ASX ANNOUNCEMENT

ASX: CXO

21st February 2017

Wide High Grade Spodumene Intersections at Finniss

HIGHLIGHTS

- **Bonanza intersections of high grade spodumene at the Finniss Lithium Project in new RC drilled at Grants Prospect including:**
    - **53m @ 1.59% Li_2O from 136m**
        - **including 6m @ 2.00% Li_2O (FRC038)**
    - **42m @ 1.60% Li_2O from 130m**
        - **including 6m @ 2.14% Li_2O (FRC037)**
- **High grade spodumene at Grants now defined over 300m in length, with mineralisation open at depth to at least 200m vertical and up to 30m in true width**
- **Continuity of high grade mineralisation, simple mining and low transport costs given proximity to Port Darwin support the potential for early development at Grants**
- **Final Phase 2 RC results from Finniss expected in coming weeks**
- **Assay results from Diamond drilling at Grants are expected in March**
- **Preliminary metallurgical results from bulk sample testwork expected early in March**
- **Core to focus on establishing a resource base at its Finniss Lithium Project, with aggressive drill programs ongoing in 2017 in parallel with assessing early development options**

Core Exploration Ltd (ASX: CXO) ("Core" or the "Company") is pleased to announce that bonanza drill intersections have been received in the latest batch of results from the Phase 2 RC drilling at the Grants Prospect.

These new RC drill results confirm the excellent continuity of high grade spodumene mineralisation at Grants and increases confidence of the development potential of the Finniss Lithium Project near Darwin in the NT ("Finniss").

Phase 2 RC Drilling Results from Finniss Lithium Project

New drill results from Finniss include 53m of high grade spodumene grading 1.59% Li_2O (FRC038) including 6m @ 2.00% Li_2O and 42m at 1.60% Li_2O including 6m @ 2.14% Li_2O (FRC037) (Table 1 below).

These new RC assay results are consistent with the previous RC and diamond drillholes at Grants which have hit thick intersections of excellent quality coarse grained spodumene, and further demonstrate that high grade spodumene mineralisation is continuous between drill sections and is open at depth.

These new results improve the definition and continuity of high grade spodumene mineralisation at extend the known depth at Grants, and increases confidence in the development potential of Grants and the Finniss Lithium Project.

Drillhole	Prospect		From (m)	To (m)	Interval (m)	Grade (Li_2O%)
FRC037	Grants		130.0	172.0	**42.0**	**1.60**
		including	136.0	142.0	**6.0**	**2.14**
FRC038	Grants		136.0	189.0	**53.0**	**1.59**
		including	182.0	188.0	**6.0**	**2.00**

Table 1. New significant drill results from RC drillholes at Grants.
(0.4% Li_2O lower cut-off, no upper cut-off and maximum internal waste of 2.0 metres)

Drilling by Core at Grants has confirmed continuous high grade spodumene mineralisation in drilling over a 300m strike length. Mineralisation is open at depth to at least 200m and is up to 30m in true width (refer Figures 1 and 2).

Spodumene Pegmatite Mineralisation

Results to date show that high grade lithium, as spodumene, is consistently present as a major rock forming mineral throughout the fully-cored pegmatite drill intersections at Grants.

The spodumene at the Grants Prospect is green in colour with unusually large crystals, with some spodumene crystals greater than 10cm.

The pegmatite at Grants comprises only a few simple minerals with spodumene, quartz and feldspar (albite dominant) accounting for approximately 95% of the pegmatite composition.

This simple mineralogy is seen to be an advantage when assessing potential for spodumene concentrate production.

CORE EXPLORATION LTD

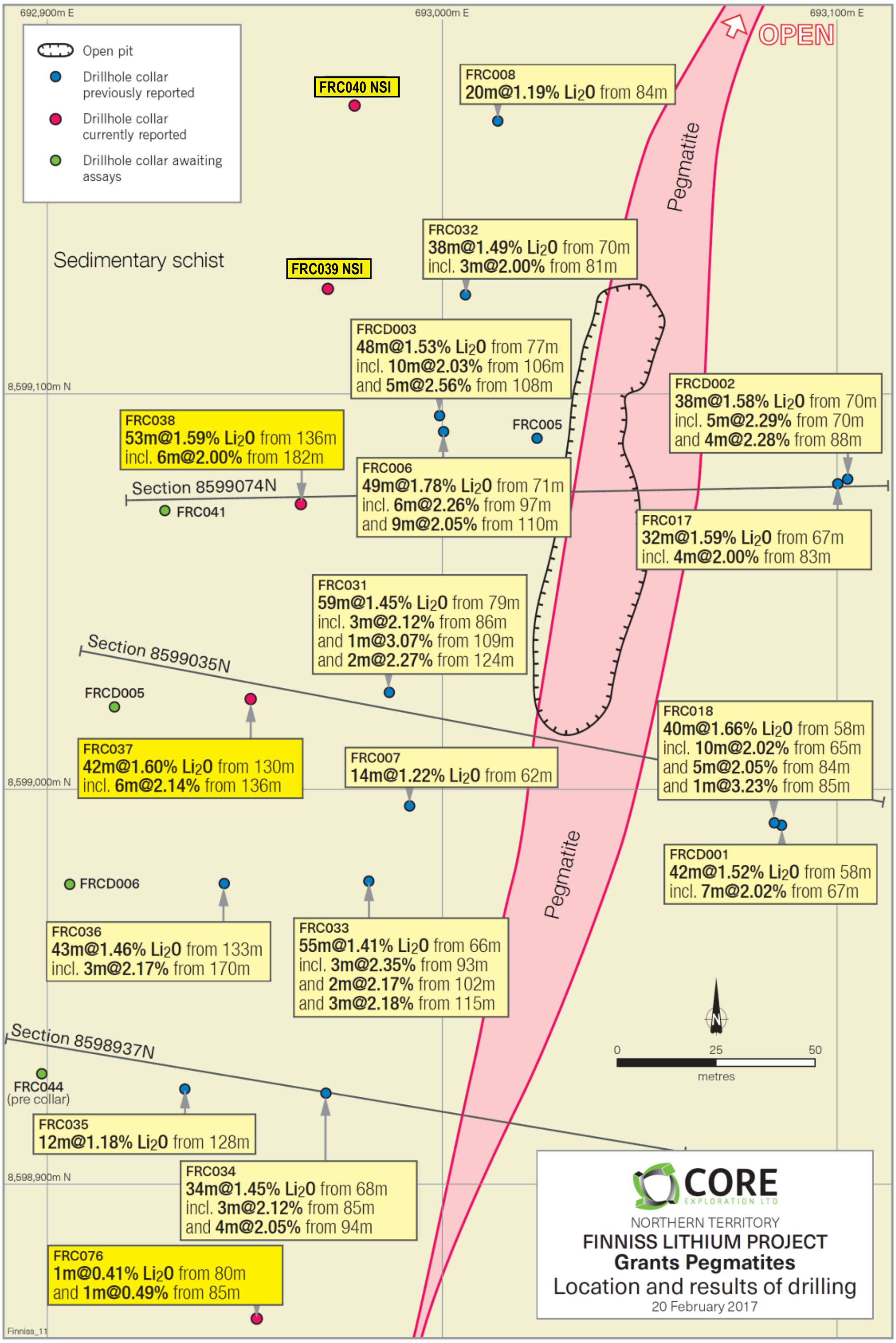

Figure 1. All RC and Diamond Drilling intersections and collar locations, Grants Prospect, Finniss Lithium Project, NT.

Potential Early Production Opportunity at Grants

The continuity and expanded size of high grade spodumene mineralisation drilled at Grants strengthens the case for potential early production from the Finniss Lithium Project, starting at the Grants Prospect.

Grants is located 500m from the sealed highway which connects to the Project to nearby Port Darwin (Figure 3).

Port Darwin is a multiuser port with bulk loading and container shipping facilities with spare capacity and is Australia's closest port to Asia. The Finniss Project's potential logistics chain to China is arguably better than most spodumene projects being developed in Australia.

Once all assay results have been received from the current drilling programme at Grants, Core will consider a Mining Study on the Grants Pegmatite to assess the potential for early development at Grants exporting via the Port of Darwin.

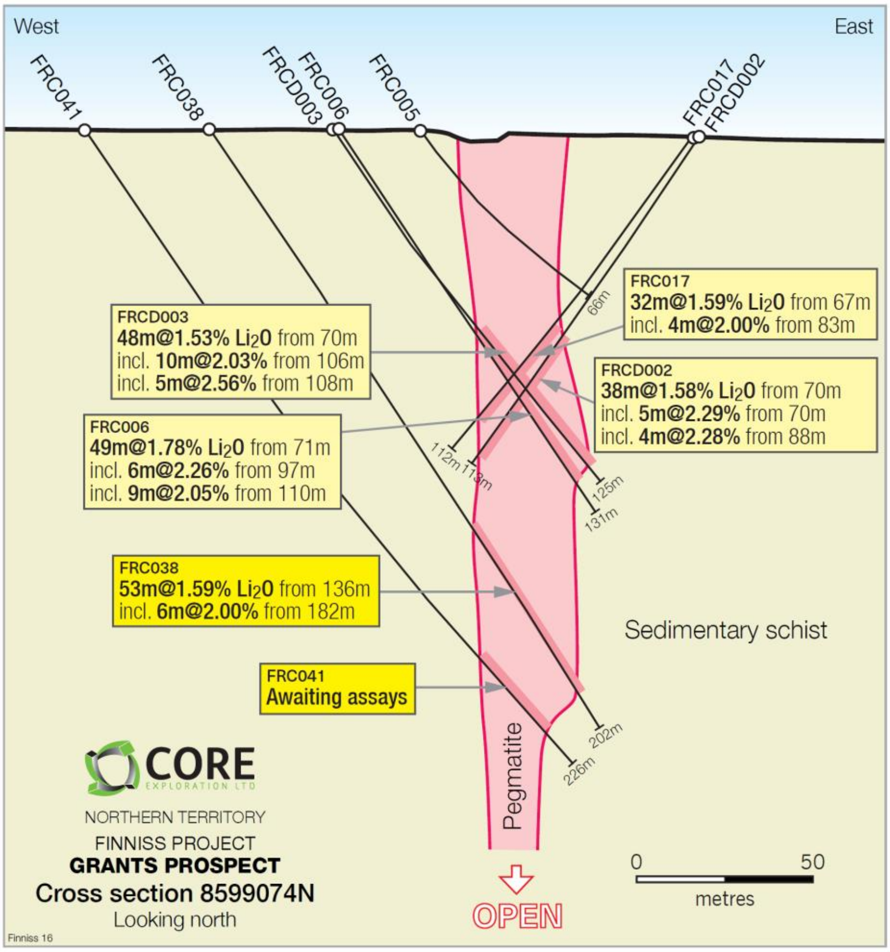

Figure 2. Cross-Section 8599074N, Grants Prospect, Finniss Lithium Project, NT.

Next Steps

The final batch of results from Core's Phase 2 RC Drilling program at Finniss are expected toward the end of February.

The first results from metallurgical test work on a bulk sample from Grants are expected in early March. Work is currently underway on 400kg of large diameter HQ core at the Nagrom metallurgical facilities in Perth, W.A. to determine potential to produce commercial grade spodumene concentrate.

Core is also currently conducting a detailed airborne geophysical survey over the Finniss Lithium Project with data expected to become available in March.

Core will be assessing the incoming results during February and March to prioritise aggressive drilling programs in 2017, including the maiden RC drill testing of large pegmatite targets identified by Core within the Finniss project at Zola and Ringwood.

Core's drilling and field programs will ramp up again as the dry season approaches in 2017.

For further information please contact:

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

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. This report includes results that have previously been released under JORC 2012 by Core as "Continuous High Grade Spodumene in Phase 2 RC Drilling Expands Length and Depth of Grants Lithium Prospect "(30/01/2017), "High Grade Spodumene Confirms Significant Lithium Discovery" (23/09/16), "Highest Grade Spodumene Intersections Ever Drilled in the NT" (3/10/16), "Further High Grade Lithium Intersections at Finniss" (20/10/16), "High Quality, Coarse Grain Spodumene Revealed in First Diamond Core Drilling at Finniss Lithium Project"(25/10/2016) and "Thick High Grade Spodumene in all Diamond Core Holes Drilled at Finniss Lithium Project" (24/11/2016).

Finniss Lithium Project Background

Core's Finniss Lithium Project covers a large portion of the Bynoe Lithium-Tantalum-Tin Pegmatite field (Figure 3).

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.

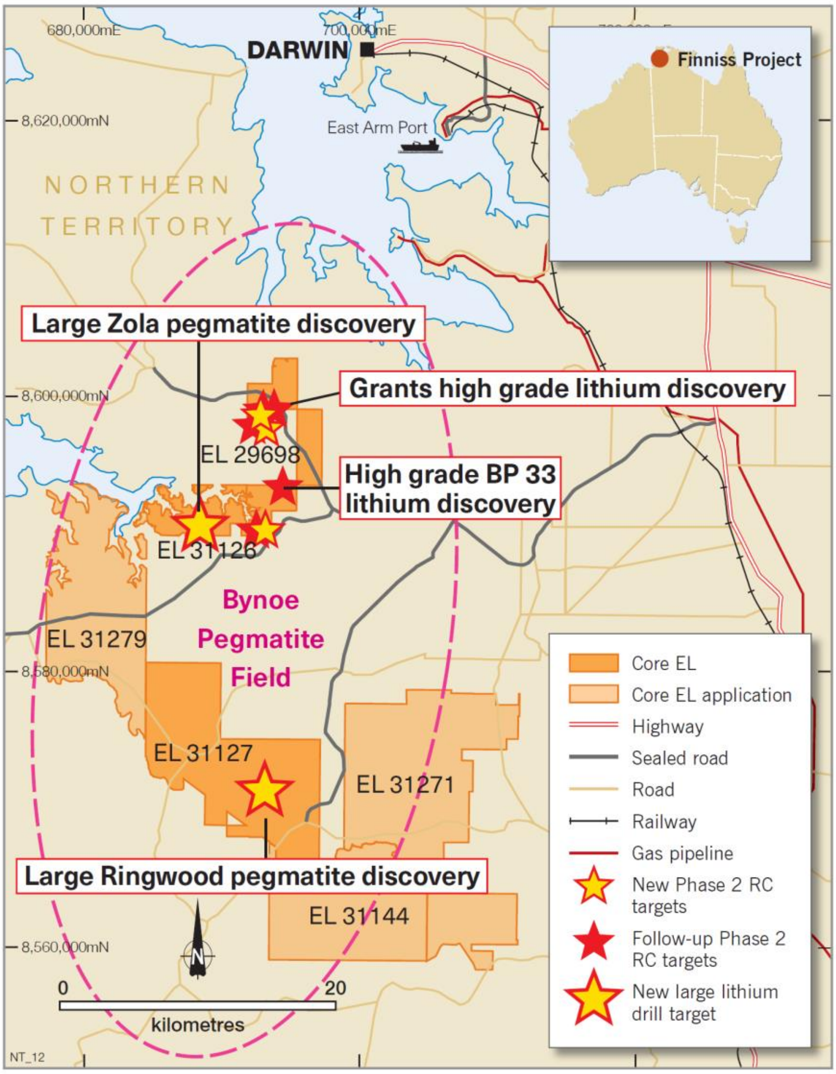

Figure 3. Finniss Lithium Project near Darwin in the NT.

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 (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Drilling assay data reported herein relates drill holes at Grants. • Sub surface chip samples have been collected by reverse circulation (RC) drilling techniques. • Drill holes are oriented approximately perpendicular to the interpreted strike of the mineralised trend. • Rock samples comprise multiple chips considered to be representative of the horizon or outcrop being sampled. • Samples submitted for assay typically weigh 2-3kg. • RC samples are homogenised by cone splitting prior to sampling and are then submitted for to the laboratory for assay. • Samples prepared at North Australian Laboratories by pulverising in Vertical Spindle Pulveriser (Keegormill) to 90% passing -100 um. A 0.3 g sub-sample is fused with a Sodium Peroxide Fusion flux and then digested in 10% hydrochloric acid. • A barren flush is inserted between samples. • The laboratory has a regime of 1 in 8 control subsamples. • ICP-MS and ICP-OES methods are used for the following elements: Li, Cs, Rb, Sr, Nb, Sn, Ta, U, As, K, P and Fe. • Assays have only been received for a part of the program thus far.
Drilling	• *Drill type (eg core, reverse circulation, open-hole hammer,*	• Drilling technique used at Finniss and reported herein

Criteria	JORC Code explanation	Commentary
techniques	*rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	comprises standard Reverse Circulation (RC) 4 and 3/4 inch face sampling hammer (5.5 inch diameter bit). • The rig is an Evolution 3000 mutli-purpose rig with side mounted cyclone operated by Grid Drilling, Qld.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recoveries are visually estimated and recorded for each metre. To date sample recoveries have averaged >95%. • Contamination is monitored regularly. No issues have been encountered in this program. • The cyclone and splitter are regularly cleaned, especially in wet intervals. • 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.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Standard sample logging procedures are utilised by the company, including logging codes for lithology, minerals, weathering etc. • Geology of the RC drill chips is logged on a metre basis with attention to main rock forming minerals within the pegmatite intersections. • Pegmatite sections are also checked under UV light for spodumene identification on a metre by metre basis.
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.*	• RC samples are collected as 1 metre samples, cone split at the cyclone and then calico-bagged. Usually these weight 2-3 kg. • A 30-40 kg primary sample is collected in green bags and retained until assays have been returned and deemed reliable for reporting purposes.

Criteria	JORC Code explanation	Commentary
	• *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.*	• Most samples are dry, but wet or damp samples are recorded. • Duplicate sample regime is used to monitor sampling methodology and homogeneity. • A powder chip tray for the entire hole is completed. A separate sub-sample is sieved from the large RC bags at site into chip trays over the pegmatite interval to assist in geological logging. These are photographed and stored on the Core server.
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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• One in twenty certified Lithium ore standards are used for this drilling. • One in twenty duplicates are used for this drilling. • Blanks inserted on a one in twenty basis. • One in twenty external laboratory checks will be completed in due course.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Core's experienced project geologists are supervised by Core's Exploration Manager. • All field data is manually collected, entered into excel spreadsheets and validated. • Hard copies are stored in the local office and electronic data is stored on the Core server.
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.*	• All coordinate information was collected using hand held GPS utilising GDA 94, Zone 52. • RC holes were surveyed by a isGyro down hole tool and the

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	collar is oriented using the Azi Aligner tool, both from Downhole Surveys, Perth. A QA-QC procedure is applied to the azimuth data. Spurious data are excluded. • Core works with the drilling company to minimise drill hole deviation via the use of various drilling techniques such as the use of stabalisers in certain circumstances. Core believes the deviation experienced by the drill rods in the current program is within expectations of the rocktype and is acceptable for the target style.
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.*	• Varies from prospect to prospect, but generally of the order 50-100m along strike and 10-50m down dip. • Refer figures in report. • No compositing has been applied to information in this report.
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 typically oriented perpendicular to the interpreted strike of mineralisation as mapped or predicted by the geological model.
Sample security	• *The measures taken to ensure sample security.*	• Company geologist supervises all sampling and subsequent storage in field.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• None completed.

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 is being conducted on EL 29698 that is 100% owned by Core. • The area being drilled comprises Vacant Crown land • There are no registered heritage sites covering the areas being drilled. • EL 29698 is in good standing with the NT DME Titles Division.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The history of mining in the Bynoe Harbour – Middle Arm area dates back to 1886 when tin was discovered by Mr C Clark. • The records of production for many mines are not complete, and in numerous cases changes have been made to the names of the mines and prospects which tend to confuse the records still further. In many cases the published names of mines cannot be linked to field occurrences. • In the early 1980s the Bynoe Pegmatite field was reactivated during a period of high tantalum prices by Greenbushes Tin which owned and operated the Greenbushes Tin and Tantalite (and later spodumene) Mine in WA. Greenbushes Tin Ltd entered into a JV named the Bynoe Joint Venture with Barbara Mining Corporation, a subsidiary of Bayer AG of Germany. • Greenex (the exploration arm of Greenbushes Tin Ltd) explored the Bynoe pegmatite field between 1980 and 1990 and produced tin and tantalite from its Observation Hill Treatment Plant between 1986 and 1988.

Criteria	JORC Code explanation	Commentary
		• They then tributed the project out to a company named Fieldcorp Pty Ltd who operated it between 1991 and 1995. • In 1996, Julia Corp drilled RC holes into representative pegmatites in the field, but like all of their predecessors, did not assay for Li. • Since 1996 the field has been defunct until recently when exploration has begun on ascertaining the lithium prospectivity of the Bynoe pegmatites. • The NT geological Survey undertook a regional appraisal of the field, which was published in 2004 (NTGS Report 16, Frater 2004).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The tenements sampled cover the northern and southern portions of a swarm of complex zoned rare element pegmatite field, which comprises the 55km long by 10km wide West Arm – Mt Finniss pegmatite belt (Bynoe Pegmatite Field; NTGS Report 16). The main pegmatites in this belt include Mt Finniss, Grants, BP33, Hang Gong and Sandras • The Finniss pegmatites have intruded early Proterozoic shales, siltstones and schists of the Burrell Creek Formation which lies on the northwest margin of the Pine Creek Geosyncline. To the south and west are the granitoid plutons and pegmatitic granite stocks of the Litchfield Complex. The source of the fluids that have formed the intruding pegmatites is generally accepted as being the Two Sisters Granite to the west of the belt, and which probably underlies the entire area at depths of 5-10 km. • Lithium mineralisation has been identified as occurring at Grants, BP33 and Far West
Drill hole	• *A summary of all information material to the understanding of*	• Refer Tables and Figures in Report

Criteria	JORC Code explanation	Commentary
Information	*the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer Table and Figures in report for significant assays and table below for drillhole information. Drillhole / Prospect / E / N / RL(m) / Azi.(°) / Dip(°) / Depth(m) FRC037 / Grants / 692952 / 8599023 / 23 / 89 / -55 / 190 FRC038 / Grants / 692964 / 8599072 / 22 / 91 / -55 / 202 FRC039 / Grants / 692971 / 8599127 / 22 / 89 / -55 / 186 FRC040 / Grants / 692978 / 8599173 / 21 / 91 / -56 / 202 FRC075 / Grants / 693012 / 8599222 / 19 / 92 / -55 / 138 FRC076 / Grants / 692953 / 8598866 / 22 / 90 / -55 / 120
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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.*	• Mean grades have been calculated on a 0.4% Li2O lower cut-off grade with no upper cut-off grade applied. A 2m dilution is allowed.
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 (eg 'down hole*	• The true width is roughly 70% of the intercept width based on hole dip and the sub-vertical nature of the pegmatite body.

Criteria	JORC Code explanation	Commentary
	length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See figures in release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All intersections have been reported and are considered representative. Refer table of drill hole collars in report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See release details • All meaningful and material data reported
Further work	• *The nature and scale of planned further work (eg 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.*	• Remaining RC drill samples have either been submitted or will soon be submitted to the laboratory for chemical assay. • Assay results are expected during February 2017