



ASX ANNOUNCEMENT

ASX: CXO

26th August 2016

First Lithium Drilling Underway on Finniss Lithium Project

HIGHLIGHTS

- **Core's first drilling campaign has commenced on the Finniss Lithium Project in the NT**
- **Drill program will consist of 2,000m of RC drilling to test 5 high priority, large-scale lithium pegmatite drill targets**
- **Drilling is scheduled to be completed in mid-September with assay results expected mid-late October**

Core Exploration Ltd (ASX: CXO) ("Core" or the "Company") is pleased to announce that it has commenced the Company's first lithium focused drilling program at the Finniss Lithium Project in the Northern Territory.

The drilling program will consist of 2,000m of RC drilling and will test 5 high priority drill targets on granted EL 29698, being the **BP 33, Hills, Grants, Far West Central and Ah Hoy** prospects (Figures 2 & 3).

Core expects the drilling to be completed around mid-September with assay results expected mid-late October 2016.

Discovery of high grade lithium with the drill program would be significant for Core given the scale of some new pegmatites identified by the Company's current field programs are directly comparable to the scale of pegmatites hosting large lithium resources in the Pilgangoora region in Western Australia.

Core's Finniss Lithium Project has substantial infrastructure advantages being close to grid power, gas and rail infrastructure and within easy trucking distance by sealed road to the multi-user port facility at Darwin Port - Australia's nearest port to Asia (Figures 2 & 3).

Commenting on commencement of drilling, Core's Managing Director, Stephen Biggins said: *"We are absolutely delighted to have commenced our first drilling campaign at the Finniss Lithium Project. While our sampling results confirmed the lithium potential of the project, we are excited to kick off the drilling program. We look forward to keeping our investors updated as the drilling progresses."*



Figure 1. RC Drill rig at BP33, Finniss Project, NT

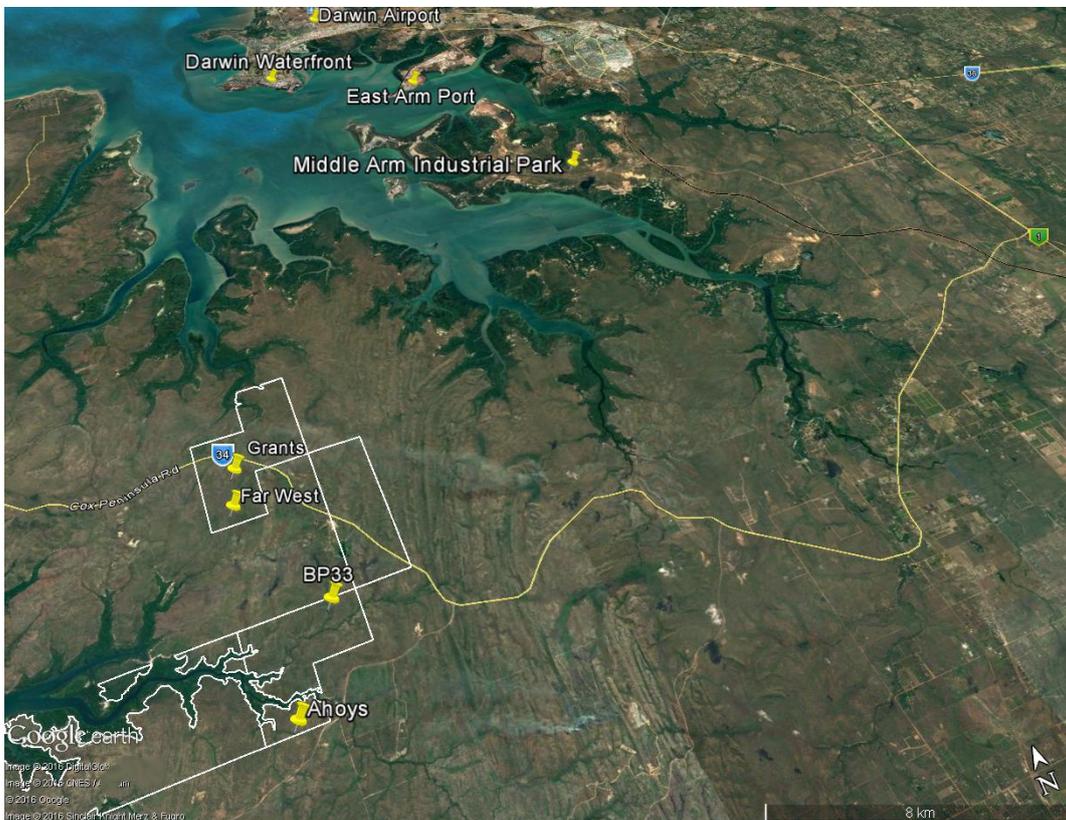


Figure 2. Initial drill targets locations on EL 29698 Finniss Lithium Project near Darwin NT



Finniss Lithium Project

Core's Finniss Lithium Project covers a large portion of the Bynoe Tin-Tantalum-Lithium Pegmatite field. Bynoe is one of the most prospective areas for lithium in the NT and has many similarities to Greenbushes in WA, one of the world's largest and highest grade spodumene deposits.

As with Greenbushes, before economic lithium was recognised, Core's Finniss Lithium Project also has a 100 year history of tin and tantalum mining.

The Bynoe Pegmatite Field is a 15-20 kilometre wide belt of more than 90 tin and tantalum prospects and mines which stretches over a distance of 75 kilometres from Mount Tolmer to Kings Table (near Port Darwin) in the north with Core's tenements covering the northern end of the Bynoe Pegmatite Field (Figures 2 & 3).

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For further information please contact:

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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.

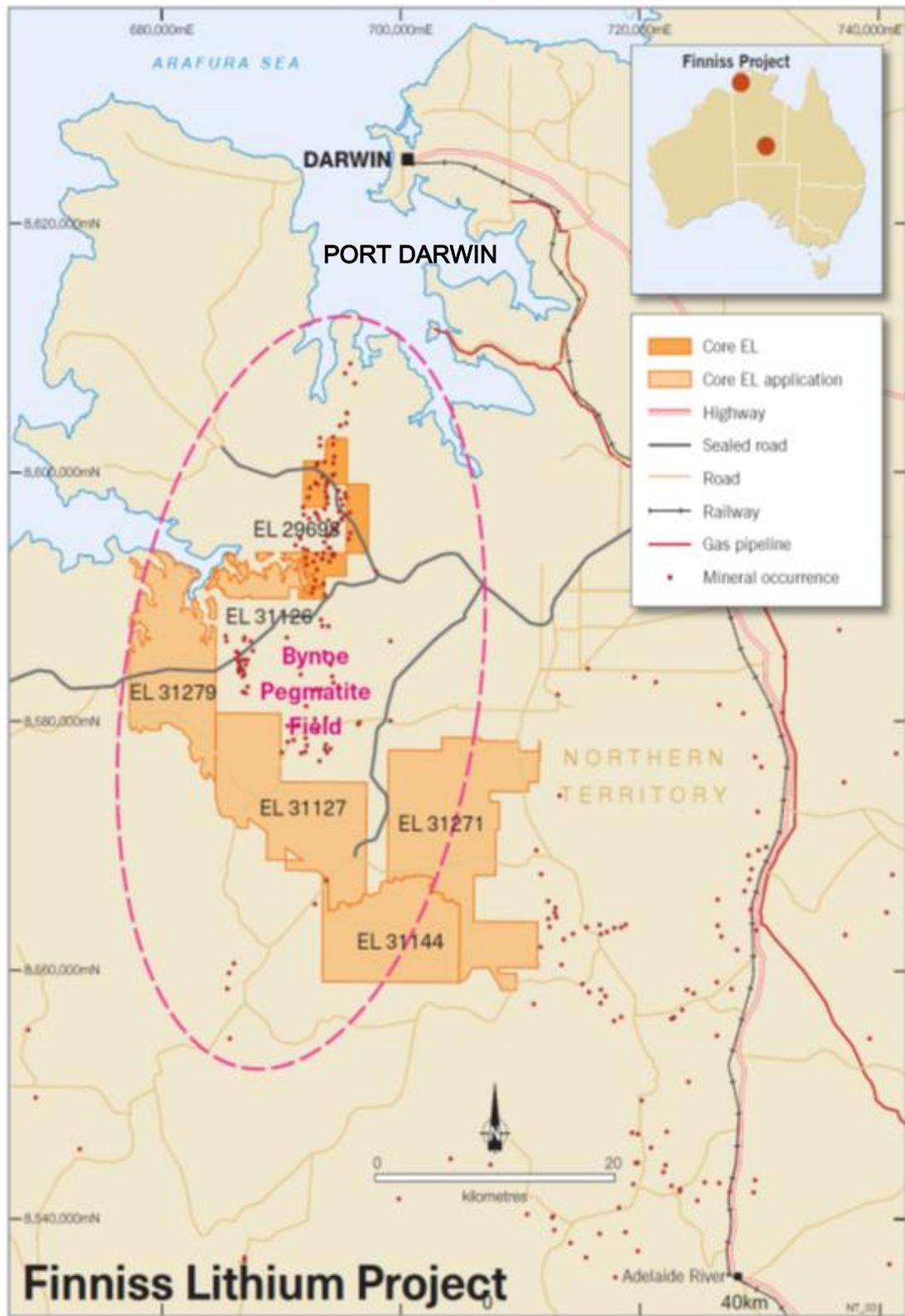


Figure 3. Core's Finniss Lithium Project tenure covering close to 500km² in the Bynoe Pegmatite Field near Darwin in the NT.