ASX ANNOUNCEMENT

ASX : CXO

11th August 2014

Soil sampling unearths 8.9% copper within new 2km magnetic target at Albarta Project

- **Copper in soil anomalies and malachite and azurite bearing outcrops at new Jay Prospect**
- **Best assays of 8.9% Cu discovered at new Manny Prospect**
- **Copper in soils and rock chips coincident with 2km long magnetic feature.**
- **A number of other copper in soil anomalies present may lead to identification of further new prospects**

Core Exploration Ltd's (ASX:CXO) mapping and rock chip sampling has found outcrop grading up to 8.9% copper at the newly identified Jay prospect, 100km NE of Alice Springs in the NT.

Core's geologists were following up on a copper in soil anomaly overlying a 2km long "J" shaped magnetic feature by the Company's recent soil survey in the Greater Paradise Well area when they found malachite and azurite (copper minerals) replacing primary sulphides at the northern end of the copper in soil target (Figures 1 & 2).

The same host rock - a coarse grained garnet gneiss ± iron oxide altered granite - was also associated with similar copper mineralisation found 1.5km to the south, near the hinge of the connecting magnetic "J" feature (Figure 2).

The coincident magnetic feature, copper in soil and mineralised outcrop at the Jay Prospect is due to a magnetic amphibolite which is in contact with the malachite bearing coarse grained garnet gneiss.

Further reconnaissance mapping 200m east of the northern end of the Jay Prospect (North Jay Prospect: Figure 1) also identified malachite and azurite bearing veins in a fine grained granitic unit consistently occurring in a 200 × 50m area. This location has been called the Manny Prospect. Manny is located on a NW cross-cutting, non-magnetic feature.

This new copper prospect adds to the pipeline of potential drill targets that Core is building and prioritising in the Company's exciting Albarta Project. The company already has three drilling programs planned at Blueys, Inkheart and Virginia and Copper Queen over coming months.

Core's Managing Director Mr Stephen Biggins commented "Core's exploration activities at Albarta are consistently finding new outcropping mineralisation which is generating significant drilling targets for the company."

"Core has spent the past 2 years building the tenement package and identifying multiple prospects within the Albarta project. The project is now fully owned and the time has come to unlock the potential. Initial drilling results have been very positive and further drilling programs are about to get underway at highly prospective targets. Albarta is now being positioned as a significant new exploration province in Australia."

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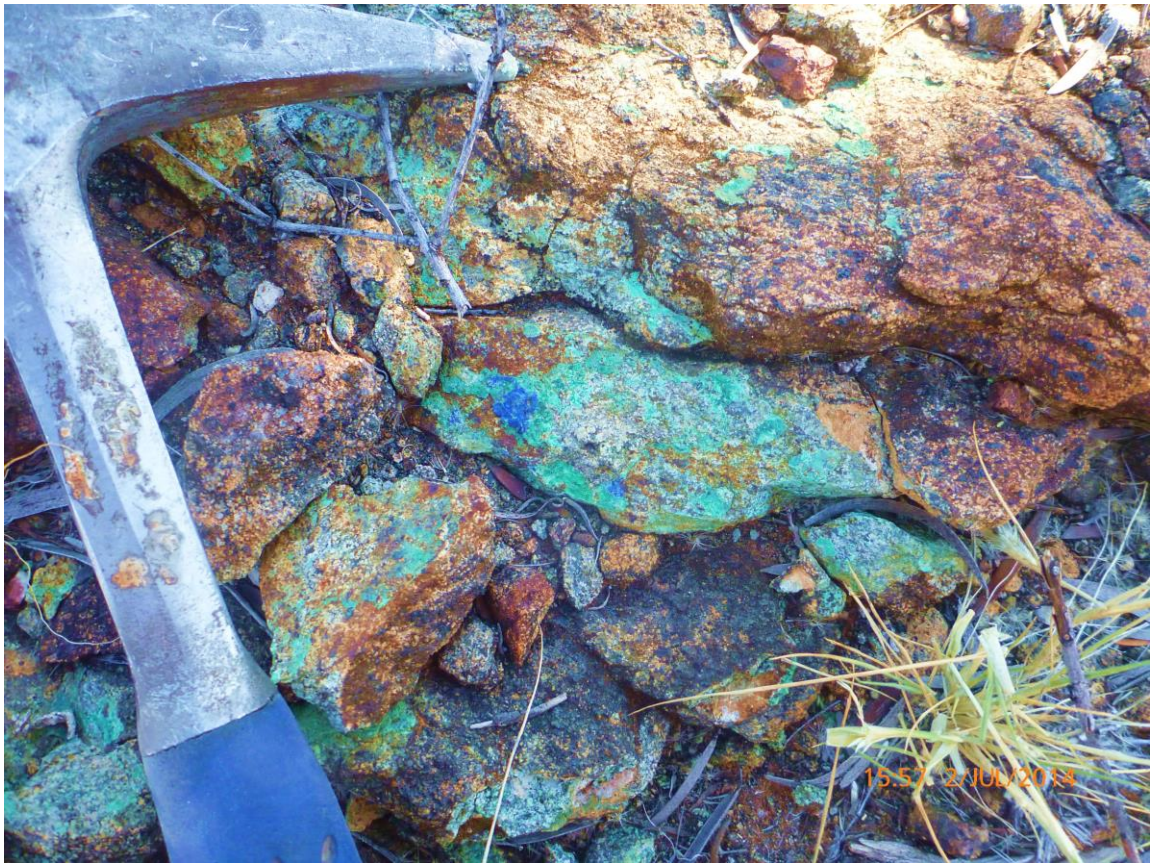

Figure 1. Azurite (blue) and Malachite (green) copper mineralisation in outcrop Jay Prospect NT.

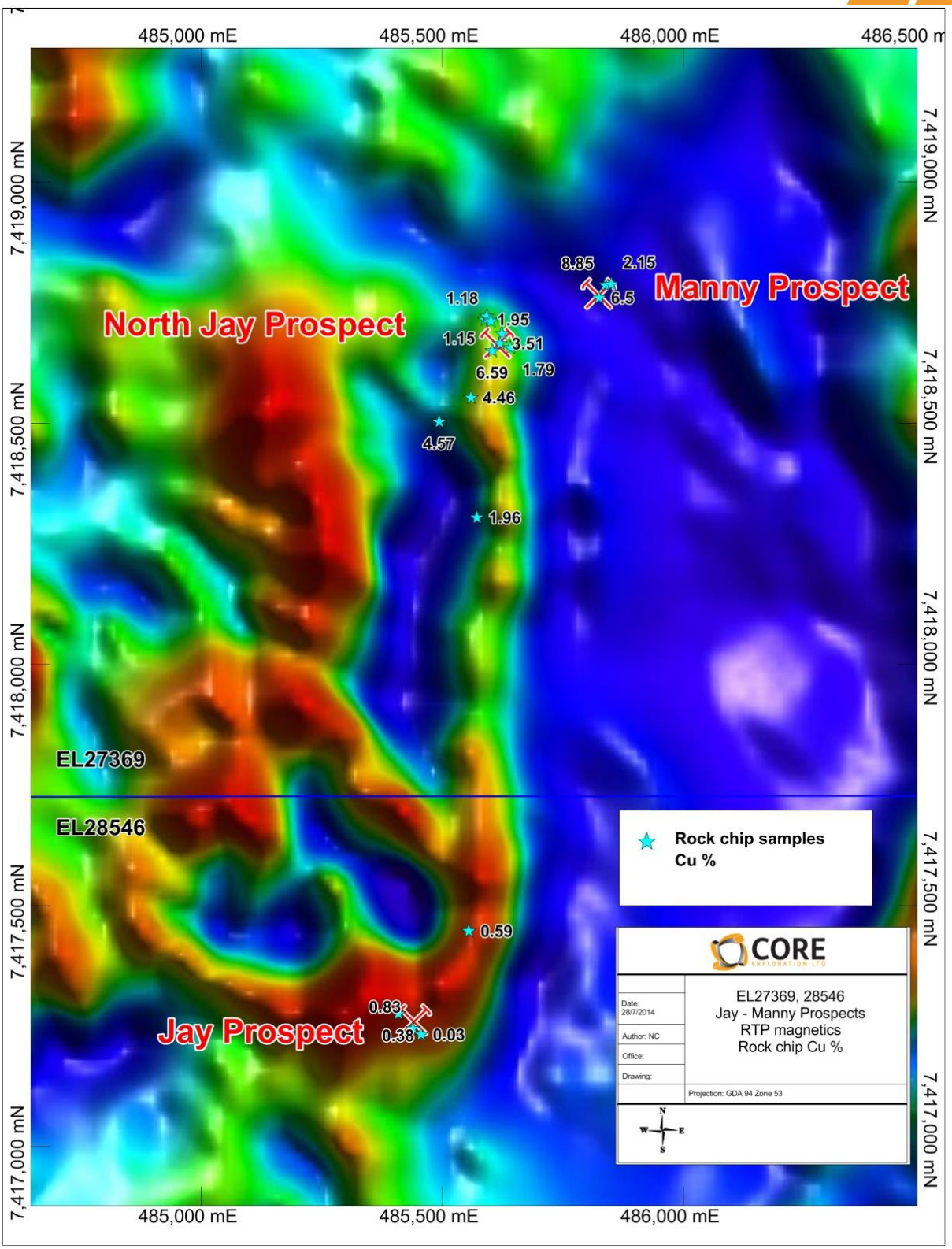

Figure 2. All copper rock-chip assays overlain on magnetics, Jay and Manny Prospects NT.

Sample ID	Easting	Northing	Tenement	Prospect	Cu %	Au ppm	Ag ppm
1270	485588	7418717	EL27369	Jay	**1.95**	0.04	2.4
1271	485592	7418723	EL27369	Jay	**1.15**	X	0.9
1272	485599	7418716	EL27369	Jay	**1.18**	X	1.8
1273	485600	7418713	EL27369	Jay	**3.57**	0.09	7.8
1274	485623	7418687	EL27369	Jay	**1.62**	X	1.9
1275	485619	7418667	EL27369	Jay	**3.51**	0.04	3.3
1276	485641	7418658	EL27369	Jay	**1.79**	0.04	2.2
1277	485603	7418652	EL27369	Jay	**6.59**	0.23	18.9
1278	485559	7418555	EL27369	Jay	**4.46**	0.39	2.4
1279	485493	7418505	EL27369	Jay	**4.57**	0.04	2.5
1280	485571	7418306	EL27369	Jay	**1.96**	0.01	1.6
1281	485554	7417449	EL28546	Jay	**0.59**	0.07	1.2
1282	485455	7417234	EL28546	Jay	**0.03**	X	X
1283	485408	7417278	EL28546	Jay	**0.38**	X	0.5
1284	485438	7417247	EL28546	Jay	**0.83**	0.01	1.2
1285	485825	7418762	EL27369	Manny	**6.50**	0.21	4.4
1286	485838	7418788	EL27369	Manny	**8.85**	0.04	3.7
1287	485850	7418790	EL27369	Manny	**2.15**	0.02	1.8

Table 1. : All rock- chip sampling assays results showing copper, gold and silver.

Albarta Project Background

Core's Albarta project covers over 2,000km^2 of the newly-recognised, highly prospective IOCG Aileron Province, 100km NE of Alice Springs in the NT. Core's tenements include a number of significant copper (+/- silver, gold, uranium, REE and PGE) mineral occurrences. The high IOCG prospectivity confirmed by Geoscience Australia verifies the strategy that Core has pursued to build a strong position in Australia's new copper and IOCG exploration hot-spot.

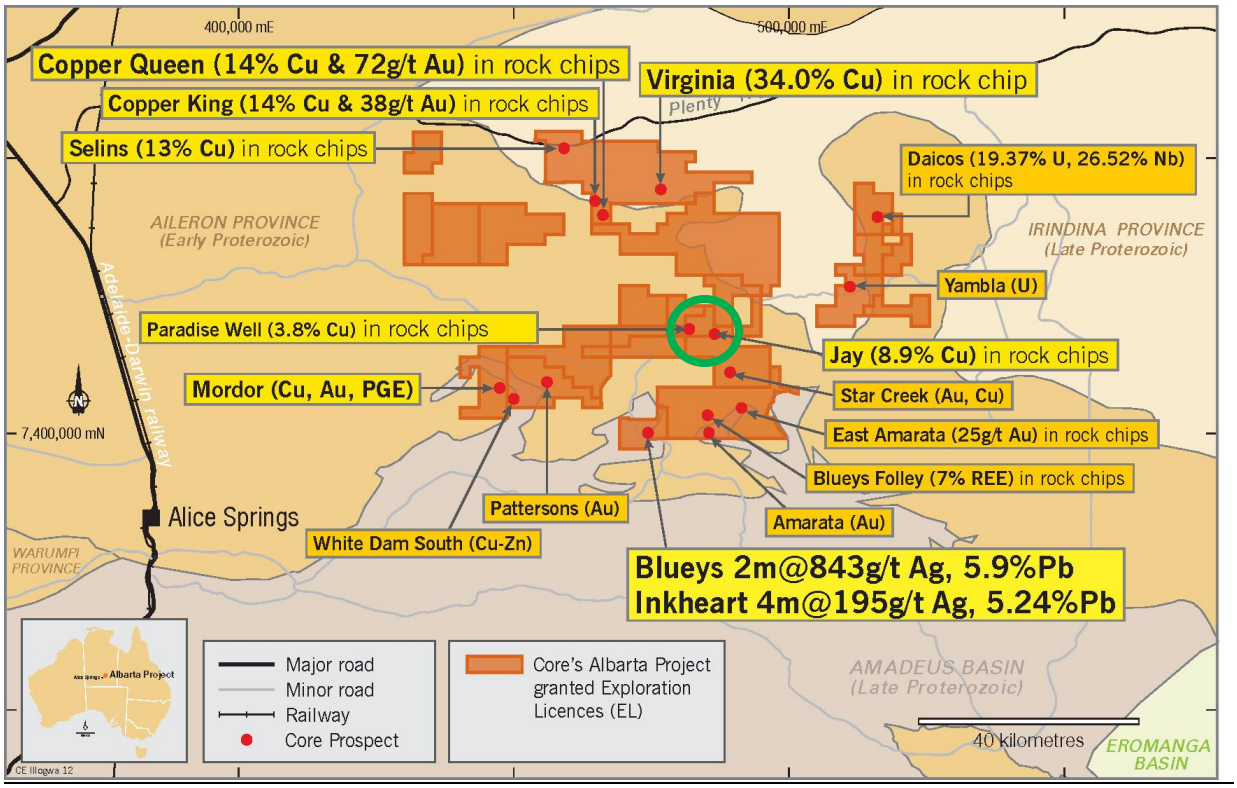

Figure 3. Core's Albarta Project tenements overlain on regional geology, NT.

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.

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock Chip sampling was undertaken as part of reconnaissance mapping and prospecting. Samples were taken when visible mineralisation was observed as well as of newly identified lithological units, alteration or veining was observed. • Soil sampling was collected on 200m × 200m spacing on a broad grid and 50m × 50m spacing over the Great Paradise Well area. A hand shovel was used to dig a ~30cm deep hole then the soil from the bottom of the hole was sieved in a 20µm sieve and collected for assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable as no drilling has been undertaken
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade*	• Not applicable as no drilling has been undertaken

Criteria	JORC Code explanation	Commentary
	and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable as no drilling has been undertaken
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable as no drilling has been undertaken
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Rock Chip samples were sent to Genalysis for 4A/MS 4 Acid Digest Mass Spectrometry: and 4A/OE 4 Acid Digest Inductively Coupled Plasma Optical Emission Spectrometry. • Soil samples were sent to Genalysis for TL7 which is very weak hydrochloric acid partial digest, then Cu, Pb, and Zn were analysed using AAS and Ag was analysed for using a ICP-MS.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable as no drilling has been undertaken
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All coordinate information was collected using hand held GPS utilizing GDA 94, Zone 53.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing for rock chip samples are displayed in the diagrams.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable as no drilling has been undertaken
Sample security	• *The measures taken to ensure sample security.*	• Samples were labeled and bagged and sent straight to the geochemistry laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not applicable as no audits or reviews of sampling techniques have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Core has a 100% contracted interest in the underlying exploration licences EL 27369 and EL 28546, subject to ministerial approval of transfers. Core having recently bought out the previous joint venture partners.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There has been no prior exploration other parties at the Jay and Manny Prospects
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology of EL 27369 is dominated by rocks of the Aileron Province. Amphibolites, calc-silicates, metasedimentary unit and granites comprise the outcropping basement lithologies within the tenement. The area was deformed during the Alice Springs Orogeny (300-400Ma) forming Nappe structures in the area.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly*
		• Not applicable as no drilling has been undertaken

Criteria	JORC Code explanation	Commentary
	explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable as no data averaging has been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• As the geochemical results thus far collected by Core Exploration are from surface any potential depths of mineralisation or orientations can only be inferred from geological observations on the surface and hence are speculative in nature.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See figures in release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Displaying details of all rock chips collected are shown in Figure 2 and listed in Table 1.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See release details
Further work	• *The nature and scale of planned further work (eg tests for lateral*	• Core plans to undertake a further mapping to enable planning of

Criteria	JORC Code explanation	Commentary
	extensions or depth extensions or large-scale step-out drilling). • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	geophysics and prioritise targets for drilling