



ASX ANNOUNCEMENT

ASX : CXO

17th August 2016

Core Awarded \$190,000 PACE Co-funding to Drill Zinc Project

HIGHLIGHTS

- **Core has been awarded co-funding for a diamond drilling program at the Yerelina Zinc Project**
- **Previous shallow drilling intersected up to 6% zinc within a 17m intersection of mineralised breccia grading at 1.4% zinc plus lead and 19g/t silver**
- **Up to 14.7 % zinc, 11.7% lead, and 567 g/t silver assays in previous surface rock chips from sampling of old workings and gossans by Core on EL 5015**
- **High grade mineralisation identified in a number of mineralised structures up to 1.5km long interpreted to represent surface expression of a new substantial carbonate rich, sediment hosted zinc system at Yerelina**
- **7 hole diamond program to test the potential for large tonnage, stratiform targets in the known limestone breccia layers within the host Tapley Hill Formation**

Core Exploration Limited (ASX:CXO) is pleased to announce it has been awarded \$190,000 of co-funding from the South Australian Government as part of the SA Government's PACE Discovery Drilling 2016 program to drill the Company's Yerelina Zinc Project on EL 5015, which covers a 1,000km² area in northern South Australia.

Core's successful proposal for drilling at Yerelina was assessed and ranked against criteria by a panel of government and independent representatives with extensive mining industry experience.

Core's previous shallow drilling at Yerelina intersected up to 6% zinc within a 17m intersection of mineralised breccia grading at 1.4% zinc plus lead and 19g/t silver assays (ASX:CXO 26/11/2015).

Core's previous mapping campaigns have also discovered high grade mineralisation in a number of mineralised structures up to 1.5km long. These results are interpreted to represent the surface expression of a new substantial carbonate rich, sediment hosted zinc system at Yerelina.

The PACE assisted drilling project proposed in 2017 comprises seven angled diamond core holes (up to a total of approx. 2,000m). Drilling is targeted proximal to known mineralised structures, zinc geochemical anomalies and reef limestones as stratiform targets for mineralisation.



Many sediment-hosted zinc deposits (e.g. Lennard Shelf in WA) have strong structural control or influence on mineralising fluid movement through the sedimentary package as observed at Yerelina. Often zinc mineralisation is associated with mineralised breccias and veining and alteration in fault zones and zones of shearing as observed at Yerelina.

Typically, the economic scale of these deposits is driven by stratiform (often flat lying) deposits proximal to the identified mineralised structures. Yerelina has potential to host large stratiform deposits within limestone reef facies and breccias within the Tapley Hill Formation close to previously drilled and also other known mineralised discordant structures.

The Tapley Hill Formation geology is known to be both the source and host of numerous base metal occurrences in the intracratonic basin sediments of the 200km x 600km Adelaide Geosyncline in South Australia.

Core’s MD Stephen Biggins said:

“While we remain focused on our upcoming drilling program at the Finniss Lithium Project, we also have a number of other exciting opportunities within our portfolio. This co-funding from the South Australian government provides Core with a low cost opportunity to progress the exploration of the Yerelina Zinc Project”.

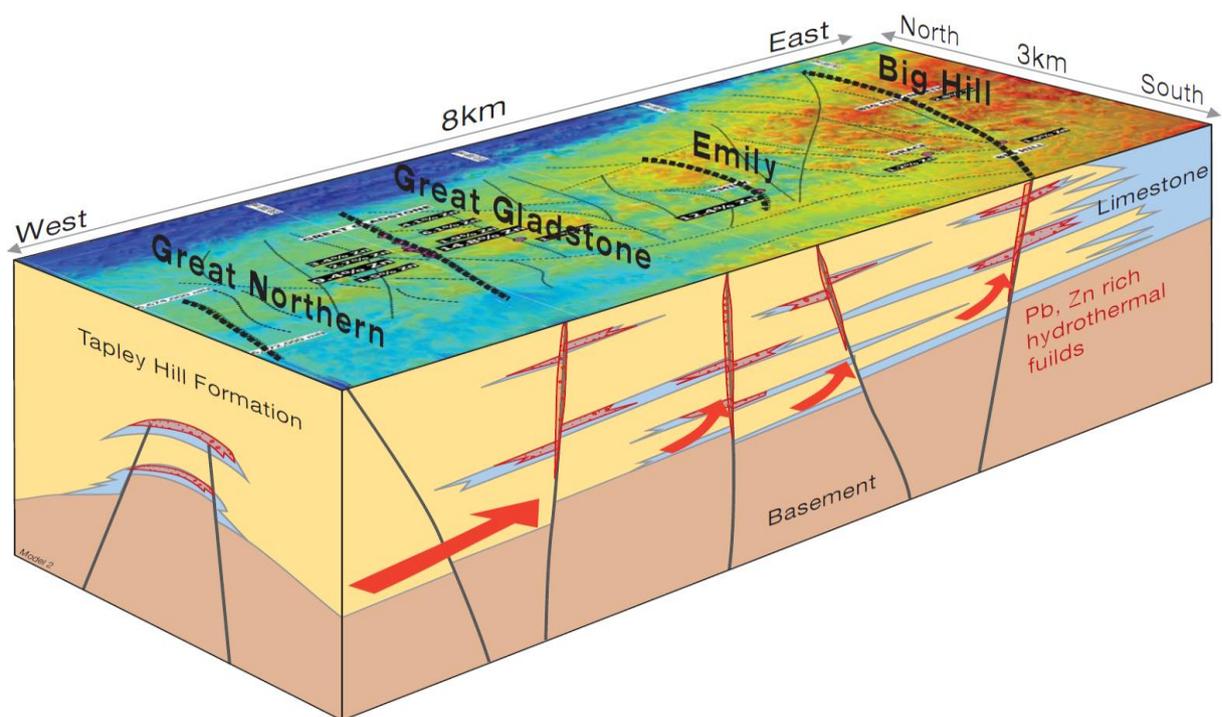


Figure 1. Conceptual block model with magnetic image showing mineralised structures that have been mapped, sampled and drilled, and potential large-scale stratiform zinc targets, Yerelina, SA.



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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. This report also references information previously released under JORC Code 2012 to the ASX on 26/11/15 in "Zinc grades confirm significant system at Yerelina".

This report also includes exploration information that was prepared and first disclosed by Core under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in all previous announcements has been compiled by Mr Stephen Biggins as the Competent Person and who provided his consent for all previous announcements. The information that was reported in announcements previously released under JORC Code 2004 is the announcement dated 19/03/2013 titled "High Grade Lead-Zinc-Silver Assays from S.A. Project"