



ASX ANNOUNCEMENT

ASX: CXO

9th May 2017

2017 LITHIUM EXPLORATION COMMENCES AT FINNISS

HIGHLIGHTS

- Core has re-commenced lithium exploration on its Finnis Lithium Project near Darwin in the NT
- The 2016 program at the Finnis Project discovered some of the highest grade lithium in Australia, capable of producing a quality chemical grade spodumene concentrate
- Exploration and aggressive drill programs in 2017 to target building a resource base to support a long-life lithium production operation
- Numerous high grade lithium pegmatite targets already identified
- Work programs underway at Finnis to initially include soils and mapping of pegmatite targets, including new targets generated by Core's interpretation of new magnetic survey data
- Shallow RAB and AC shallow drilling to commence later this month followed by deeper RC and Diamond drilling
- The Company is well funded and will continue to aggressively explore and advance its high grade lithium discoveries

Core Exploration Ltd (ASX: CXO) ("Core" or the "Company") is pleased to announce that lithium exploration programs have commenced for the 2017 field season on the Company's 100% owned Finnis Lithium Project near Darwin in the NT ("Finnis").

Core's 2016 program was highly successful in discovering multiple pegmatites mineralised with high grade lithium (spodumene) within the Finnis Lithium Project, which has resulted in the definition of a maiden resource at the Grants deposit, and several other nearby prospects being identified as requiring follow-up drilling, including BP33, Far West, Ahoy.

With 400km² of new tenements granted, all approvals in place for drilling and the 2017 field season commencing, Core's 2017 lithium exploration programs are aiming to substantially grow the resource base for the Finnis Lithium Project.



Managing Director Stephen Biggins commented, “Our first drilling at Finniss in 2016 not only discovered a new major system of spodumene pegmatites in Australia, but has led to Core establishing the first lithium Resource in the NT.”

“Core’s new lithium exploration programs start this week at Finniss and we anticipate discovery of higher grade spodumene pegmatites to substantially grow the resource base at Finniss in 2017”

Grants Region

In the area around Grants, where the Company has recently established one of the highest grade undeveloped lithium Resources in Australia, Core has already defined numerous new lithium pegmatite drill targets as a result of 2016 soil surveys and detailed magnetics surveys flown earlier in 2017 (Figure 1).

Further drilling is also planned to better define the extent of high grade mineralisation identified by 2016 drilling, including 38m @ 1.49% Li₂O from 71m (FRC003) at BP33.

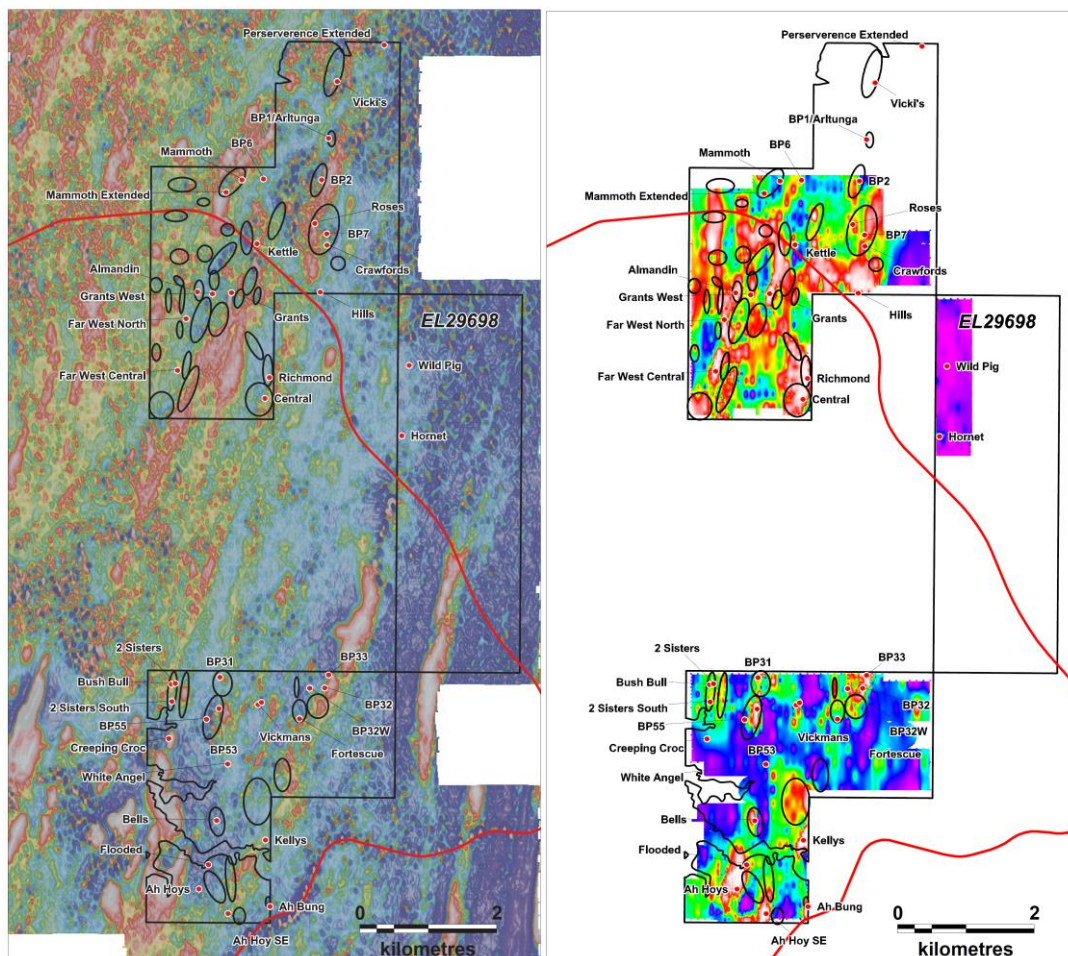


Figure 1. Pegmatite Drill Targets in the Grants Region overlain on new magnetic survey image (left) and lithium in soils (right), EL 29698, Finniss Lithium Project, NT.



Zola Pegmatite Swarm

Core is planning to drill a series of large pegmatites previously identified by the Company at Zola. In addition, Core plans to commence the first regional soil surveys in the Zola area over a prospective area highlighted by the magnetic survey and vectors from regional distribution of pegmatites throughout the Bynoe Field (Figure 2).

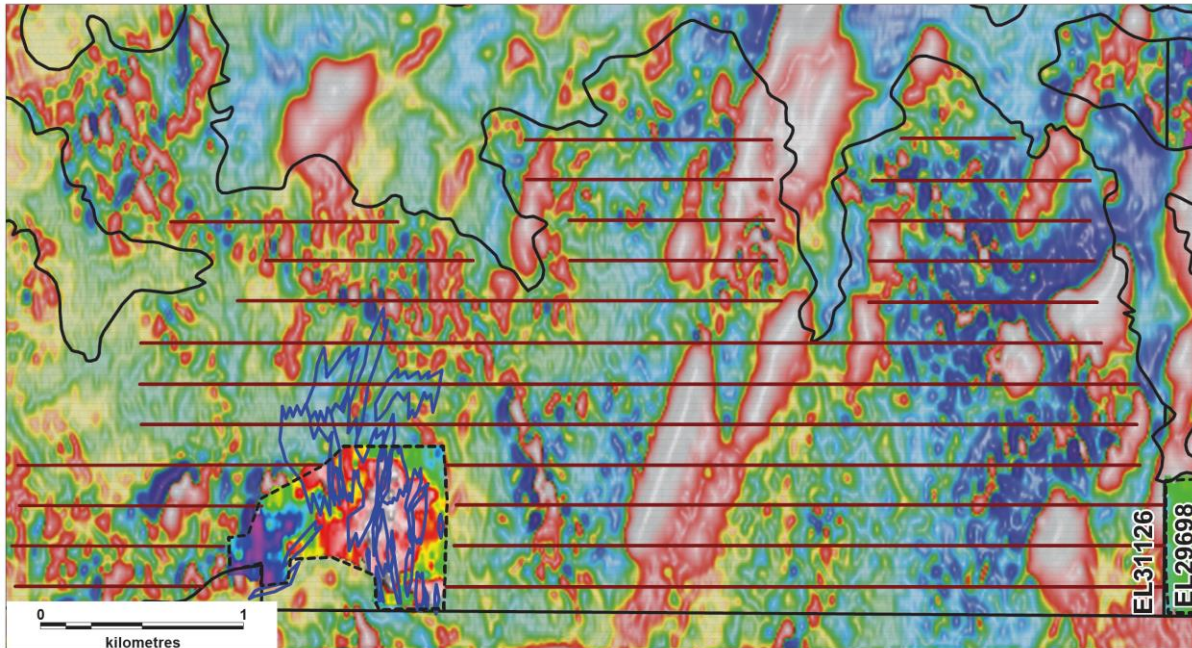


Figure 2. Zola pegmatites (blue outline) overlain on lithium in soils and planned regional soil survey lines, EL 31126, Finniss Lithium Project, NT.

Ringwood Pegmatite Swarm

Core will also be drill testing the Ringwood Pegmatite Swarm, a series of highly-weathered pegmatite and quartz outcrop and float zones that combined extend at least 4 km long and 2 km wide (Figure 3).

Ringwood is a series of large-scale pegmatite targets that spatially are an order of magnitude larger than Grants.

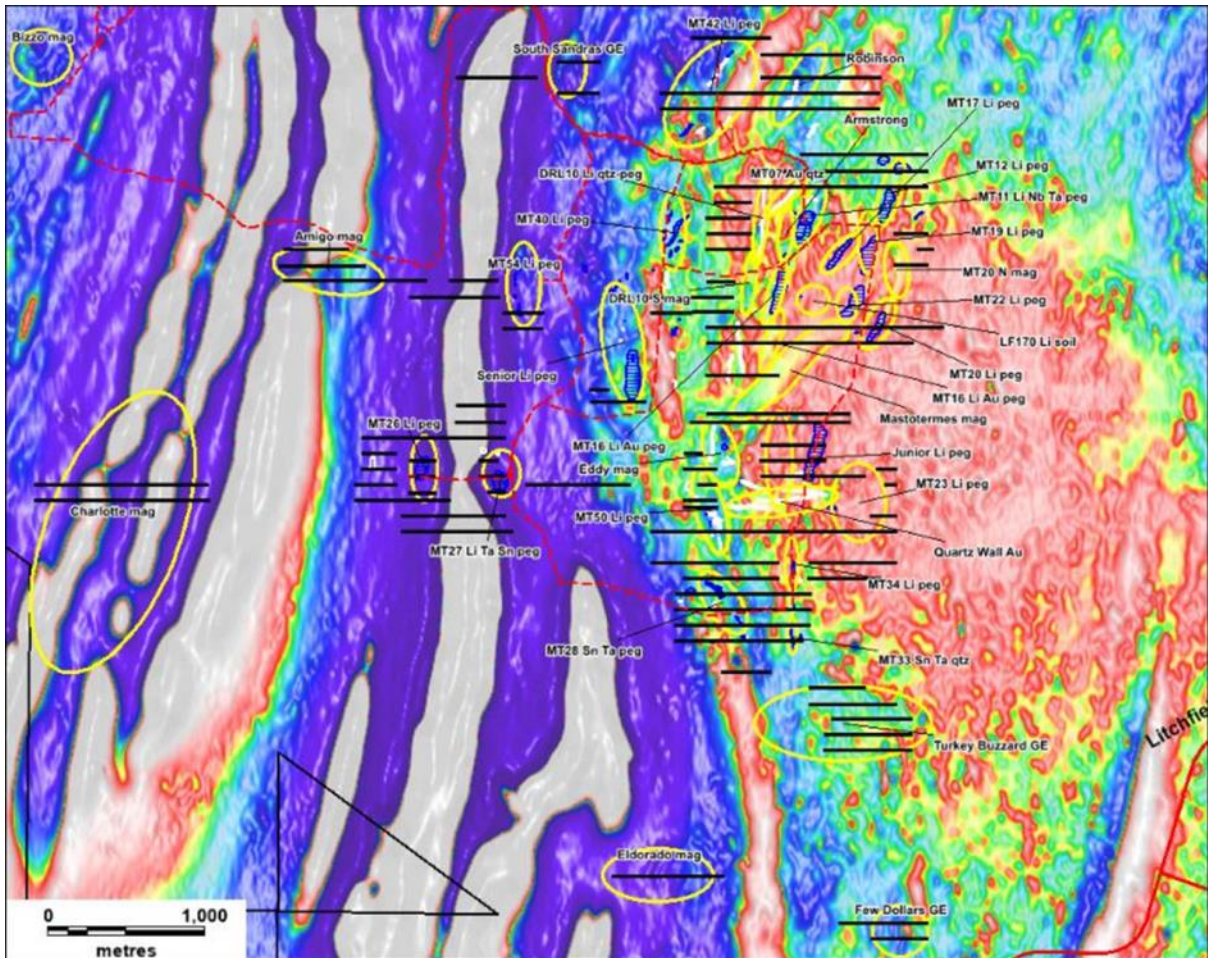


Figure 3. Ringwood Pegmatite Swarm drill targets (yellow) and planned soil lines overlain on new magnetic survey image, EL 31127, Finniss Lithium Project, NT.

Core is presenting at the Sydney Resources Round-up Conference on Wednesday 10 May 2017.

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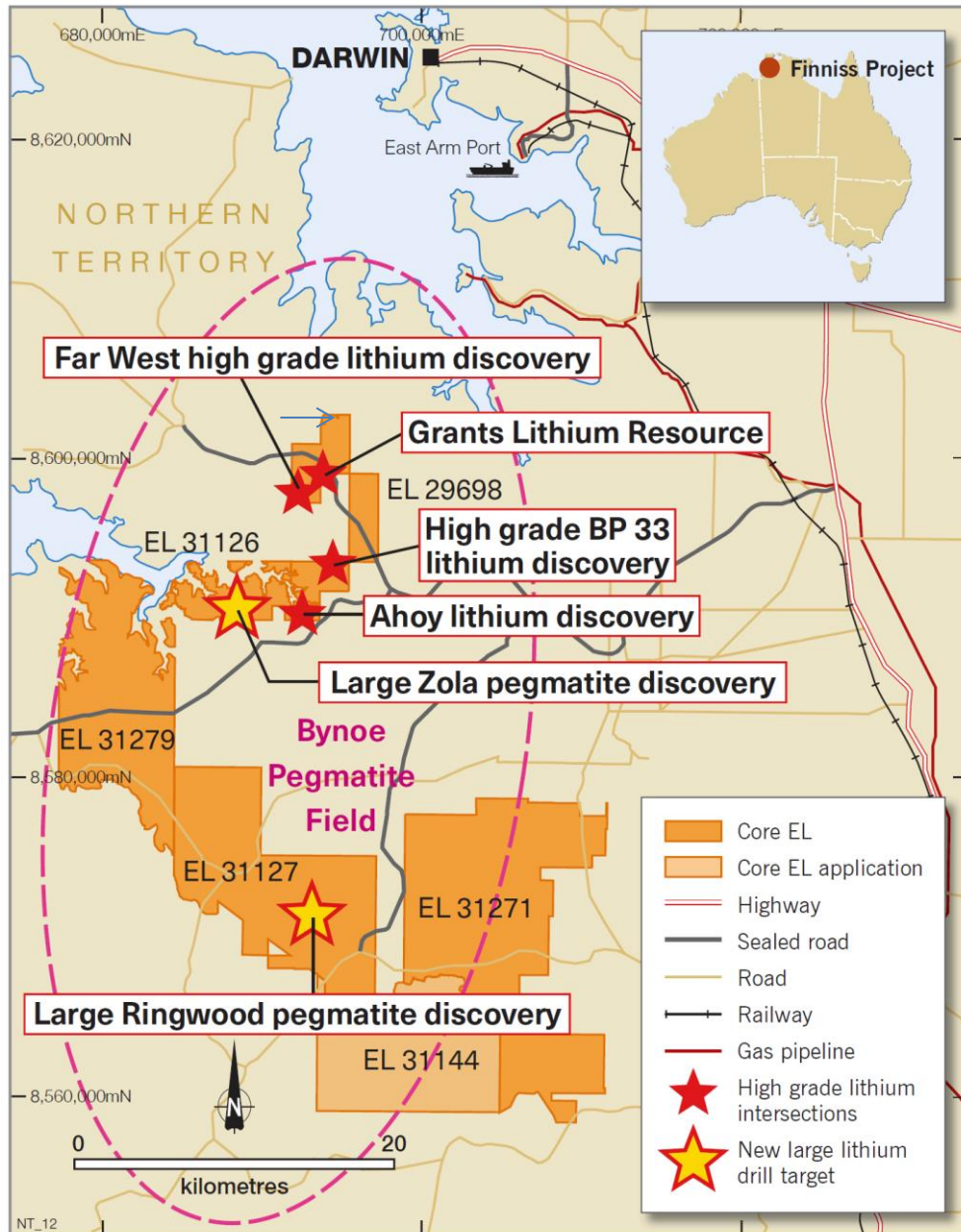


Figure 4. Grants, Zola and Ringwood regional drill target locations
Finniss Lithium Project near Darwin, NT.

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 "High Grade Spodumene Confirms Significant Lithium Discovery" (23/09/16) and "Core defines first Resource in the NT" (08/05/2017) and "New Magnetic Survey Adds Sizeable Targets to Ringwood" (04/04/2017). The Company is not aware of any new information that materially affects the information included in this announcement.