block model for Hang Gong Mineral Resource, Finniss Lithium Project.

Summary of Mineral Resource Estimate and Reporting Criteria

Geology and geological interpretation

The Hang Gong SW Lithium Deposit is hosted within a rare element pegmatite that is a member of the Bynoe pegmatite field. The Bynoe Pegmatite Field is situated 15km south of Darwin and extends for up to 70km in length and 15 km in width. Over 100 pegmatites are known within clustered groups or as single bodies. Individual pegmatites vary in size from a few metres wide and tens of metres long up to larger bodies tens of metres wide and hundreds of metres long.

The pegmatites are predominantly hosted within the early Proterozoic metasedimentary lithologies of the Burrell Creek Formation and are usually conformable to the regional schistosity. The Bynoe pegmatites are classified as LCT (Lithium-Caesium-Tantalum) type and are believed to have been derived from the ~ 1845 Ma S-Type Two Sisters Granite which outcrops to the west.

Fresh pegmatite at Hang Gong SW is composed of coarse quartz, albite, microcline, spodumene and muscovite in decreasing order of abundance (except for spodumene, which is variable in concentration). Spodumene, a lithium bearing pyroxene ($LiAl(SiO_3)_2$), is the predominant lithium bearing phase and displays a diagnostic red-pink UV fluorescence. Minor amblygonite, a lithium phosphate, has been recognised in drill core.

At Hang Gong SW there are multiple stacked pegmatites that are relatively flat lying to shallow dipping and vary from less than 1m up to 15m in true thickness. Three dominant and continuous stacked pegmatite bodies were identified in the logging and interpreted as strings on regularly spaced sections oriented approximately perpendicular to the strike of the body. The pegmatites appear to be zoned, with a thin (1-2m) quartz-mica-albite wall facies. Within the pegmatites, the mineralisation is not as continuous as that seen at Grants and BP33. The grade distribution is a lot more variable leading to a higher proportion of internal waste and lower average grades. 1m-scale intervals of >2.5% Li_2O are often interlayered with <1% Li_2O material, suggesting either zonation or very coarse grain size.

Drilling techniques and hole spacing

The Hang Gong SW drill hole database used for the MRE contains a total of 18 RC holes for 2,623m of drilling.

Most holes have been drilled at angles of between 60 - 90° and approximately perpendicular to the strike of the pegmatite and on sections approximately 60m apart.

Geological data for all drill holes was used in the geological interpretation and MRE. However, assay data was not available from all holes at the time of the MRE. Significant delays at the laboratory resulted in assays for 8 holes (NRC083-NRC090) being unavailable at the time of the MRE. These holes have been used to help constrain the geology.

Sampling and sub-sampling

Samples were collected from RC drilling and when submitted for assay typically weighed 2-5kg over an average 1m interval. RC sampling of pegmatite for assays is done on a 1 metre basis. 1m-sampling continued into the barren wall-zone of the pegmatite and then a 3m composite was collected from the immediately surrounding barren phyllite host rock. RC samples were homogenised and subsampled by cone splitting at the drill rig.

Sample analysis method

Sample Preparation - The samples have been sorted and dried. RC samples are universally fine-grained and do not require primary crushing. The samples have been split with a riffle splitter to obtain a sub-fraction which has then been pulverised to 95% passing 100µm.

A 0.3 g sub-sample of the pulp is 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. In mid-2018, Sulphur was added to the element suite.

In the 2017 drilling, all samples were also analysed via the fusion method - 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. Exhaustive checks of this data suggested an excellent correlation exists, so in 2018 a 3000 ppm Li trigger was set to process that sample via a fusion method.

Standards, blanks and duplicates have all been applied in the QAQC methodology. Sufficient accuracy and precision have been established for the type of mineralisation encountered and is appropriate for QAQC in the Resource Estimation.

Cut-off grades

The current Mineral Resource Inventory for the Hang Gong SW Deposit has been reported at a cut-off grade of 0.75% Li_2O. No top cuts were applied.

Estimation methodology

Geology and mineralisation wireframes were generated in Micromine software using drill hole data supplied by Core. Resource data was flagged with unique lithology and mineralisation domain codes as defined by the wireframes and composited to 1m lengths.

Grade continuity analysis was undertaken in Micromine software for Li_2O for the Upper Pegmatite mineralised domain and models were generated in all three directions. Parameters were used in the block model estimation. Due to a low number of data points, the Middle and Lower Pegmatite domains as well as all non-mineralised pegmatite blocks were estimated using the same weightings as that used for the Upper Pegmatite mineralised domain.

The block model interpolation was undertaken using ordinary kriging (OK). A block model with a parent block size of 25 x 25 x 5m with sub-blocks of 5 x 5 x 1.25m has been used to adequately represent the mineralised volume, with sub blocks estimated at the parent block scale.

There is no density data for Hang Gong SW material, but it is reasonable to apply the same density as that determined for the nearby Grants and BP33 deposits. The values used are consistent with expected values for the lithologies present and the degree of weathering. Within the block model, density has been assigned based on lithology and oxidation state.

Classification criteria

Resource classification has been applied to the Mineral Resource Estimate based on the drilling data spacing, grade and geological continuity, and data integrity. All of the Mineral Resource satisfies the requirements to be classified as an **Inferred Mineral Resources.** The classification reflects the view of the Competent Person.

Mining and Metallurgy

It has been assumed that the traditional open cut mining method of drill, blast, load and haul will be used and that the material would be processed at the proposed Grants processing facility nearby. No other mining assumptions have been made.

No metallurgical recoveries have been applied to the Mineral Resource Estimate.

Eventual Economic Extraction

It is the view of the Competent Person that at the time of estimation there are no known issues that could materially impact on the eventual extraction of the Mineral Resource.

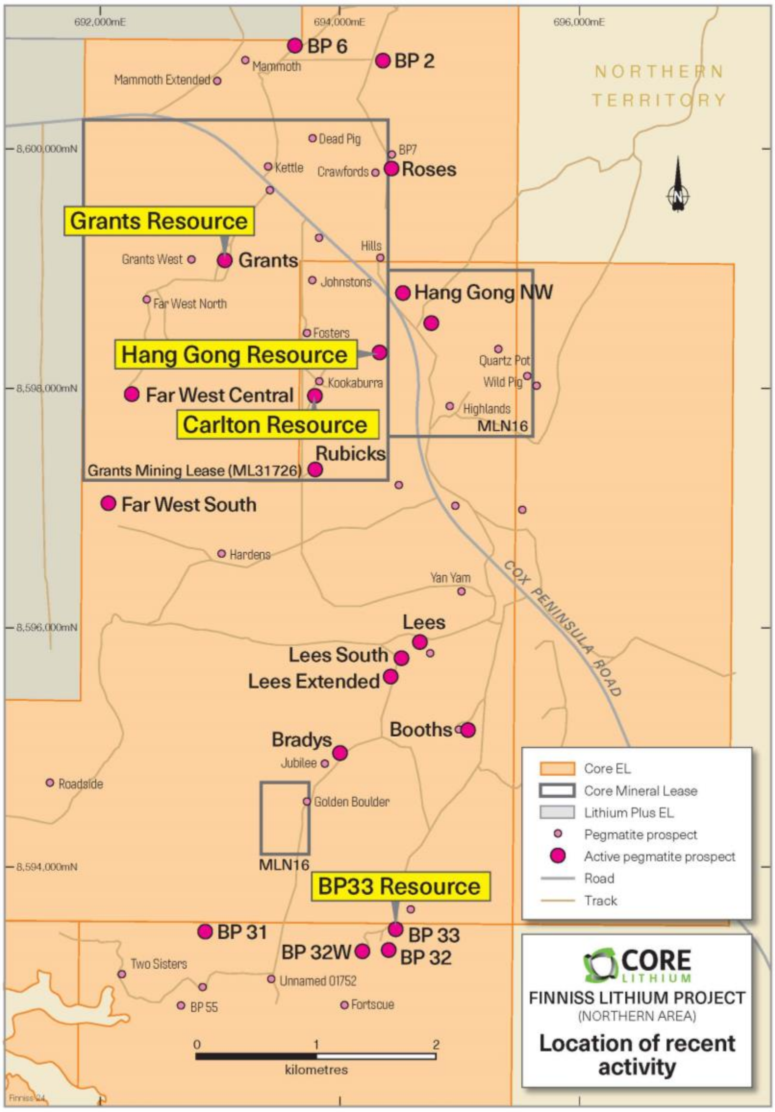

Figure 5. Location of Hang Gong Resource and other lithium resources and active prospects within vicinity of Grants, Finniss Lithium Project NT.

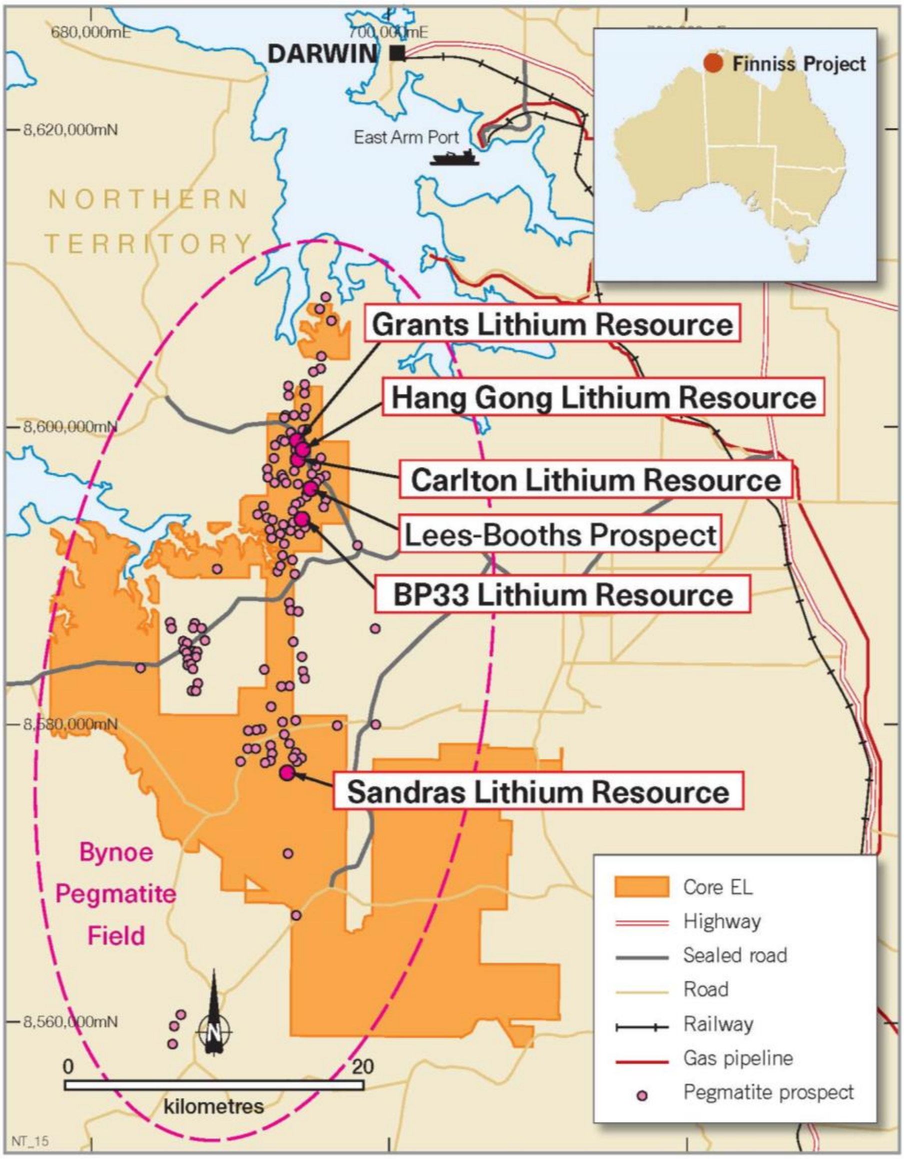

Figure 6. Location of Hang Gong Resource within Core's 100%-owned Finniss Lithium Project

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Competent Persons Statements

The information in this report that relates to Exploration Results and Exploration Target is based on, and fairly represents, information and supporting documents compiled by Dr David Rawlings (BSc(Hons)Geol, PhD) an employee of Core Lithium 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". Dr Rawlings 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.

The information in this release that relates to the Estimation and Reporting of Mineral Resources is based on, and fairly represents, information and supporting documents compiled by Dr Graeme McDonald (BSc(Hons)Geol, PhD). Dr McDonald acts as an independent consultant to Core Lithium Ltd on the Hang Gong Deposit Mineral Resource estimation. Dr McDonald is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities 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" (The JORC Code). Dr McDonald consents to the inclusion in this report of the contained technical information relating to the Mineral Resource Estimation in the form and context in which it appears.

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 Mineral Resource estimates in the announcements "Over 50% Increase in BP33 Lithium Resource to Boost DFS" dated 6 November 2018, "Grants Lithium Resource Increased by 42% ahead of DFS" dated 22 October 2018, "Maiden Sandras Mineral Resource Grows Finniss to 6.3Mt" dated 29 November 2018 and Maiden Mineral Resource at Carlton Grows Finniss to 7.1Mt" dated 18 December 2018 continue to apply and have not materially changed. The Mineral Resources underpinning the production target have been prepared by a Competent Person in accordance with the requirements of the JORC code. Core confirms that all material assumptions underpinning production target and forecast financial information derived from the product target announced on 25 June 2018 continue to apply and have not materially changed.

The report includes results that have previously recently been released under JORC 2012 by Core as listed in the table below. The Company is not aware of any new information that materially affects the information included in this announcement.

Date	ASX Announcement
21-Jan-19	Mineral Lease Granted for Finniss Lithium Project (PDF)
20-Dec-18	Positive Assay Results from Lees-Booths Link and Hang Gong (PDF)
18-Dec-18	Maiden Mineral Resource at Carlton Grows Finniss to 7.1Mt (PDF)
29-Nov-18	Maiden Sandras Mineral Resource Grows Finniss to 6.3Mt
27-Nov-18	Carlton and Hang Gong to Boost Finniss Resource Base
6-Nov-18	Over 50% increase in BP33 Lithium Resource to boost this month's Definitive Feasibility Study
1-Nov-18	Exploration Further Boosts Finniss Lithium Project Potential
22-Oct-18	Grants Lithium Resource Increased by 42% ahead of DFS
22-Aug-18	More Wide High-grade Lithium Intersections at BP33
16-Aug-18	New Exploration Intersections Add to Finniss Potential
2-Aug-18	Improved Recovery of High-Grade Lithium Concentrate
24-Jul-18	New high-grade Assay Results expected to expand Grants
6-Jul-18	Extensions to Grants Lithium Deposit
25-Jun-18	Finniss Pre-Feasibility Study
23-May-18	Maiden Resource Estimate at BP33
8-May-18	Grants Lithium Resource Upgrade
6-Apr-18	High-Grade Lithium Assays to Upgrade Resource Confidence
8-Mar-18	Multiple High-grade Lithium Intersections at Grants
1-Feb-18	Drilling Commenced to Upgrade Grants Lithium Resource
23-Jan-18	Core Re-Commences Lithium Resource Drilling at BP33
8-May-17	Core Defines First Lithium Resource in the 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.
		• Reverse circulation (RC) drill techniques have been employed for the Core Lithium Ltd ("Core" or "CXO") drilling at Hang Gong SW, over the period late 2017 to late 2018. A list of the 18 hole IDs and positions can be found in the "Drill hole information" section below.
		Sampling methods
		• RC drill spoils over all programs were collected into two sub-samples:
		  ○ 1 metre split sample, homogenized and cone split at the cyclone into 12x18 inch calico bags. Weighing 2-5 kg, or 15% of the original sample.
		  ○ 20-40 kg primary sample, which for CXO's drilling was collected in 600x900mm green plastic bags and retained until assays had been returned and deemed reliable for reporting purposes.
		• RC sampling of pegmatite for CXO's assays was done on a 1 metre basis. 1m-sampling continued into the barren wall-zone of the pegmatite and then a 3m composite was collected from the immediately surrounding barren phyllite host rock.

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 was exclusively Reverse Circulation (RC) using a face sampling bit. Drilling was carried out by a number of operators but using the same technique. These included Swick Mining Services (Perth WA; Schram 685 with 5.5-inch bit), Bullion Drilling (Barossa Valley SA; Schram W450 with 5 inch bit) and WDA Drilling (Humpty Doo NT; UDR 1000 with 5.5-inch bit).
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	• RC drill recoveries were visually estimated from volume of sample recovered. The majority of sample recoveries reported were above 90%

Criteria	JORC Code explanation	Commentary
	• 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.	of expected. • RC samples were visually checked for recovery, moisture and contamination and notes made in the logs. • The rigs splitter was emptied between 1m samples by hammering the cyclone bin with a mallet. The set-up of the cyclone varied between rigs, but a gate mechanism was used to prevent inter-mingling between metre intervals. The cyclone and splitter were also regularly cleaned by opening the doors, visually checking, and if build-up of material was noted, the equipment cleaned with either compressed air or high-pressure water. This process was in all cases undertaken when the drilling first penetrated the pegmatite mineralization, to ensure no host rock contamination took place. • Drill collars are sealed to prevent sample loss and holes are normally drilled dry to prevent poor recoveries and contamination caused by water ingress. Wet intervals are noted in case of unusual results. • There is no observable relationship between recovery and grade at a project scale, and therefore no sample bias is anticipated.
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.	• Detailed geological logging was carried out on all RC drill holes. The geological data is suitable for inclusion in a Mineral Resource Estimate (MRE). • Logging recorded lithology, mineralogy, mineralisation, weathering, colour, and other sample features. RC chips are stored in plastic RC chip trays. • All holes were logged in full. • 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. • RC chip trays are photographed and stored on the CXO server.

Criteria	JORC Code explanation	Commentary
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.	• The majority of the mineralised samples were collected dry, as noted in the drill logs and database. • The field sample preparation followed industry best practice. • For CXO drilling this involved collection of RC samples from the cone splitter on the drill rig into a calico bag for dispatch to the laboratory. • The sample sizes are considered more than adequate to ensure that there are no particle size effects relating to the grain size of the mineralisation. **Field RC duplicates** • A field duplicate sample regime is used to monitor sampling methodology and homogeneity of RC drilling at Hang Gong SW. The typical procedure was to collect Duplicates via a spear of the green RC bag (CXO's drilling), having collected the Original in a calico bag. Trying to split the 2-3kg calico bag into an Original and a Duplicate has inherent dangers, least of all reducing the sample mass. However, comparing rotary split sample with a spear sample also has some element of incompatibility. The expectation would be a high degree of variability in the spear sample, because of the heterogenous and stratified RC bag, but overall it should statistically match the split original sample. • The duplicates cover a wide range of Lithium values. • Results of duplicate analysis show an acceptable degree of correlation given the heterogeneous nature of the pegmatite. **Sample preparation** • Sample prep occurs at North Australian Laboratories ("NAL"), Pine Creek, NT. • RC samples do not require any crushing, as they are largely pulp already. • A 1-2 kg riffle-split of RC Samples are then prepared by pulverising to 95% passing -100 um. • In 2017, samples were pulverized in a Kregormill, a vertical spindle based pulveriser). In mid-2017, Steel Ring Mills were installed at NAL to reduce the iron contamination that was recognised in the 2017 Drilling program

Criteria	JORC Code explanation	Commentary
		assays.

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 analysis
		• Sample analysis also occurs at North Australian Laboratories, Pine Creek, NT.
		• A 0.3 g sub-sample of the pulp is 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. In mid-2018, sulphur was added to the element suite. The lower and upper detection range for Li by this method are 1 ppm and 5000 ppm respectively.
		• During the drilling program a 3000 ppm Li trigger was set to process that sample via a fusion method. The fusion method was - a 0.3 g sub-sample is fused with 1g of 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.
		• Approximate CXO-implemented quality control procedures include:
		    ○ One in twenty certified Lithium ore standards were used for this drilling.
		    ○ One in twenty duplicates were used for this drilling.
		    ○ One in forty blanks were inserted for this drilling.
		QAQC of CXO Drilling data
		• One in 20 certified Lithium reference standards were used. CXO used six standards roughly between 1,700 ppm and 10,000 ppm Li, covering the range of expected Li values in the mineralized pegmatite.
		• The standards reported back with an excellent correlation.
		• Blanks were inserted on a 1 in 40 basis.
		• The data from the blanks pulverised and assayed at NAL indicate that

Criteria	JORC Code explanation	Commentary
		the Li content is very low and well below the effective cut-off grade used for the significant intercepts. • The baseline Fe_2O_3 content of blanks is indicative of Iron being stripped from the steel pulverising equipment at the NAL laboratory. This stripping of metal obviously has an effect on the Fe content of the Lithium bearing samples as well. • There were no apparent issues identified with any of this data. • CXO runs regular Umpire analysis and has found excellent agreement.
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.	• Senior technical personnel have visually inspected and verified the significant drill intersections. • No holes have been twinned at this stage. • 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 CXO server. • Metallic Lithium percent was multiplied by a conversion factor of 2.15283/10000 to report Li ppm as Li_2O%. • The current assay database is known to contain Fe data that is affected by variable levels of Fe contamination that is difficult to correct. For this reason, Fe was not estimated as part of the current MRE as it would be misleading.
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.	• A hand-held GPS has been used to determine all collar locations at this stage. Collar position audits are regularly undertaken, and no issues have arisen. • The grid system is MGA_GDA94, zone 52 for easting, northing and RL. • Most of the CXO drilled RC hole traces were surveyed by north seeking gyro tool operated by the drillers and the collar is oriented by a line of sight compass and a clinometer. A small number of CXO holes were surveyed with a mutlishot digital camera. • The local topographic surface used in the MRE was generated from digital

Criteria	JORC Code explanation	Commentary
		terrain models supplied by CXO. This DTM is also used to generate the RL of collars, given the large errors obtained by GPS. Cross-checking by CXO at Grants and BP33, where there is DGPS control, indicates that this DTM-derived RL is within 1m of the true RL.
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.	• The nominal drill hole spacing is 60 metres between drill sections. The majority of sections have had more than one hole drilled. • The mineralisation and geology show very good continuity from hole to hole and will be sufficient to support the definition of a Mineral Resource and the classifications contained in the JORC Code (2012 Edition). • All mineralised intervals reported are based on a one metre sample interval.
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.	• Drilling is oriented approximately perpendicular to the interpreted strike of mineralization (pegmatite body) as mapped. Because of the dip of the hole, drill intersections are apparent thicknesses and overall geological context is needed to estimate true thicknesses. • No sampling bias is believed to have been introduced.
Sample security	• The measures taken to ensure sample security.	• Sample security was managed by the CXO. After preparation in the field samples were packed into polyweave bags and transported by the Company directly to the assay laboratory. The assay laboratory audits the samples on arrival and reports any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The only audits or reviews of the data associated with this drilling occurred as part of this MRE.

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 CXO took place on EL30015, and at the boundary between the Grants Mining Lease ML31726 and MLN16, which are 100% owned by CXO. • MLN16 was previous owned by LTR, and in September 2017 was purchased by CXO via a 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 area dates 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. • By 1909 activity was limited to Leviathan and Bells Mona mines in the area with little activity in the period 1907 to 1909. • 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

Criteria	JORC Code explanation	Commentary
		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 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). • LTR drilled the first deep RC holes at Hang Gong SW in 2016, targeting surface workings dating back to the 1980s. The operators at that time were seeking Tin and Tantalum.
Geology	• Deposit type, geological setting and style of mineralisation.	• The tenement covers 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 historically as occurring at Bilato's (Picketts) and Saffums 1 (both amblygonite) but more recently LTR and CXO have identified spodumene at numerous other prospects, including Grants, BP33, Booths, Lees, Hang Gong, Ah Hoy, Far West Central and Sandras.

Criteria	JORC Code explanation	Commentary
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.	(see drill hole table below)
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.	• Any sample compositing reported here is calculated via length weighted averages of the 1 m assays. Length weighted averages are acceptable method because the density of the rock (pegmatite) is constant. • 0.4% Li_2O was used as lower cut off grades for compositing and reporting intersections with allowance for including up to 3m of consecutive drill material of below cut-off grade (internal dilution).

Hole_ID	East	North	RL	Azi	Dip	TD
NRC001	694378	8598456	19.9	205	-75	101
NRC002	694408	8598435	20.1	205	-75	101
NRC017	694394	8598527	20.1	205	-75	50
NRC018	694395	8598531	20.1	205	-80	150
NRC024	694304	8598545	19.8	0	-90	120
NRC025	694434	8598557	20.3	0	-80	138
NRC026	694368	8598577	20.7	205	-90	150
NRC043	694403	8598656	20	360	-90	196
NRC059	694291	8598685	19	302	-85	198
NRC060	694194	8598603	22	180	-85	216
NRC083	694295	8598536	20	220	-65	205
NRC084	694295	8598551	20	220	-85	15
NRC085	694297	8598547	20	220	-85	211
NRC086	694344	8598517	20	220	-80	121
NRC087	694346	8598516	20	220	-60	133
NRC088	694261	8598574	20	220	-80	205
NRC089	694432	8598604	20	220	-90	174
NRC090	694209	8598660	20	220	-85	139

Criteria	JORC Code explanation	Commentary
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalent values have been used or reported.
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').	• The majority of holes have been drilled at angles of between 60 - 90° and approximately perpendicular to the NW strike of the pegmatites. The pegmatites are stacked and flat lying to shallowly dipping to the north. As such mineralised intersection true widths are variable but approximately 80-100% of the down hole length.
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.	• Refer to Figures and Tables in the 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 avoiding misleading reporting of Exploration Results.	• All exploration results have been reported.
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.	• All meaningful and material data has been 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.	• CXO will undertake follow up drilling at the Hang Gong SW in the following months to expand and infill resource.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• A data check of source assay data and survey data has been undertaken and compared to the database. No translation issues have been identified. The data was validated during the interpretation of the mineralisation, with no significant errors identified. Only RC holes have been included in the MRE. • Data validation processes are in place and run upon import into Micromine to be used for the MRE. Checks included: missing intervals, overlapping intervals and any depth errors. • A DEM topography to collar check has been completed.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Graeme McDonald (CP) undertook a site visit during November/December 2017 and September 2018. A review of the drilling, logging, sampling and QAQC procedures has been undertaken. All processes and procedures were in line with industry best practice.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• The geological interpretation is considered robust due to the nature of the mineralisation. The mineralisation is hosted within the pegmatite. The locations of the hanging wall and footwall of the pegmatite intrusion are well understood with drilling which penetrates both contacts. • Reverse circulation drill holes have been used in the MRE. Lithology, structure, alteration and mineralisation data has been used to generate the mineralisation model. The primary assumption is that the mineralisation is hosted within structurally controlled pegmatite, which is considered robust. • Due to the nature of the drilling data and the geological continuity conveyed by this dataset, no alternative interpretations have been considered. • The mineralisation interpretation is based on a lithium cut-off grade of

Criteria	JORC Code explanation	Commentary
		0.3% Li_2O, hosted within the pegmatite. • At Hang Gong SW there are multiple stacked pegmatites that are relatively flat lying to shallow dipping and vary from less than 1m up to 15m in true thickness. A non-mineralised wall rock phase of 1-2m thickness is often present. A total of three mineralised grade domains have been identified and estimated using a hard boundary.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The three mineralised pegmatite domains occur over an area of approximately 350m by 350m. The mineralised pegmatites vary from 4m up to 18m in true width. • The pegmatites are flat lying to gently dipping to the north and have been interpreted up to a vertical depth of approximately 200m below surface. • Whilst relatively continuous, the thinner pegmatite bodies do appear to pinch and swell. The pegmatite is deeply weathered to depths of approximately 50m below surface.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units.	• Grade estimation of lithium has been completed using Ordinary Kriging (OK) using Micromine software. Grades were estimated using individual weightings derived from the variograms for the Upper Pegmatite domain on the grade domain composite data. Variogram orientations are largely controlled by the strike and dip of the mineralisation. Due to a low number of data points, the Middle and Lower Pegmatite domains as well as all non-mineralised pegmatite blocks were estimated using the same weightings as that used for the Upper Pegmatite mineralised domain. • There have been no previous estimates. • No assumptions have been made regarding recovery of any by-products. • The data spacing varies within the deposit but with a nominal drill hole spacing of 60 m by 60 m. A parent block size of 25 m (X) by 25 m (Y) by 5 m (Z) with a sub-block size of 5 m (X) by 5 m (Y) by 1.25 m (Z) has been used to define the mineralisation, with the lithium estimated at the parent block scale. o Pass 1 estimation has been undertaken using a minimum of 4 and

Criteria	JORC Code explanation	Commentary
	• Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	a maximum of 20 samples into a search ellipse with a radius of 100m, with samples from a minimum of two drill holes. ○ Pass 2 estimation has been undertaken using a minimum of 4 and a maximum of 20 samples into a search ellipse with a radius of 200m, with samples from a minimum of two drill holes. ○ Pass 3 estimation has been undertaken using a minimum of 4 and a maximum of 20 samples into a search ellipse with a radius of 300m, with samples from a minimum of two drill holes. • Due to the low sample numbers for the Middle and Lower Pegmatite domains, a minimum of 1 hole was used during the interpolation. • No selective mining units are assumed in this estimate. • Lithium only has been estimated within the mineralised domains. No correlation between variables has been assumed. • The mineralisation and geological wireframes have been used to flag the drill hole intercepts in the drill hole assay file. The flagged intercepts have then been used to create composites in Micromine. The composite length is 1 m in all data. • The influence of extreme sample distribution outliers in the composited data has been determined using a combination of histograms and log probability plots. It was decided that no top-cuts need to be applied. • Model validation has been carried out, including visual comparison between composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drill hole data and graphical plots.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• The tonnes have been estimated on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• For the reporting of the MRE, a 0.75 Li_2O% cut-off has been used after consultation with CXO.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• It has been assumed that the traditional open cut mining method of drill, blast, load and haul will be used and that the material would be processed at the proposed Grants processing facility nearby. • No other assumptions have been made at this time.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• No metallurgical recoveries have been applied. • It is assumed that the material would be processed and concentrated at a facility located at the Grants deposit.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• No environmental assumptions have been made during the MRE.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and	• There have been no direct measurements of any drill samples at the Hang Gong SW deposit. Therefore, given the relative uncertainties associated with this MRE it is appropriate at this stage to assign SG values

Criteria	JORC Code explanation	Commentary
	representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vughs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	based on those determined at the nearby Grants and BP33 deposits as part of their MRE's. A value of 2.72 g/cm^3 has been assigned to all fresh mineralisation and a value of 2.13 g/cm^3 to all oxidised mineralisation. This is not considered unreasonable, given the lithology is directly comparable, with the same mineral species in similar concentrations.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The resource classification has been applied to the MRE based on the drilling data spacing, grade and geological continuity, and data integrity. • The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity. • The classification reflects the view of the Competent Person.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• This MRE has not been audited by an external party.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where	• The relative accuracy of the MRE is reflected in the reporting of Mineral Resources as per the guidelines of the 2012 JORC Code. • The statement relates to global estimates of tonnes and grade. • No production records have been supplied as part of the scope of works, so no comparison or reconciliation has been made.

Criteria	JORC Code explanation	Commentary
	available.	