



ASX ANNOUNCEMENT

ASX : CXO

26 October 2016

Chairman's 2017 AGM address

It is with pleasure that I welcome you to the Core Exploration Limited 2017 Annual General Meeting. Thank you for your attendance today and the continued interest you show in the Company.

By all measures, 2016/17 was a successful year for the Company and for Core shareholders. Key achievements during this period were:

- The discovery of high grade spodumene and the declaration of a resource at Grants.
- Maximising our “first mover” advantage and intimate knowledge of the area through the acquisition of new tenements – we have the largest lithium focussed tenement holding in the Northern Territory.
- Grew the team at Core through the appointment of exceptional mining industry professionals.
- Negotiation of offtake agreement with Chinese company Ya Hua which gave the company the confidence with the lodging of the mining lease application at Grants.

In early 2016, Core made the decision to explore for lithium in the Northern Territory. Stephen Biggins and his team identified areas that they believed to be prospective for lithium. The decision to move away from our roots, base metals and uranium exploration, involved a leap of faith by the Company. The success we have had since starting our lithium exploration has been nothing short of extraordinary and I sometimes find myself reflecting on how much we have achieved in such a short amount of time. For example, we only started our first drill program at Finniss in late August of last year with the first four holes drilled intersecting broad zones of high grade spodumene. It is rare for a company to drill for the first time in a new area and have instant success.

Continued drilling success allowed Core to announce a maiden resource at Grants. The significance of the Grants resource cannot be understated. At Grants we have discovered a high grade spodumene resource with favourable metallurgical properties that makes Grants spodumene suitable for either direct shipping or processing on site. Also, Grants is less than 2km from a sealed road and only 50km by road from the Port of Darwin, which is Australia's closest port to Asia.

Whilst we enjoyed early success at Grants, we have been disappointed with results so far from Zola and Ringwood. Early drilling at these prospects was unsuccessful however, we have learnt from some early mistakes and will apply these learnings to future exploration in that area. Zola and Ringwood are large targets that remain largely underexplored.

Grants is a high quality spodumene that attracted the attention of many potential offtake partners. Whilst Core ultimately executed an offtake agreement with Ya Hua after the close of the 2016/17



financial year, negotiations with Ya Hua and other potential offtake partners were ongoing during the 2017 financial year. The Core team did a wonderful job in undertaking these complex negotiations and executing the Ya Hua agreement whilst still actively exploring the tenement area.

The acquisition of the Lione town tenements in September 2017 was another major achievement for the Company announced. The execution of the final sale and purchase agreement was a culmination of many months of comprehensive due diligence and negotiations. We are excited about the potential of the Lione town tenements and look forward to actively exploring the tenements in 2017/18.

Lithium prices have been steadily increasing with many analysts predicting this trend to continue as the demand for lithium ion batteries continues to increase. Lithium ion batteries are the preferred power storage medium for electric vehicles and electricity storage batteries. With lithium, Core is in the right commodity at the right time. Whilst we have had early success, our work at Finniss is only just beginning.

Over the past 12 months we have grown the team at Core through the appointment of skilled resource industry professionals. We have established a large field office in the Northern Territory and are fully committed to maximising value from our Northern Territory projects.

As always, we could not have achieved what we did over the past year without the strong support shown by our loyal shareholders. The Board and Management would like to thank all employees, contractors and suppliers for their hard work and support during the year. At Finniss, we are developing Australia's closest lithium project to Asia and the Board and Management of Core are confident that we have the right ingredients to build a strong and robust lithium project, that will ultimately benefit all shareholders.

We have the right team in place, a great resource at Grants, well funded and the closest Australian lithium project to Asian customers – all of the ingredients required to make our work at Finniss a great success.

Mr Greg English
Non-Executive Chairman
Core Exploration Limited