CORE LITHIUM

ASX:CXO Announcement

28 October 2019

New Hendersons West and McGrants Prospects

Highlights

- **Exploration at Finniss finds two new exciting pegmatite prospects**
- **Hendersons West Prospect**
  - **Located 2,000m from Grants**
  - **240m long and up to 25m wide at surface**
- **McGrants Prospect**
  - **Located 700m from Grants**
  - **150m long and up to 12m wide at surface**
- **These new Spodumene Pegmatite Targets to be tested with RC drilling in coming weeks**

Summary

Advanced Australian lithium developer, Core Lithium Ltd (**Core** or **Company**) (ASX: CXO), is pleased to announce that exploration drilling will soon commence at two new exciting pegmatite prospects within the Finniss Lithium Project near Darwin in the NT.

Two new pegmatite prospects have been advanced to the stage of deep RC drill testing. These prospects were discovered during the course of Core's 2019 regional exploration program on the Finniss Project.

Hendersons West prospect is located within 2 km of Grants and has been mapped using shallow auger drilling. Shallow drill testing indicates that the pegmatite is likely to be mineralised at depth.

McGrants lies only 700m west of Grants and was discovered after follow-up of soil anomalies and regional RAB drill traverses.

RC drilling of these two exciting spodumene pegmatite targets is planned to commence in coming weeks.

Core also continues to undertake regional exploration via conventional mapping, auger mapping, RAB traversing, soil sampling and ultimately RC drill testing across the larger Finniss Lithium Project area.

Hendersons West Prospect

At Hendersons West located 2km from Grants (Figure 4), auger drilling carried out in September mapped out a coherent weathered pegmatite of 240m length and up to 25m wide, along with a number of smaller parallel bodies (Figure 1).

Two shallow holes were drilled earlier this month to test the main body and both holes intersected pegmatite of consistent thickness and position down-hole to suggest a shallow ENE-dipping (35 degrees) body approximately 10m wide. The shallow pegmatite is weathered, comprising clay and feldspar and quartz, which often indicates that there will be spodumene present at depth in the fresh domain.

Two deeper RC step-back holes are proposed to test the fresh portion of this target (blue dots on Figure 1). These holes are also likely to encounter the upper two mapped pegmatite bodies, which were present in the upper part of NRC138 as intervals of clay.

McGrants Prospect

McGrants prospect is located only 700m West of Grants (Figure 4) and is a fully concealed 150m long and up to 12m wide clay rich pegmatite, which was mapped via auger (Figure 2).

It was originally identified as an interval of weathered pegmatite in a single shallow RAB hole in 2018 and then Core's subsequent follow-up drilling in 2019 has substantiated a significant pegmatite body.

The potential for further un-mapped pegmatites is illustrated by other nearby RAB pegmatite intersections in Figure 2.

While modest in current surface footprint, the McGrants pegmatite bodies could expand at depth, owing to the 3D lozenge shape that Finniss pegmatites typically have in this area.

Core has planned RC drill testing at Henderson West and McGrants in coming weeks.

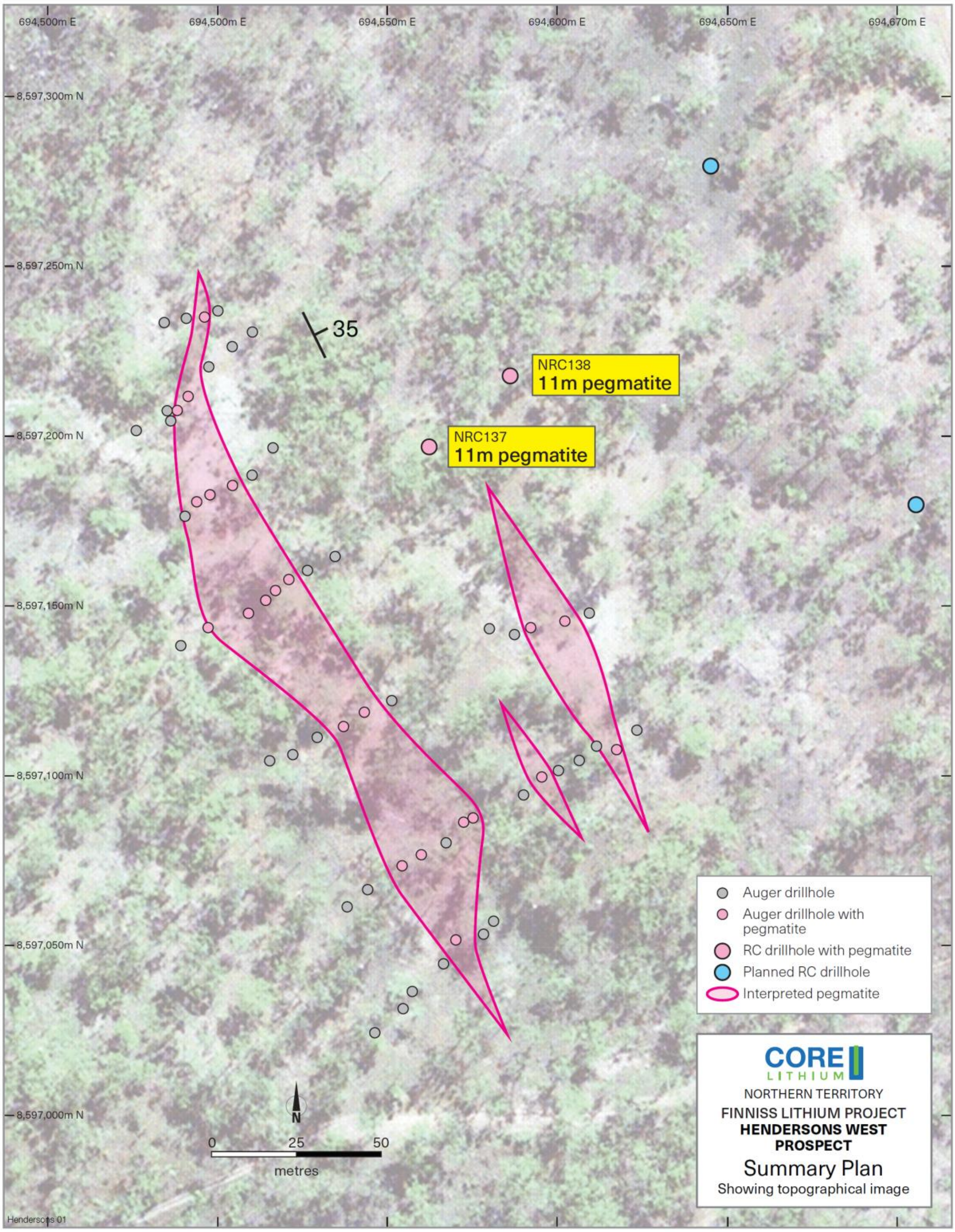

Figure 1. Hendersons West Prospect, showing auger mapping recent shallow drilling and proposed follow-up RC drill hole collar locations (blue dots) and the interpreted pegmatite body.

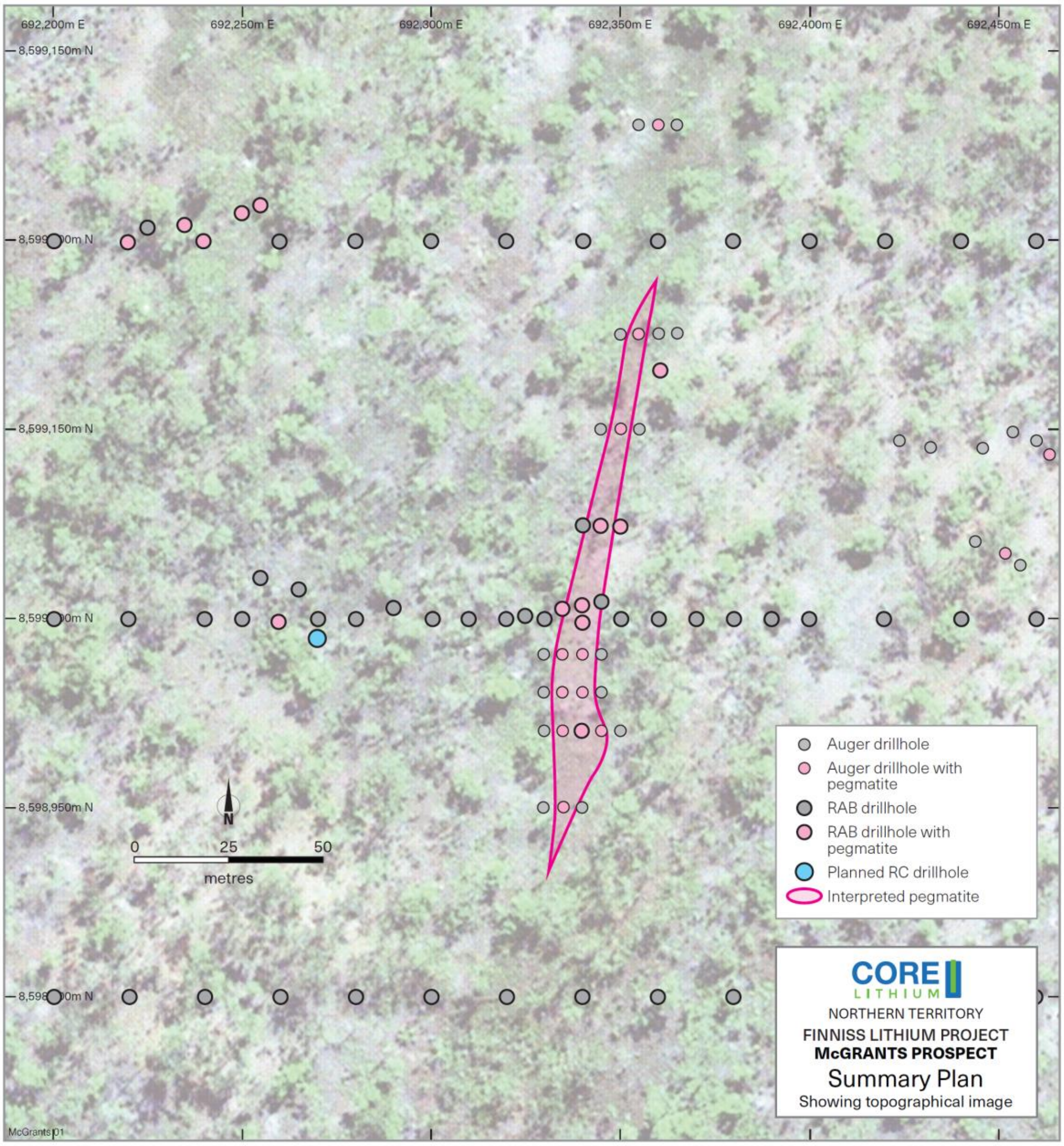

Figure 2. McGrants Prospect, 700m west of Grants, showing auger and RAB mapping and interpreted pegmatite body.

Figure 3 ATV-mounted auger used to map concealed pegmatites at Finnis through shallow soils near surface.

About Core

Core is positioned to be Australia's next Lithium Producer, developing one of Australia's most capital efficient and lowest cost spodumene lithium projects located in close proximity to Darwin Port, Australia's closest port to Asia.

Core's 2019 DFS highlights production of 175,000tpa of high-quality lithium concentrate at a C1 Opex of US$300/t and US$50M Capex through simple and efficient DMS (gravity) processing of some of Australia's highest-grade lithium resources.

Core is currently working toward increasing resources, reserves and mine-life ahead of project construction and lithium production, subject to financing and regulatory approvals.

The Finniss Lithium Project has arguably the best supporting infrastructure and logistics chain to Asia of any Australian lithium project. The Finniss Lithium 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 an offtake and prepayment agreement and is also in the process of negotiating further agreements with some of Asia's largest lithium consumers and producers.

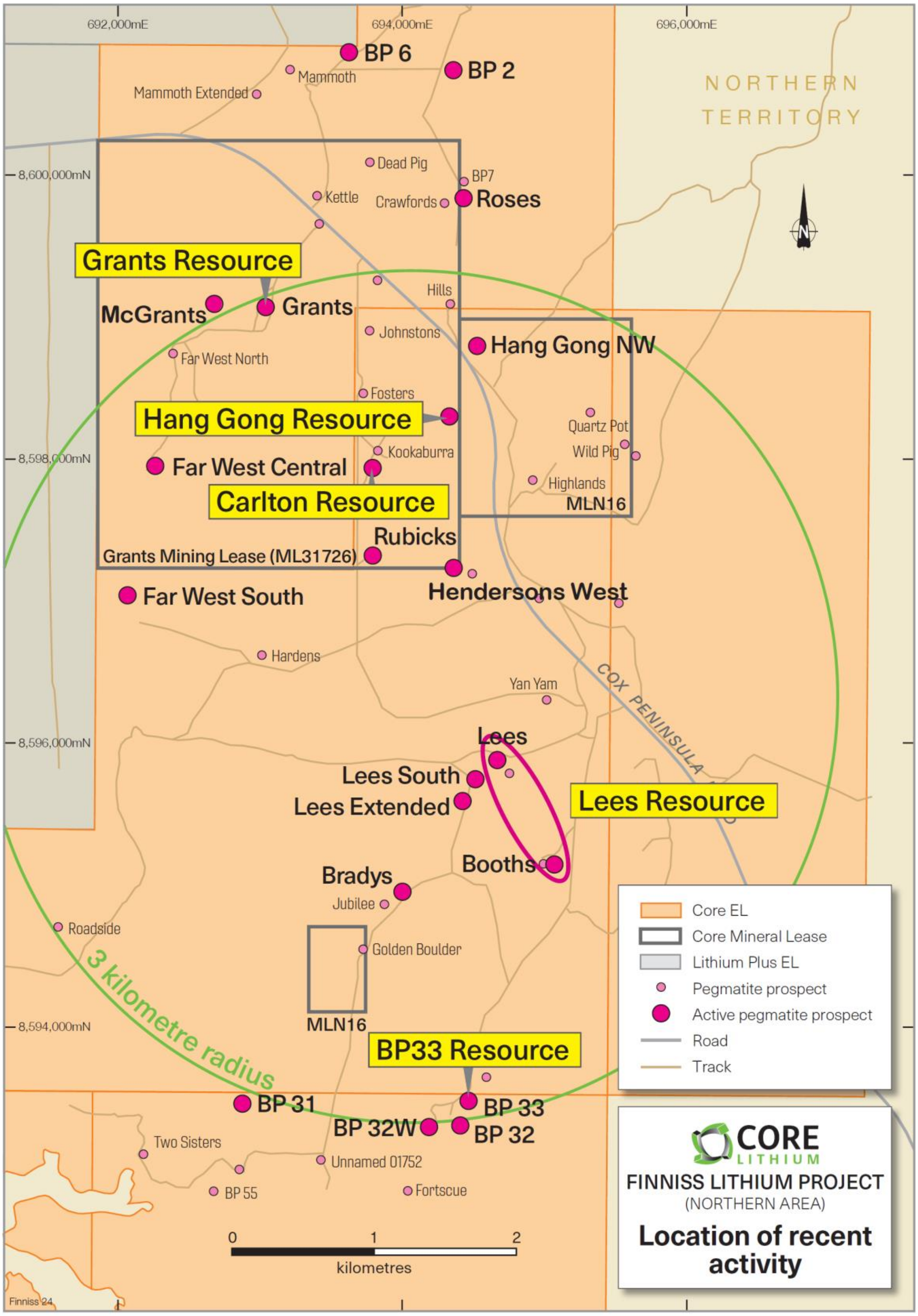

Figure 4. Lithium Mineral Resources and Pegmatite Prospects, northern Finniss Lithium Project, NT.

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Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) 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". Mr Biggins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This report includes results that have previously been released under JORC 2012 by Core.

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 "Grants Lithium Resource Increased by 42% ahead of DFS" dated 22 October 2018, "Over 50% Increase in BP33 Lithium Resource to Boost DFS" dated 6 November 2018, "Maiden Sandras Mineral Resource Grows Finniss to 6.3Mt" dated 29 November 2018, "Finniss Mineral Resource Grows to 8.6Mt with Hang Gong" dated 31 January 2019, "Upgrade of Mineral Resource at Carlton Grows Finniss Project" dated 12 March 2019, "Finniss Feasibility Study and Maiden Ore Reserve" dated 17 April 2019 and "Initial Resource for Lees Drives Finniss Mineral Resource" dated 6 May 2019 continue to apply and have not materially changed. The Mineral Resources and Ore Reserves 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 production target announced on 17 April 2019 as "Finniss Definitive Feasibility Study and Maiden Ore Reserve" continue to apply and have not materially changed.

JORC Code, 2012 Edition – Table 1 Report

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), Rotary Air Blast (RAB) and Auger drill techniques have been employed for the Core Lithium Ltd ("Core" or "CXO") at a number of prospects within the Finniss Lithium Project. A list of the RC hole IDs and positions can be found in the "Drill hole information" section below. RAB and Auger hole positions are shown on the figures.
		• RC and RAB 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.
		• Auger spoils are laid next to the hole and a sample of the last few decimetres are collected in a calico bag, weighing about 0.5 kg.
		• Assay results not discussed in this report.

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 techniques were RC, RAB and Auger. RC drilling was carried out by Bullion Drilling (Barossa Valley, SA) using a Schram 685 and 5.5 face sampling bit. • RAB drilling was carried out by Colling Exploration using a 4x4 mounted RAB rig using 3.5-inch blade bit to a maximum of 30m depth. • Auger drilling was carried out by Colling Exploration using a simple ATV-mounted hydraulic auger of approximately 3-inch diameter to a maximum of 1.5 depth.

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.	• RC drill recoveries were visually estimated from volume of sample recovered. The majority of sample recoveries reported were above 90% 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. • RAB recovery is similar to RC but is generally in the order of 60-80%, but sufficient for geological purposes. • Auger recovery is in the order of 50%, but again sufficient for geological purposes. • Assay results not discussed in this report.
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 drill holes. • Logging recorded lithology, mineralogy, mineralisation, weathering, colour, and other sample features. • RC and RAB chips are stored in plastic RC chip trays. • 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.
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.	• Assay results not discussed in this report.

	• 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.	
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.	• Assay results not discussed in this report.
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.	• Assay results not discussed in this report.
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. • 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. • RAB holes are not surveyed and the dip and azimuth are estimated from the rig mast. • Auger holes are vertical.

		• The local topographic surface is used to generate the RL of most of the collars, given the large errors obtained by GPS. The RL of some of the holes was via estimation, which is accurate to within 1m given the low relief of the prospect area and abundance of well constrained RL data.
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 RC drill hole spacing at the prospects discussed herein is at a preliminary stage and there is only one section with down-dip spacing of 30m. • Assay results not discussed in this report, but intervals are generally composited to 1m intervals.
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.	• Assay results not discussed in this report.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews of the data associated with this drilling have occurred.

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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 EL29698 and EL30015, both of which are 100% owned by CXO. • 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 Bynoe pegmatite field between 1980 and 1990 and produced tin and tantalite from its

Criteria	JORC Code explanation	Commentary
		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 BP33, Hang Gong and Booths in 2016, targeting surface workings dating back to the 1980s. The operators at that time were seeking Tin and Tantalum. • CXO subsequently drilled BP33, Grants, Far West, Central, Ah Hoy and a number of other prospects in 2016. • After purchase of the Liontown tenements in 2017, CXO drilled Lees, Booths, Carlton and Hang Gong.
Geology	• Deposit type, geological setting and style of mineralisation.	• The tenements listed above cover the northern and central 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.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Drill hole Information</td><td>

- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
  - easting and northing of the drill hole collar
  - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
  - dip and azimuth of the hole
  - down hole length and interception depth
  - hole length.
- If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

</td><td>
<table>
<tr><th>Hole_ID</th><th>Prospect</th><th>Tenement</th><th>Drill_Type</th><th>Easting</th><th>Northing</th><th>RL</th><th>Azimuth</th><th>Dip</th><th>Total_Depth</th><th>Peg1_Interval</th><th>Peg2_Interval</th></tr>
<tr><td>NRC137</td><td>Hendersons West</td><td>EL30015</td><td>RC</td><td>694562</td><td>8597197</td><td>32</td><td>227</td><td>-61</td><td>162</td><td>1</td><td>11</td></tr>
<tr><td>NRC138</td><td>Hendersons West</td><td>EL30015</td><td>RC</td><td>694526</td><td>8597266</td><td>29</td><td>240</td><td>-90</td><td>78</td><td>4</td><td>12</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>

- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.
- Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.
- The assumptions used for any reporting of metal equivalent values should be clearly stated.

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- Assay results not discussed in this report.

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<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>

- 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').

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- The holes have been drilled at angles of between 60° and vertical, approximately perpendicular to the strike of the pegmatites as mapped (refer to Table above for azi and dip data).
- The pegmatites at Hendersons West are stacked and shallowly dipping to the NE. Only two RC holes are available for control but these suggests 35°, as per the cross section in the report. As such, pegmatite intersection true widths are approximately 80-100% of the down hole length.

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Criteria	JORC Code explanation	Commentary
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 to avoid 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 RC drilling coming weeks.