Core Exploration Ltd.: Continuous High Grade Spodumene in Phase 2 RC Drilling

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Adelaide - Core Exploration Ltd. (ASX:CXO) ("Core" or the "Company") is pleased to announce that high grade lithium assays have been received in the first batch of results from the Phase 2 RC drilling at the Grants Prospect, which have increased the size and depth of continuous high grade mineralisation defined at Grants Prospects within the Finniss Lithium Project near Darwin in the NT ("Finniss").

HIGHLIGHTS

- First batch of Phase 2 RC drilling results received from Grants Prospect within the Finniss Lithium Project have consistently hit intersections of high grade spodumene mineralisation

- New RC drilling confirms excellent continuity of high grade spodumene mineralisation along strike and at depth

- High grade spodumene at Grants now extends over at least 250m in length, with mineralisation open at depth to at least 200m and up to 30m in true width

- Thick intersections of high grade spodumene mineralisation were made in all new RC drilled, including:

o 59m @ 1.45% Li2O from 79m, including 3m @ 2.12% Li2O (FRC031)

o 38m @ 1.49% Li2O from 70m, including 3m @ 2.00% Li2O (FRC032)

o 55m @ 1.42% Li2O from 66m, including 4m @ 2.18% Li2O (FRC033)

o 43m @ 1.46% Li2O from 133m, including 4m @ 2.06% Li2O (FRC036)

- Continuity of high grade mineralisation, simple mining and low transport costs given proximity to Port Darwin support the potential for an early DSO development at Grants

- Core to pursue growing resource base at its Finniss Project with aggressive drill programs continuing in 2017 in parallel with assessing early development options

- Further assay results of Phase 2 RC drilling from a range of targets from within the Finniss Project are expected over coming weeks

- Diamond drilling is continuing at Finniss

Further Phase 2 RC Drilling Results

The best results include 59m high grade spodumene intersection at 1.45% Li2O (FRC031) and 55m at 1.42% Li2O (FRC033), containing a number zones above 2% Li2O. All the other drill holes at Grants (6 in total) also hit high grade lithium intersections with all new results listed in Table 1 in link below.

These new RC assay results are consistent with all previous RC and diamond drillholes at Grants which have all hit thick intersections of excellent quality coarse grained spodumene, and show that high grade spodumene mineralisation is continuous between drill sections and is open at depth. As a result, these new results have expanded and improved the continuity of high grade spodumene mineralisation defined at Grants.

Drilling at Grants has now confirmed continuous high grade spodumene mineralisation in drilling over 250m in length. Mineralisation is open at depth to at least 200m and is up to 30m in true width (refer Figures 1-3 in link below).

Spodumene Pegmatite Mineralisation

Core's high grade assays from all RC and diamond drilling at Grants are also confirmed by observations in

drill core that high grade lithium (as spodumene) is consistently present as a major rock forming mineral throughout the fully-cored pegmatite drill intersections at Grants.

The spodumene is green at the Grants Prospect and usually large with some spodumene crystals greater than 10cm.

The pegmatite at Grants comprises only a few simple minerals with spodumene, quartz and feldspar (albite dominant) accounting for approximately 95% of the pegmatite composition. This simple mineralogy should be an advantage when assessing potential for spodumene concentrate production.

Potential DSO Opportunity at Grants

The continuity and expanded size of high grade spodumene mineralisation drilled at Grants strengthens the case for the potential for early DSO production from the Finniss Lithium Project, starting at the Grants Prospect.

Grants is located 500m from the sealed highway which connects to the Project to nearby Port Darwin (Figure 4 in link below). Port Darwin is a multiuser port with bulk loading and container shipping facilities with spare capacity and is Australia's closest port to Asia. The Finniss Project's potential logistics chain is comparable with some of the best spodumene projects being developed in Australia.

Once all assay results have been received from the current drilling programme at Grants, Core will consider a Mining Study on the Grants Pegmatite to assess the potential for early development of a DSO spodumene mining project at Grant exporting via the Port of Darwin.

Aggressive Drilling Campaign to Continue at Finniss in 2017

In parallel with the assessment of the potential for the a DSO development at Grants, Core will be continuing to pursue the objective of building a large spodumene resource base at the Finniss Project with its aggressive exploration and drilling campaigns in 2017.

Next Steps

Core completed its expanded Phase 2 RC drilling program in the days before Christmas 2016. A large number of the assays from this 6,900m drilling program are yet to be received and will be reported over the coming weeks.

Core currently has a diamond rig actively drilling at Finniss. First assays results from this diamond drilling program are expected in March after the core is cut and submitted to the laboratory.

The first results from metallurgical test work on a bulk sample of from Grants are expected in February. Work is currently underway on 400kg of large diameter HQ core at the Nagrom metallurgical facilities in Perth, W.A to determine potential to produce commercial grade spodumene concentrate.

Core is also currently conducting a detailed airborne geophysical survey over the Finniss Lithium Project with data expected to become available in March.

As noted above, once all drill assays are received from the Grants Prospect, Core will consider a Mining Study on the Grants Pegmatite to assess the potential for early development of a DSO spodumene mining project at Grant.

Core will be assessing the incoming results during February and March to prioritise aggressive drilling programs in 2017, including the maiden RC drill testing of large pegmatite targets identified by Core within the Finniss project at Zola and Ringwood. Core's drilling and field programs will ramp up as the dry season approaches in 2017.

To view tables and figures, please visit:
http://abnnewswire.net/lnk/WCT5459R

About Core Exploration Ltd:

Core Exploration Ltd. (ASX:CXO) aims to grow shareholder value through the exploration for and discovery of commercially robust base metal and uranium deposits in South Australia and the Northern Territory. Core Exploration's projects have been carefully acquired in geology which hosts world-class mines and within some of the most prospective geological terrains for base metals and uranium in Australia.

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