



ASX ANNOUNCEMENT

ASX: CXO

7 March 2017

Non-Binding Heads of Agreement with Darwin Port

HIGHLIGHTS

- **Non-binding Heads of Agreement signed with Darwin Port in respect of potential export of lithium products from Core's Finnis Lithium Project**
- **Agreement contemplates further discussion and negotiation in relation to a binding agreement for the export of up to 1Mtpa of direct shipping ore or up to 250,000 tpa of concentrates**
- **Darwin Port located in close proximity (70km by sealed road) to the Finnis Lithium Project**
- **The existing East Arm Wharf facilities at Darwin Port are well suited to handle potential future production from Core's lithium projects**
- **Core will continue to work closely with Darwin Port to finalise the terms of a binding agreement**

Core Exploration Ltd (ASX: CXO) ("**Core**" or the "**Company**") is pleased to announce that it has executed a non-binding Heads of Agreement ("**HoA**") with Darwin Port Operations Pty Ltd as trustee for the Darwin Port Manager Trust ("**Darwin Port**") in respect of Core's potential future use of the East Arm Wharf to export lithium products from its Finnis Lithium Project in the Northern Territory.

The East Arm Wharf is ideally located for Core, being only 70km by sealed road from Core's Finnis Lithium Project, and being Australia's nearest port to Asian lithium markets, making the Finnis Project's potential logistics chain to China arguably better than most spodumene projects being developed in Australia.

The non-binding Heads of Agreement sets out the basis for Core and Darwin Port to undertake further discussions in relation to the key commercial terms required to prepare formal documentation required to allow Core to export through the Darwin Port. It is expected formal documentation may include a Sub-Lease Agreement and Operating Agreement.



The existing Darwin Port facilities potentially available to Core to assist with export of lithium products includes:

- Existing covered storage facility;
- Shuttle conveyers to receive and convey bulk materials;
- Rail dump facilities;
- Truck dump facilities;
- Access roads; and
- Ship loading facilities, including a facility enabling the loading of bulk materials or containers onto ships.

In addition to the existing facilities, the HoA contemplates possible construction of Core's own facilities (if required) on land potentially to be sub-leased by Core.



Busy East Arm Wharf at Port Darwin



Bulk Loader and Vessel at East Arm Wharf, Port Darwin

Under the HoA, Core may export any combination of spodumene based direct shipping ore (DSO) (up to 1mtpa), bulk concentrates (up to 250ktpa) or containerised concentrates (up to 100ktpa).



For a virtual tour of the Darwin Port Facilities East Arm Wharf precinct you may follow view the video available on the Darwin Ports website: <https://www.darwinport.com.au/about-darwin-port>

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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 Company notes that this announcement may contain "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, information with respect to the entry into a binding agreement/s with Darwin Port, development of the Company's projects and future production of the Company. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments. However, such forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information. The Company also notes that this announcement refers to potential production from the Company's Finnis Lithium Project. It is important to note that the Company has not yet delineated a JORC compliant mineral resource or reserve at the Finnis Lithium Project and there is no guarantee that the Company will delineate a resource or reserve or that it will proceed to development of the Finnis Lithium Project. There is also no guarantee that the Company will enter into a binding agreement with Darwin Port. Accordingly, readers should not place undue reliance on any forward-looking information and to the maximum extent permitted by law, the Company does not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the forward-looking information or otherwise arising in connection with such announcement.



About the Port of Darwin

Port Darwin is a multiuser port with bulk loading and container shipping facilities with spare capacity and is Australia's closest port to Asia.



Container vessel and mobile harbour crane, East Arm Wharf, Port Darwin

East Arm Wharf was opened in the year 2000 and provides 754 metres of wharf line. The facility can accept vessels up to 80,000 tonnes and comprises a bulk liquids berth, a common user facility, a container facility and a bulk loading berth.

East Arm Wharf's bulk materials handling facility can cater for Panamax size vessels and has previously exported iron ore and manganese. To support increases in dry bulk trade the Darwin Port has implemented major infrastructure upgrades including a 1,500 tph rail dump with the capacity to handle 25 ore trains per week and a bulk ship loading facility with a capacity of up to 2,000 tph.



Finniss Lithium Project Background

Core’s Finniss Lithium Project covers a large portion of the Bynoe Lithium-Tantalum-Tin Pegmatite field (Figure 1).

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.

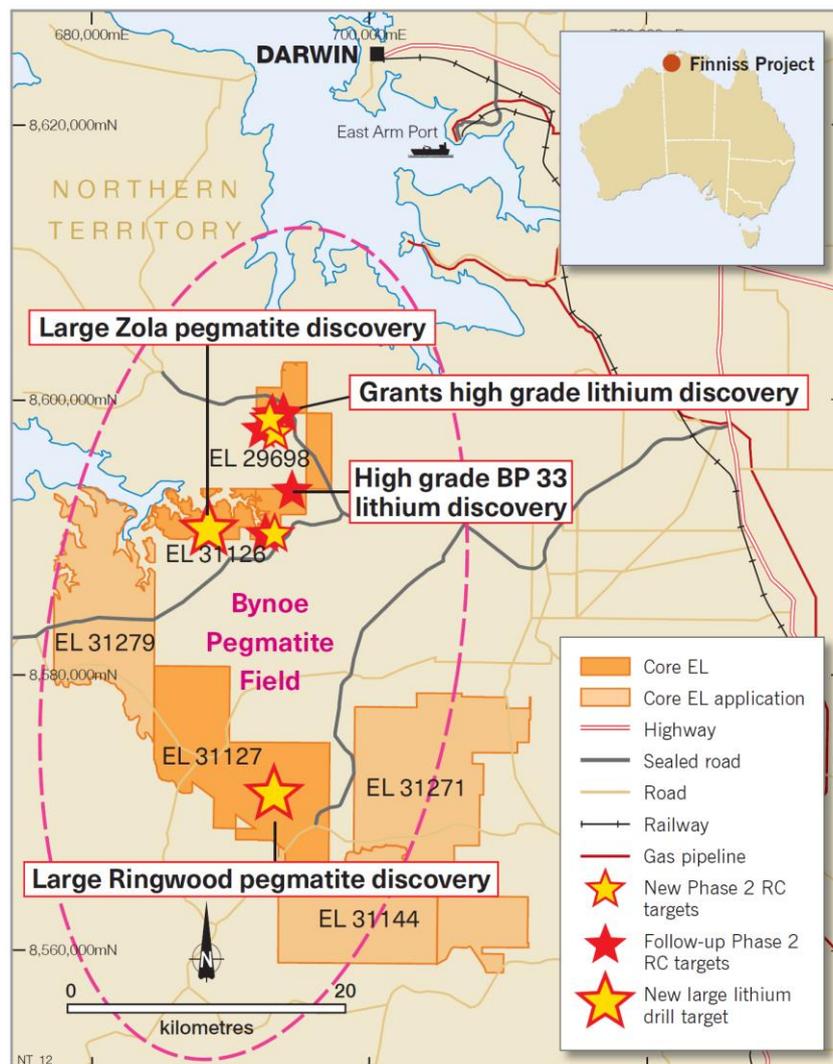


Figure 1. Finniss Lithium Project near Darwin in the NT