

ASX ANNOUNCEMENT

ASX: CXO

3rd November 2016

Phase 2 RC Drilling Underway to Follow Up Recent High Grade Lithium Discovery at Finniss Lithium Project

HIGHLIGHTS

- **Phase 2 RC drill program commenced last week and will consist of a minimum of 5,000m to test as many priority spodumene pegmatite drill targets as possible at the Finniss Lithium Project**
- **Second RC rig to arrive next week to accelerate program at Finniss**
- **Diamond drill rig now drilling at Grants prospects to follow up high grade lithium intersections from the Phase 1 RC program**
- **Multiple drill rigs to continue at Finniss until the start of the wet season**
- **Drill applications to potentially fast track the drilling of the large Zola and Ringwood pegmatites have been lodged**
- **Assays from the RC drilling expected through December**

Core Exploration Ltd (ASX: CXO) (“Core” or the “Company”) is pleased to announce that Phase 2 Reverse Circulation (“RC”) drilling is underway on the Finniss Lithium Project (“Finniss”) near Darwin in the NT.

Core’s Phase 2 RC drilling follows a number of high grade lithium drill intersections from the Company’s recently completed maiden Phase 1 RC drilling program at Finniss (Figure 1).

The Phase 2 RC drilling has already commenced and will consist of a minimum of 5,000 meters to test a number of lithium pegmatite exploration targets at Finniss as well as follow-up the high grade Phase 1 intersections at Finniss. A second RC drilling rig will arrive on site next week to further accelerate the program.

The drilling program will continue until the start of the upcoming wet season.

Exploration drilling in Phase 2 will be the first test of a number of recently identified pegmatite targets including **Far-West North, Ahoy's SE and Central** as well as follow-up of initial results from **Grants, BP33, Far West Central and Ah Hoy Prospects** (Figure 1).

Core has also lodged applications to drill on newly granted EL 31126 and EL31127 to test priority targets at **Zola and Ringwood Prospects**. Core is aiming to drill these prospects as soon as possible, and may occur during the 2016 field season, subject to approvals being received before the commencement of the wet season (Figure 2).

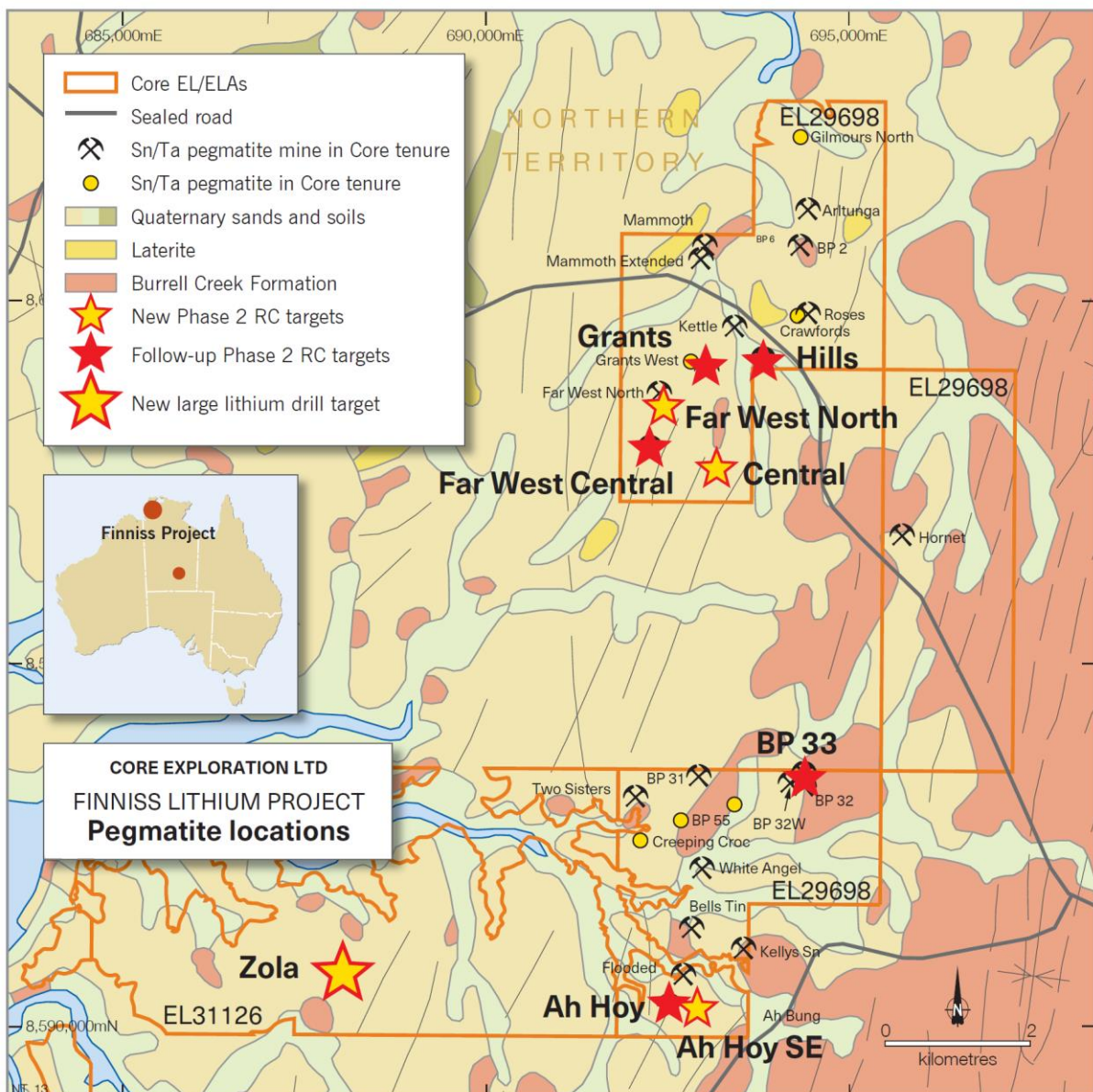


Figure 1. Drill target locations, Finnis Lithium Project, NT.

Diamond Drilling Update

The diamond drill rig has now moved from the BP33 pegmatite and has commenced drilling at the Grants prospects to follow up the high grade lithium intersections from the Phase 1 RC program which included:

- 49m @ 1.78% Li₂O from 71m (FRC007) at Grants; and
- 40m @ 1.66% Li₂O from 58m (FRC018) at Grants.

Updates reports from the RC and Diamond drilling are expected over coming weeks with a majority of the drill assays expected during December.

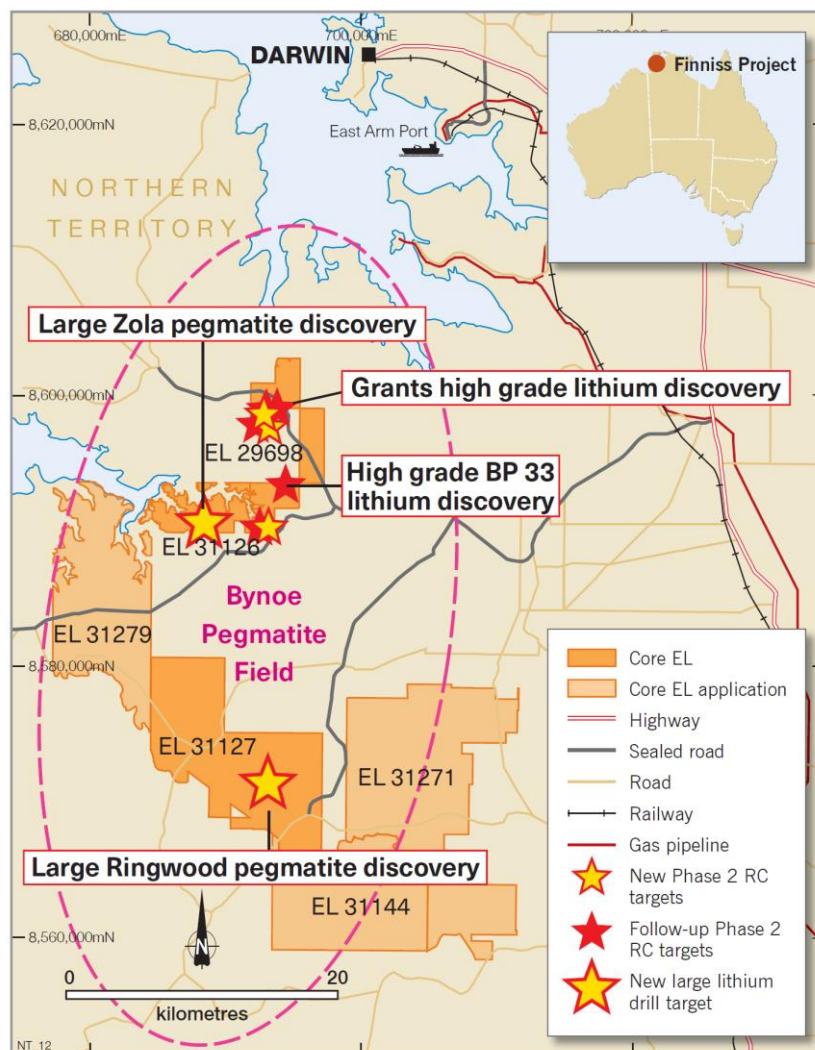


Figure 2. Core's Finniss Lithium Project tenure covering close to 500km² in the Bynoe Pegmatite Field near Darwin in the NT.

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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. The report includes exploration results that have previously been released under JORC 2012 by Core as "Highest Grade Spodumene Intersections Ever Drilled in the NT" (3/10/16) and "Further High Grade Lithium Intersections at Finniss" (20/10/16).