ASX ANNOUNCEMENT

ASX : CXO

7th November 2014

AEM survey finds multiple conductive targets, Jervois Domain NT

- **Core's AEM surveys have defined conductive targets in geology highly prospective for copper mineralisation**
- **AEM (VTEM) targeting large prospective zone identified by Core adjacent to KGL's Jervois 25 million tonne copper resource**
- **Detailed processing and drill target modelling underway in alliance with CSIRO - results expected December 2014**
- **Planning for drilling Jervois Domain Q1 2015**

Preliminary data from Core Exploration Ltd's (ASX:CXO) airborne electromagnetic (AEM) surveys have identified large conductive targets within Bonya Schist geology interpreted to be prospective for copper. These new targets have been identified on the Company's Jervois Domain project north east of Alice Springs in the NT (Figures 1-4).

Core utilised the high-powered *VTEM Super Max* AEM system to define the new drill targets within a large, 20km long prospective zone that has similar structural and magnetic features to KGL's nearby copper resource at Jervois, both which are hosted in Bonya Schist geology.(Figures 1-3).

Recent drilling by KGL Resources Ltd in the centre of the Jervois Block has reported several new high-grade discoveries and the recently announced 25Mt copper resource (combined JORC 2012 compliant Indicated and Inferred Resource of 25.3 Mt @ 1.1% Cu and 22g/t Ag) has substantially upgraded the economic potential of the area which is located within Australia's new exploration province in the NT. (Figure 4).

A number of large, conductive targets have been identified by the new AEM survey within the large target zone on Core's tenements. A cluster of 2-3km long conductive targets have been highlighted running sub-parallel to the "J-Curve" that hosts KGL's 25Mt copper resource 5km to the west (Figures 1-3).

The recently completed AEM survey is strengthening CXO's exploration model in the Jervois region that considers the mineralised host stratigraphy is repeated under shallow cover on the eastern side of the Jervois Domain as illustrated in the solid geology interpretation, magnetics and electromagnetics (Figures 1-3). This interpreted repeated stratigraphy runs directly through Core's tenements.

Core has noted KGL's recent success using electromagnetics (EM) on their neighbouring ground to map mineralised conductors beyond known resources and at depth. Along with Rox Resources Ltd's

(ASX:RXL) use of EM and recent substantial copper intersections nearby in Bonya Schist geology, the momentum for exploration success in the area is growing.

Core is finalising an exploration research alliance with CSIRO to leverage their expertise with the successful use of AEM in the underlying Bonya Schist geology to characterise high-grade copper mineralisation in the nearby Jervois area.

Detailed processing, interpretation and drill target modelling is currently underway on the new AEM dataset. Core expects to have the final interpretations and modelling in hand by the end of 2014, which will enable the Company to plan a series of substantial drill programs in the Jervois Domain commencing in Q1 2015. This adds to the pipeline of drilling programs for the company with the Copper Royals and Virginia programs due to commence later this month.

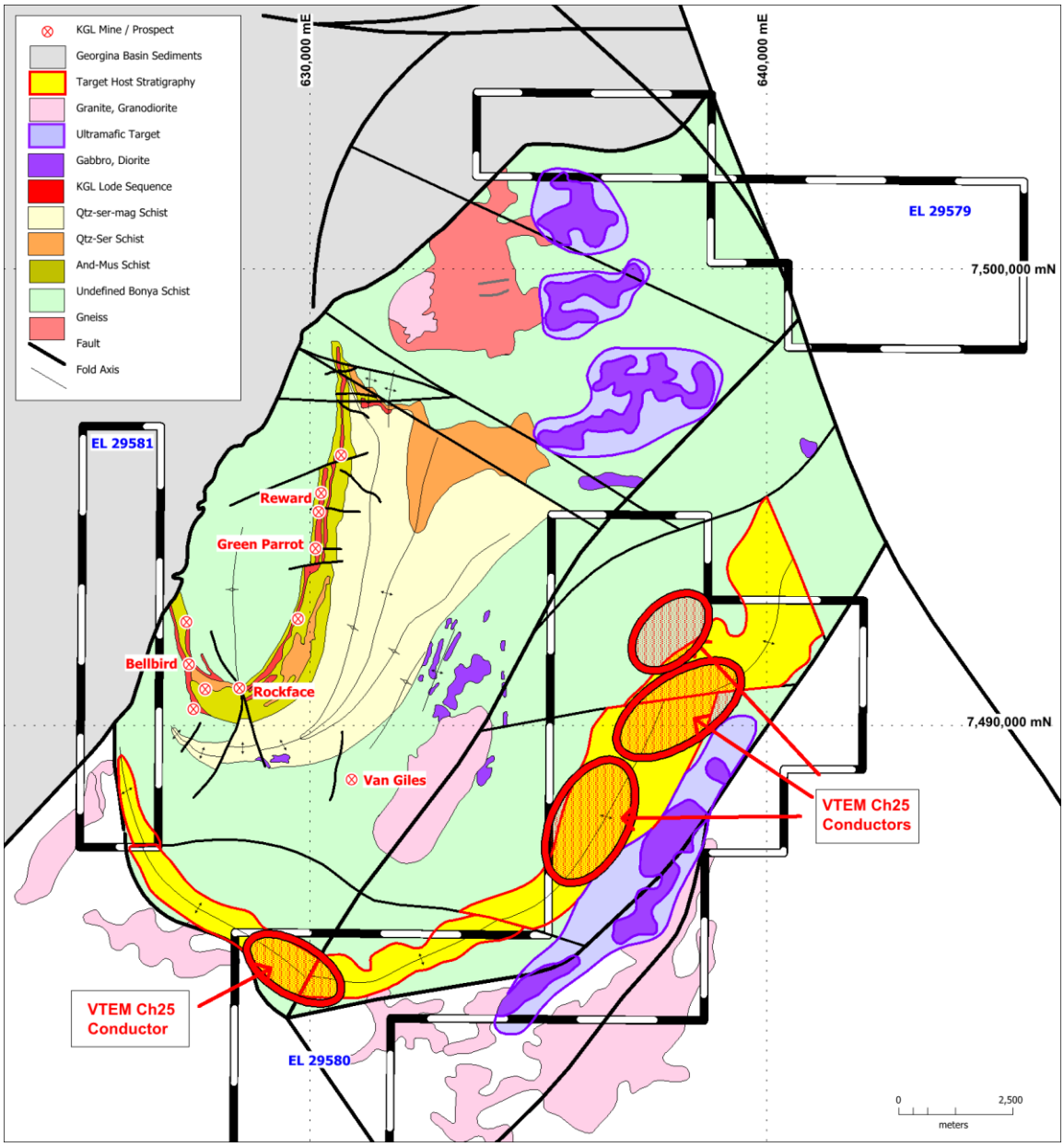

Figure 1: AEM conductive targets overlain on the interpreted solid geology for the Jervois Domain.

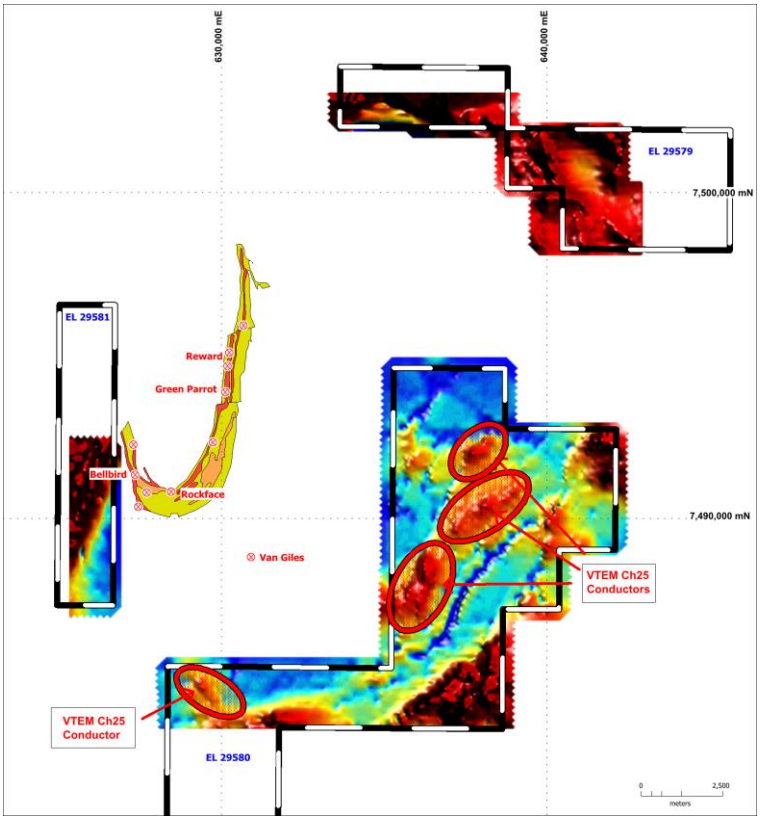

Figure 2. Conductive targets within Core tenure overlain on preliminary Channel 25 amplitude (on 200m spaced lines) VTEM, Jervois NT.

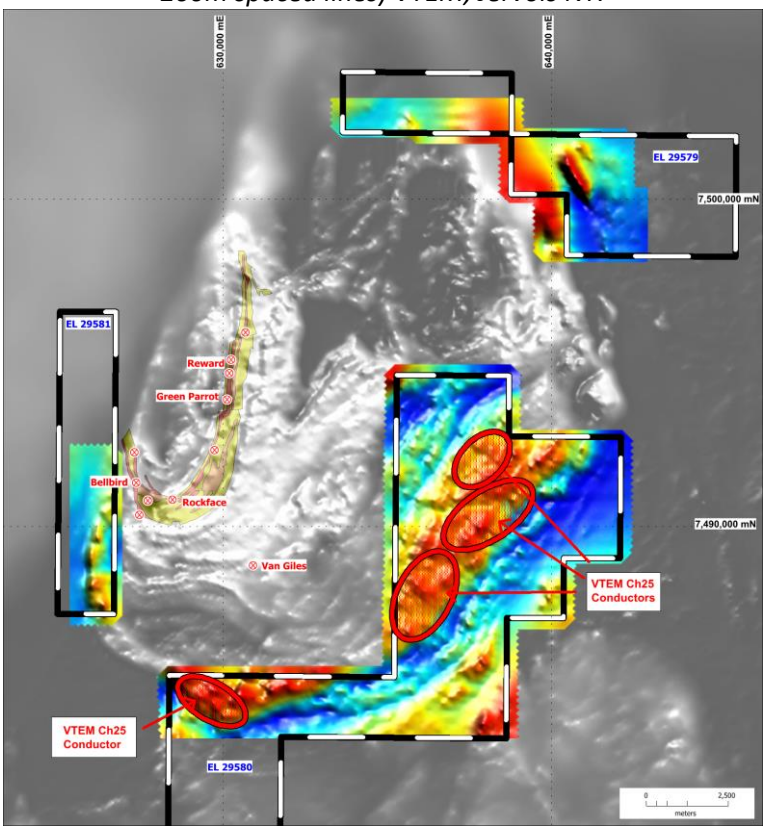

Figure 3. VTEM conductive targets within Core tenure overlain on magnetics, Jervois NT.

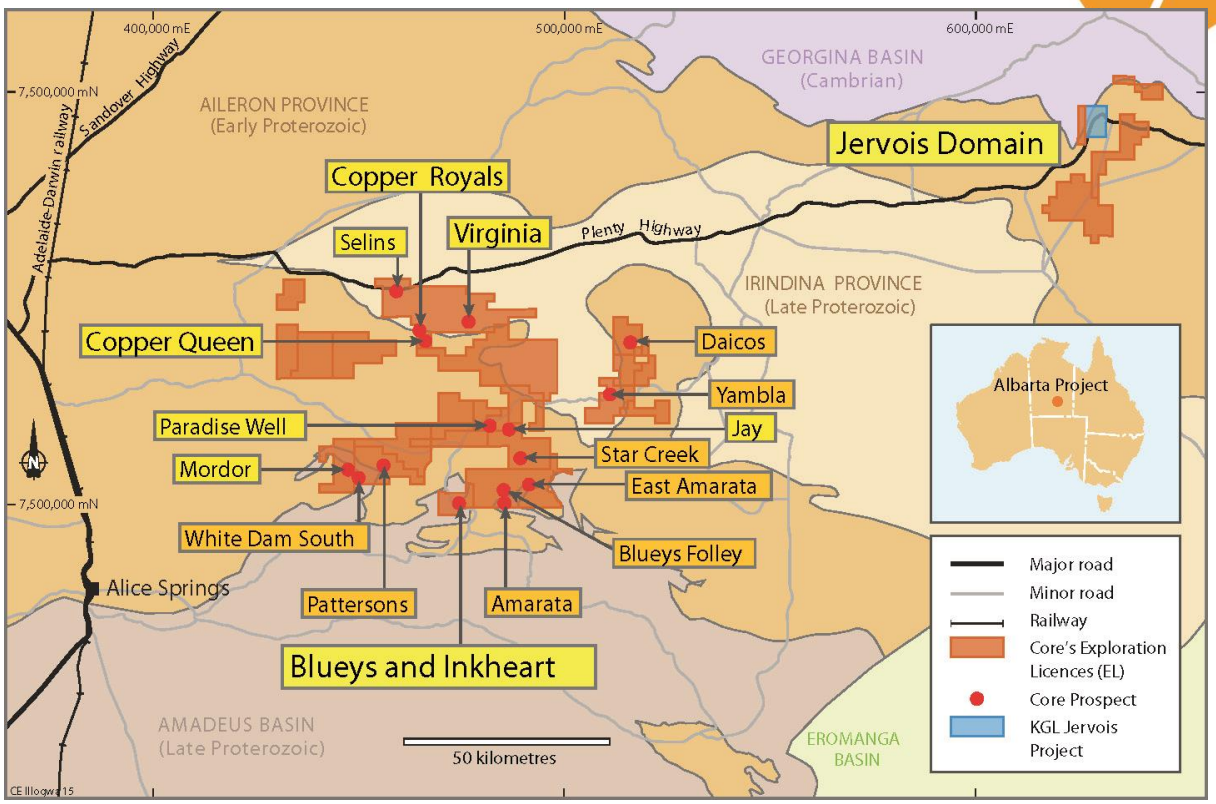

Figure 4. Core's 100% owned Albarta Project prospects and tenements on regional geology, NT

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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 by KGL Resources Ltd to the ASX on 15/09/2014 "Jervois Resource Update"

Jervois Preliminary VTEM Data – November 2014– JORC 2012

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 'RC 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.*	• 200m spaced SuperMax VTEM airborne electromagnetic survey was flown by GeoTech in October 2014
Drilling techniques	• *Drill type (eg core, RC, 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 preliminary data of geophysical survey only
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Not applicable preliminary data of geophysical survey only

Criteria	JORC Code explanation	Commentary
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade 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 preliminary data of geophysical survey only
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.*	• Not applicable preliminary data of geophysical survey only

Criteria	JORC Code explanation	Commentary
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
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.*	Preliminary data release only. CSIRO is managing QAQC of final data to be released later in 2014
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 preliminary data of geophysical survey only
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.*	• Not applicable preliminary data of geophysical survey only

Criteria	JORC Code explanation	Commentary
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.*	• Not applicable preliminary data of geophysical survey only
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.*	• Survey was designed to fly orthogonal to interpreted strike of geology
Sample security	• *The measures taken to ensure sample security.*	• Not applicable preliminary data of geophysical survey only
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• CSIRO are managing QAQC and will audit final data when released

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.*	• EL's 29579, 29580 and 29581 are owned 100% by DBL Blues Pty Ltd a wholly owned subsidiary of Core Exploration Ltd
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Various phases of historical exploration have been undertaken at Jervois by a number of companies over the last 30 years however very limited work has been undertaken on the areas flown by VTEM
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Jervois Block is part of the Palaeo-Proterozoic Aileron Province. Significant polymetallic stratabound mineralisation has been discovered on outcropping Bonya schist, which has been periodically mined since the 1920's adjacent to the area flown. A repeat at depth of the mineralised stratigraphy is interpreted at depth under the areas flown by VTEM.

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.*
		• Not applicable preliminary data of geophysical survey only

Criteria	JORC Code explanation	Commentary
	• *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 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 preliminary data of geophysical survey only
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').*	• Not applicable preliminary data of geophysical survey only
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.*	• Preliminary image of magnetics and Channel 25 AEM data included in announcement
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.*	• Not applicable preliminary data of geophysical survey only
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,*	• Not applicable preliminary data of geophysical survey only

Criteria	JORC Code explanation	Commentary
	groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral 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.*	• Subject to Board approval once final data is released and processed additional ground geophysics and drilling may be undertaken