



ASX ANNOUNCEMENT

ASX: CXO

18th October 2016

Core Discovers New Large-Scale Pegmatite Targets at Finniss Lithium Project

HIGHLIGHTS

- **Newly discovered Ringwood Pegmatite Swarm adds substantial scale upside to Core's Finniss Lithium Project near Darwin**
- **Ringwood Pegmatite Swarm over 2,000m long and 800m wide found on newly granted EL 31127**
- **Multiple pegmatites at Ringwood are tens of metres wide and many hundreds of metres long**
- **Ringwood is located between Core's Mt Finniss Pegmatite Mine and spodumene mineralisation recently drilled at Liontown's Sandras**
- **Core's work confirms that the Company's Finniss Project hosts multiple pegmatites comparable in scale to those in WA**
- **Core is currently drilling lithium rich pegmatites at Finniss with the next batch of assays due later this week**

Core Exploration Ltd's (ASX: CXO) ("Core" or the "Company") is pleased to report it has discovered an additional large pegmatite swarm within the Finniss Lithium Project near Darwin in the NT.

The Ringwood Pegmatite Swarm together with the previously announced large pegmatite find at Zola (ASX 23/06/16) are expected to add substantial scale and upside to Core's Finniss Lithium Project. Ringwood, Zola and other large pegmatites discovered by Core at Finniss are directly comparable to the scale of lithium pegmatites in Western Australia.

The Ringwood Pegmatite Swarm presents as pegmatite and quartz outcrop and float extends at least 2,000m long and 800m wide (Figure 1).



Ringwood is positioned within a 6,000m long trend of previously unmapped pegmatites north from Mt Finnis Mine NT's largest historically producing pegmatite mine that is also within Core's Project. Spodumene mineralisation has also been recently drilled to the north of the Ringwood trend by Lontown Resources Ltd (ASX:LTR) at the Sandras Pegmatite (Figures 1 - 2).

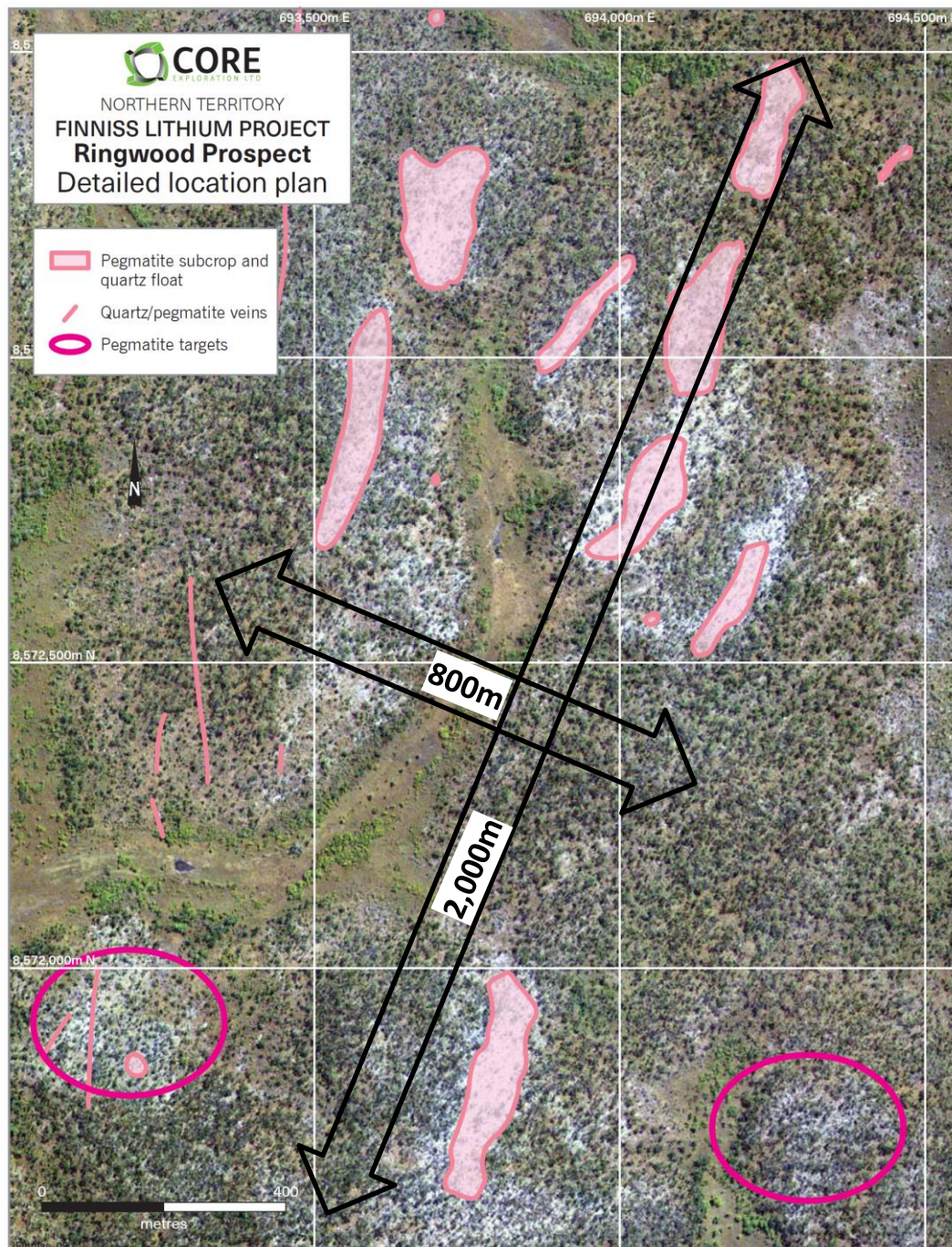


Figure 1. Ringwood Pegmatite Swarm interpreted outcrop geology and satellite imagery EL 31127 Finnis Lithium Project NT.



Ringwood Pegmatite Geology

Most pegmatite occurrences at Ringwood are poorly exposed at surface as either sub cropping pegmatite or as float material. Weathered pegmatite at surface is dominated by resistant minerals quartz, muscovite and tourmaline similar to that seen at surface at Grants and BP33 where drilling has intersected high grade spodumene mineralisation.

More readily weathered feldspar and spodumene mineralogy is seldom observed in outcrop, although are interpreted to likely be present at depth based on Core's recent drill results at Finniss.

The irregular surface exposures makes it initially difficult to understand the shape and geometry of these pegmatites and it is possible that some of these pegmatites are either flat lying sills or possibly the margins of more granitic-style bodies.

Next Steps

Core's pegmatite mapping programs are continuing in parallel with the Company's drilling programs on the Finniss Lithium Project.

These new large-scale pegmatite targets at Ringwood are likely to form part of the first phase of drilling at Finniss in early 2017.

Core's current drilling programs on other lithium pegmatite targets at Finniss will continue for as long as possible until the start of the wet season expected during late November.

The remaining assays from Core's recently completed first RC drill program at Finniss are expected later this week.

Updates from Core's current diamond drilling program and RC drilling programs that are commencing shortly at the Finniss Lithium Project are expected over coming weeks.

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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.

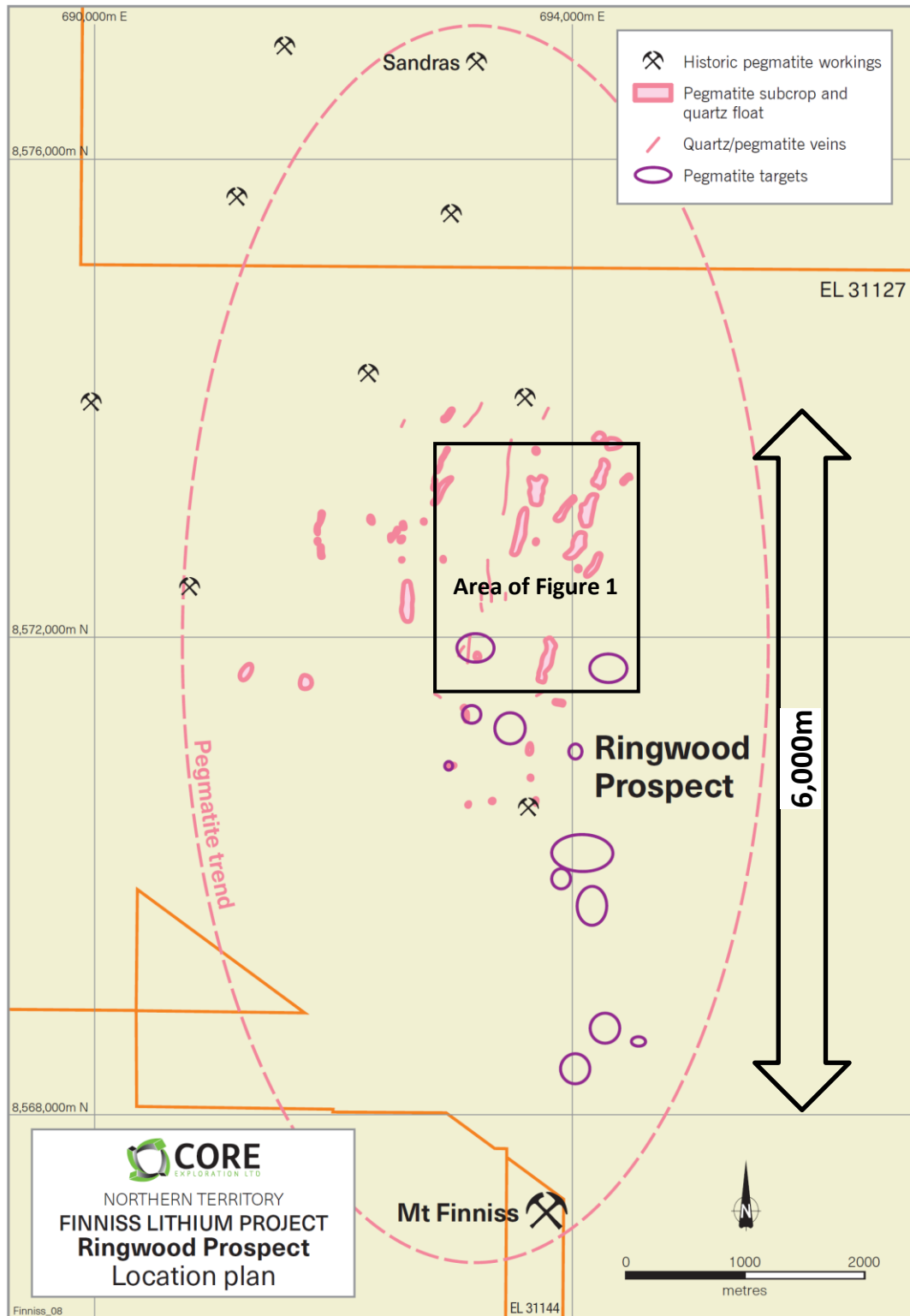


Figure 2. Ringwood Prospect and pegmatite trend between Mt Finniss Mine and Sandras EL 31127 Finniss Lithium Project, NT.



Finniss Lithium Project Background

Core's Finniss Lithium Project covers a large portion of the Bynoe Lithium-Tantalum-Tin Pegmatite field.

Core's drilling at Finniss has intersected high lithium grades and spodumene mineralisation within a number of pegmatites at Finniss.

The Bynoe Field is a 15-20 kilometre wide belt of more than 90 tin and tantalum prospects and mines and lithium rich pegmatites which stretches over a distance of 75 kilometres south from Port Darwin and is one of the most prospective areas for lithium in the NT.

Core's Finniss Lithium Project has substantial infrastructure advantages being close to grid power, gas, and rail and services infrastructure and within easy trucking distance by sealed road to the multi-user port facility at Darwin Port - Australia's nearest port to Asia.

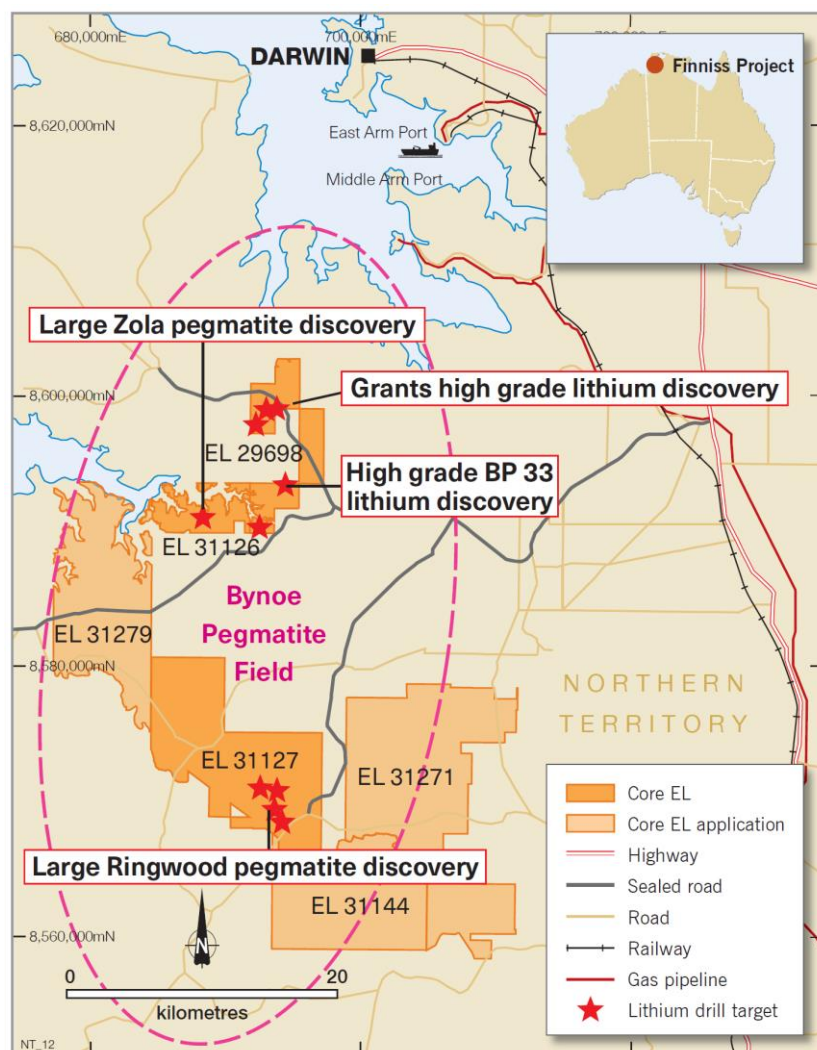


Figure 3. Core's Finniss Lithium Project and pegmatite drill targets near Darwin, NT.