



ASX ANNOUNCEMENT

ASX : CXO

20th August 2014

Large prospective zone defined in Jervois area Airborne electromagnetic (AEM) surveys to develop drill targets

- **New large prospective zone identified by Core in the Jervois area**
- **Core is planning AEM surveys to replicate KGL's success in defining conductive drill targets at Jervois**
- **Core holds four 100%-owned tenements in the Jervois area which surround KGL's project and covers approximately 280 km²**
- **KGL is drilling at Bellbird 500m from Core's EL 29581**

Core Exploration Ltd (ASX:CXO) is pleased to announce that it has defined a large prospective zone at its Jervois Domain project. The Company is now planning AEM surveys to define drill targets within the 20km zone that has similar structural and magnetic features to KGL's Jervois prospects. Core's four tenements 100% owned surround KGL's tenements and cover approximately 280 square kilometres in the highly prospective Jervois region 200km north east of Alice Springs, NT.

Recent drilling by KGL Resources Ltd (ASX:KGL) in the centre of the Jervois Domain has reported several new, very high-grade discoveries and drill intersections substantially upgrading the economic potential of Australia's newest exploration province in the NT.

Core's adjacent EL 29581 is located only 500m west of KGL's Bellbird drill intersection of 13m @ 5.75% Cu, 23.2g/t Ag, 0.32g/t Au from 20m(Hole JOC090) announced by KGL (ASX 21/07/14) (Fig 1).

To date, significant mineralisation has been successfully discovered in the outcropping Jervois Domain in a "J" shaped horizon which is dominated by tightly folded Bonya Schist (Figure 1). Due to shallow cover, only limited work has been undertaken elsewhere in this highly prospective district. CXO's exploration model in the Jervois region 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 and cross section (A-B, C-D) in figure 1 and magnetic image in figure 2. 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. The magnetic and potentially replicated mineralised system is evident on Core's tenements albeit at lower amplitude reflecting a likely deeper source. The proposed AEM survey has the potential to map and model 3D conductors to 300-400m depth.

Core is initiating soil surveys and reconnaissance mapping this month to be followed by AEM surveys with preliminary results expected in October 2014.

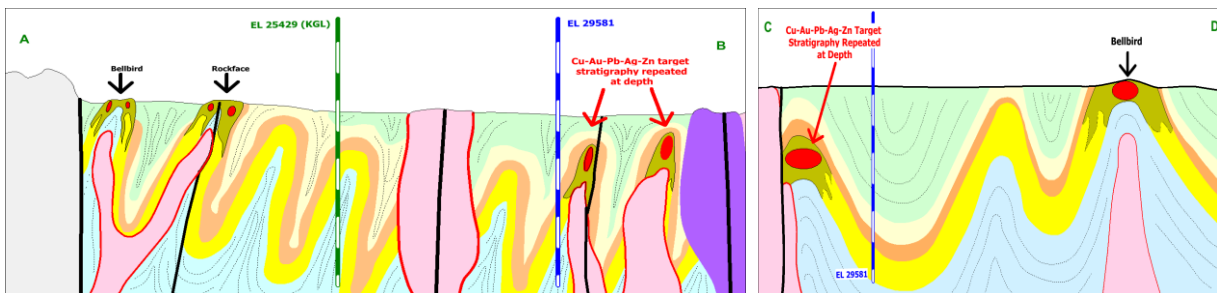
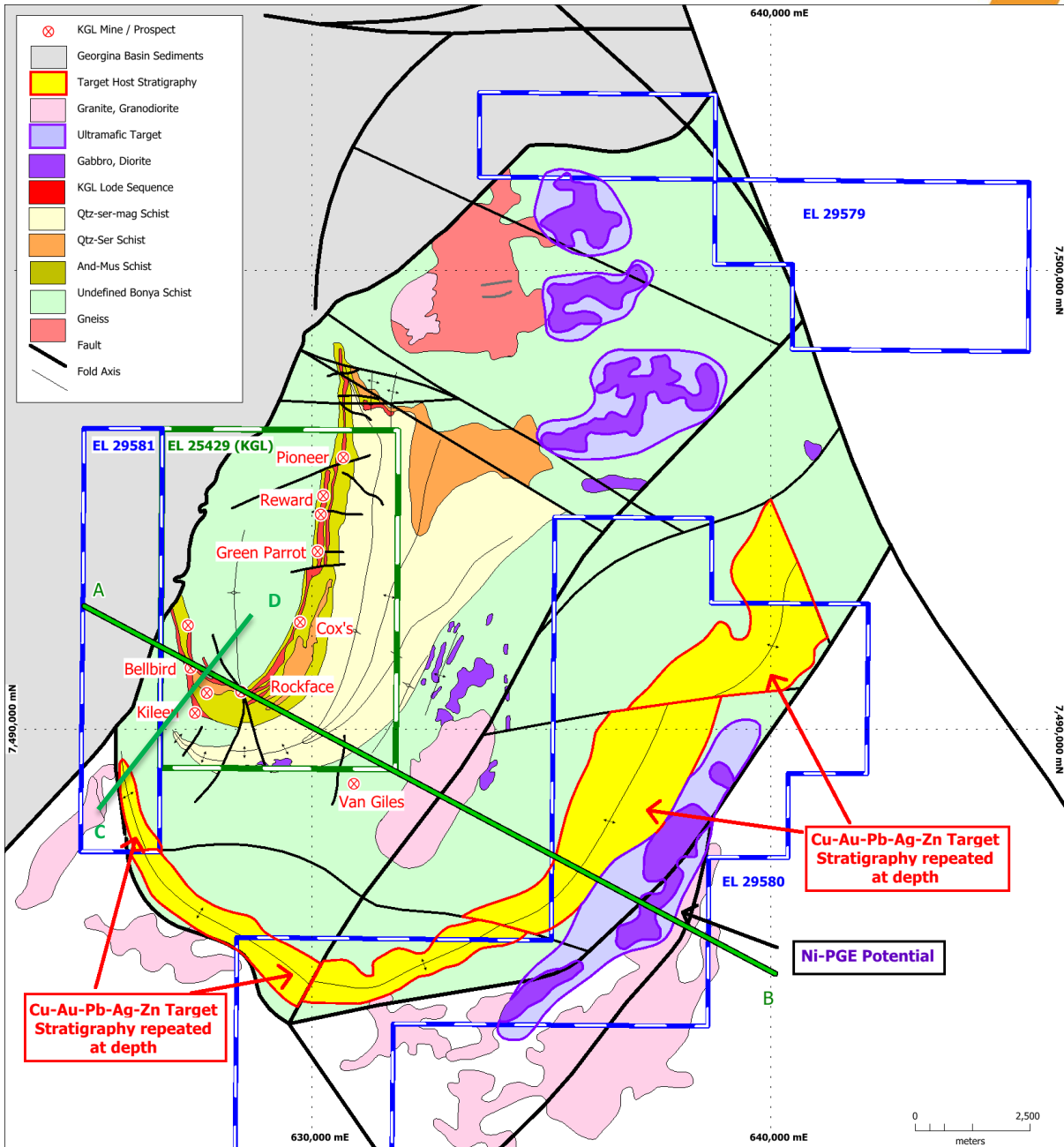


Figure 1: Interpreted solid geology and schematic cross sections below (A-B & C-D) for the Jervois Domain illustrating the target potential in the eastern side under CXO's tenure. (Adapted and expanded on from KGL's published geological plan)

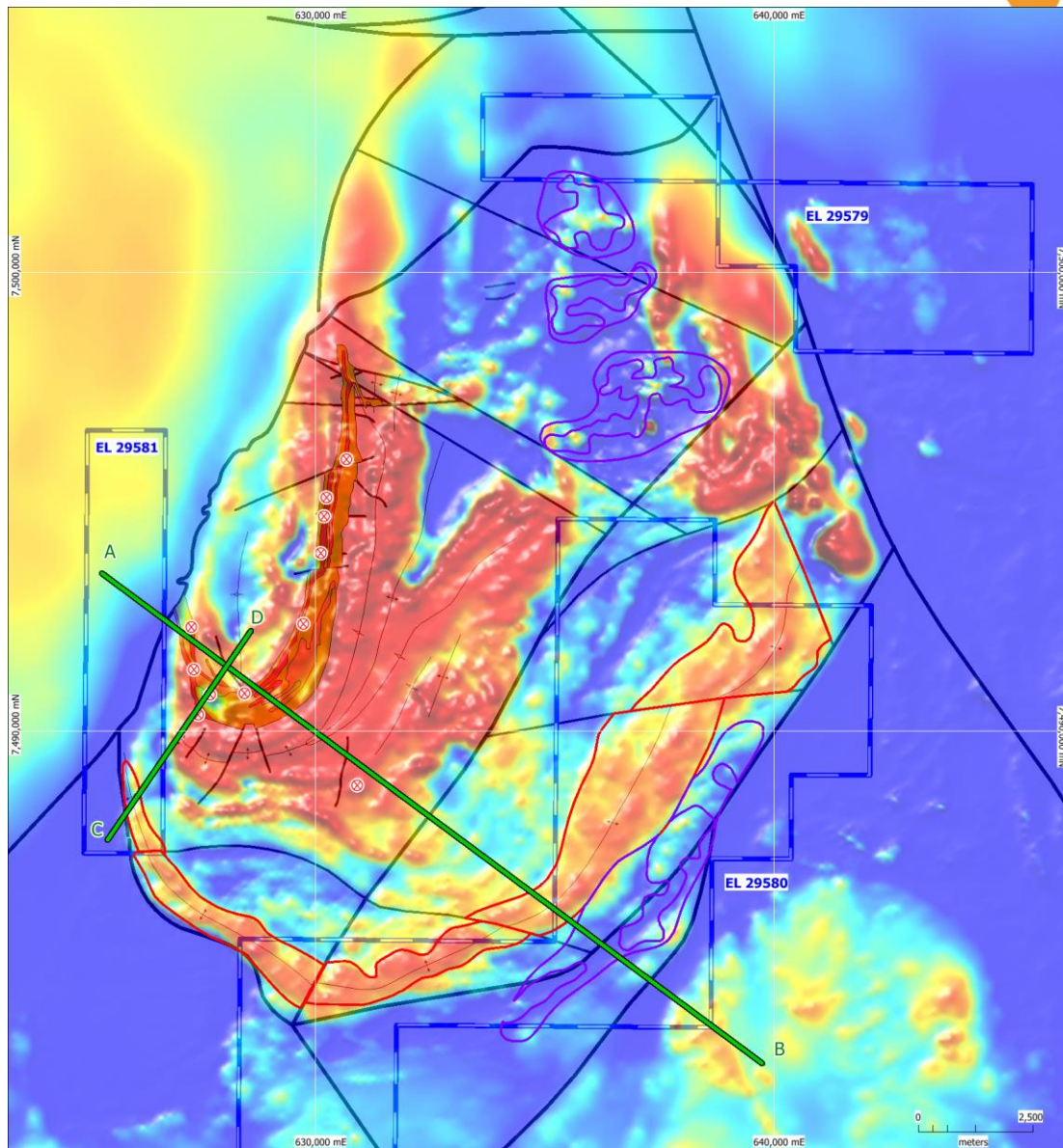


Figure 2. 20km magnetic target zone and Core's tenements in the Jervis area, east Arunta NT.

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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 21/07/2014 "Further Jervis results inc. 11.55% copper and 55.7g/t silver".