ASX ANNOUNCEMENT

ASX : CXO

18th November 2014

New AEM survey finds conductive drill target underneath outcropping copper zone, Virginia NT

- **Core's recent AEM survey has found a significant conductive drill target at Virginia below a 1.5 km long outcropping copper zone**
- **75 rock-chip sampling assays average 2.4% copper (up to 34.0%) at surface within stratiform copper horizon over 1km in length**
- **No previous drilling at Virginia**
- **Core's first RC drilling at Virginia to commence later this month**

Core Exploration Ltd.'s (ASX:CXO) recently completed airborne electromagnetic (AEM) surveys have strengthened the potential of the Company's upcoming copper drill targets at the Virginia Prospect and also the Copper Royals district, north east of Alice Springs in the NT.

Core's AEM survey has found a significant conductive drill target below the outcropping copper mineralised zone at Virginia (Figure 1). As a result Core has planned additional drill holes at Virginia to test this AEM anomalism.

The recent VTEM Supermax (AEM) surveys covered the copper mineralised zone at Virginia, which outcrops for over 1.5 km of strike. Core and previous explorers have collected 75 rock-chip samples which average 2.4% copper (up to 34.0% copper) at surface within the outcropping stratiform copper horizon at Virginia.

Core interprets that the conductive zone may represent a (massive) copper sulphide body at depth and that the copper mineralisation mapped and sampled at surface is related to this copper mineralisation at depth.

The Company is planning to commence drilling of these copper targets in late November. In addition, the IP survey completed earlier in 2014 also shows a consistent chargeable layer, coincident with the outcropping copper mineralised horizon, which will also be tested in this RC drilling program.

Importantly, there has not been any drilling conducted previously at the Virginia Prospect previously.

Core has recently been utilising the high-powered VTEM Super Max AEM system to target copper sulphide mineralisation at its Jervois tenements in the east Arunta. The Company recently decided to utilise the same technique to test refine targets prior to undertaking drilling at the Virginia and Copper Royals prospects. In addition to the survey at Virginia at least nine separate copper prospects were

tested by AEM in the Copper Royals district. The preliminary results from this survey are expected shortly and will also be utilised in drill planning at the Copper Royals district (Figure 2).

Core looks forward to updating the market with regards to the upcoming drilling programs shortly.

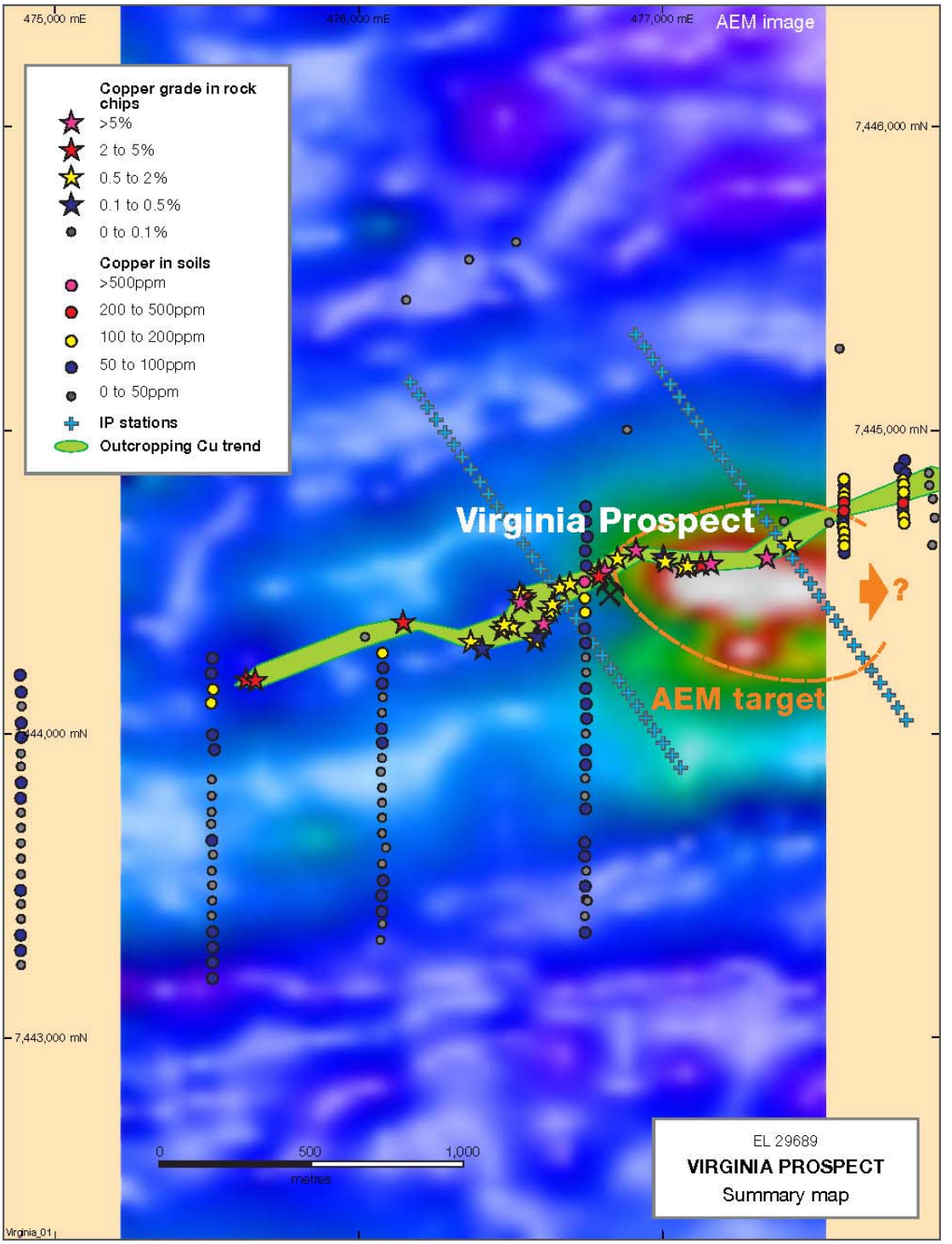

Figure 1: AEM conductive target (Ch 25), copper in rock chips and soils, outcropping zone of copper mineralisation and IP lines, Virginia Prospect NT.

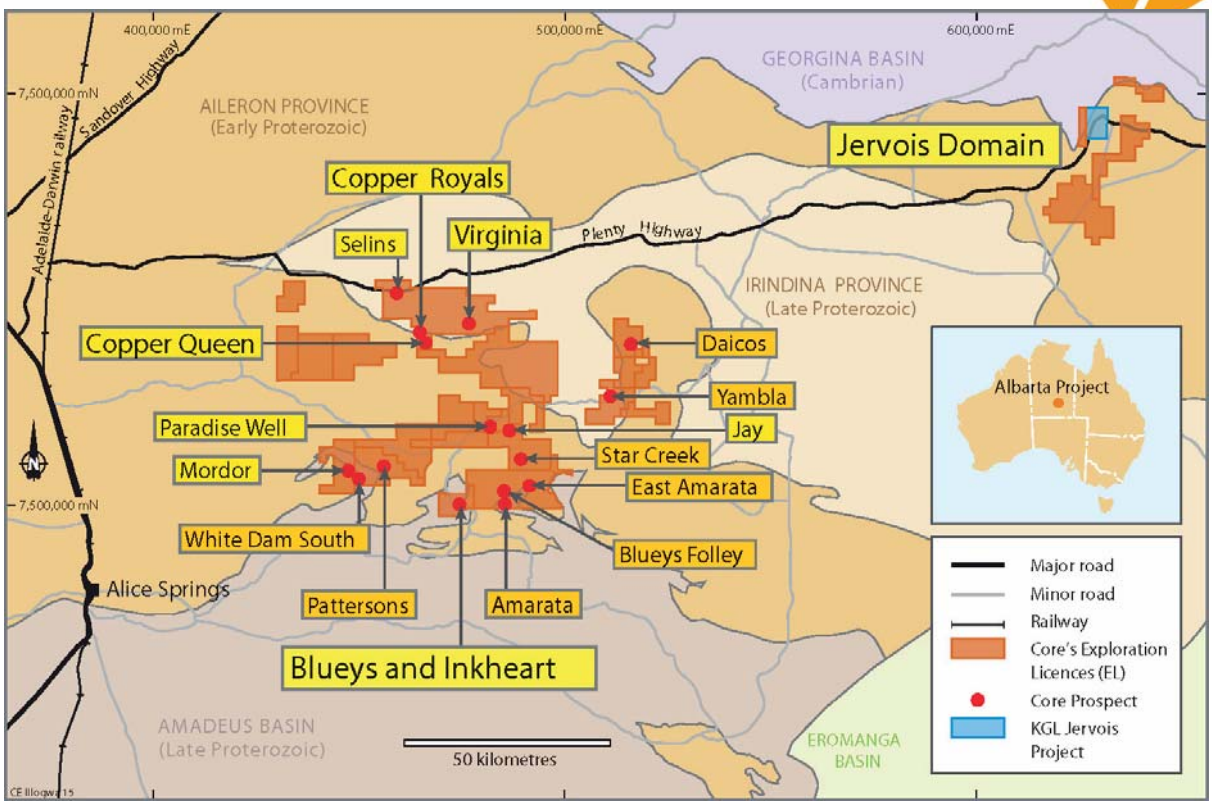

Figure 2. Core's 100% owned Albarta Project prospects and tenements on regional geology, NT

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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"

JORC Code, 2012 Edition – Table 1 report template

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 (e.g. cut channels, random chips, or specific specialized 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Rock chip sampling was undertaken by Core Exploration as part of reconnaissance mapping and prospecting. Samples were taken when visible mineralisation was observed as well as of separate identified lithological units, or when alteration or veining was observed. Previous explorers sampling is interpreted to have been collected along similar criteria. Historical assays were sourced from the NTGS geochemistry database • 200m spaced SuperMax VTEM airborne electromagnetic survey was flown by GeoTech in October 2014
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Rock chip samples collected by Core Exploration were sent to Genalysis for 4A/MS 4 Acid Digest Mass Spectrometry: and 4A/OE 4 Acid Digest Inductively Coupled Plasma Optical Emission Spectrometry. Previous company's rock chip samples collected by Pasminco Exploration were assayed at Australian Laboratory Services (ALS) using Fire Assay technique for Au (PM219) and ICPOES for all other elements (IC582). Previous company's rock chips collected by Tanami Gold NL in 2001, rock chips are listing as having been submitted to Amdel (now Bureau Veritas) and assayed using FA3 (Fire assay) and AA2 (Atomic Absorption spectrometry).

Criteria	JORC Code explanation	Commentary
		• Preliminary VTEM 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 as no drilling has been undertaken. Historical assays were sourced from the NTGS geochemistry database
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 utilising 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.*	• Surface rock-chip sampling has been taken along the mineralised structure (Figure 1). The presence of mapped surface mineralisation and alteration may or may not extend at depth and this can only be confirmed by drilling.
Sample security	• *The measures taken to ensure sample security.*	• Core Exploration samples were labeled and bagged and sent straight to the geochemistry laboratory. No information as to any sample security processes for previous explorers samples.
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.*	• The Virginia prospect area is located within EL 29689. EL 29689 is currently held 100% by Core Exploration. It is located on pastoral land within Mt Riddock Station.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Virginia Prospect was first rock chip sampled by Pasminco Exploration and then followed up by Tanami Gold NL in 2001. To this point it has only been rock chip and soil sampled at the prospect scale.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology of EL 29689 is dominated by rocks of the Aileron Province and the Irindina Province. The Aileron Province is comprised of metasedimentary pelites, calc-silicates as well as granites and mafic lithologies. Amphibolites and high grade metamorphic rocks are dominant within the Irindina Province which underwent high grade metamorphism during the Ordovician Larapinta Event. The Aileron Province area was deformed during the Alice Springs Orogeny (300-400Ma) which juxtaposed the Irindina Province against the Aileron Province.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• Not applicable as no drilling has been undertaken

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 (e.g. 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 (e.g. '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.*	• Previous explorers and Core Exploration's rock chip samples from the Virginia Prospect are listed in Table 1. They are displayed in Figure 1 with the Cu % displayed as colour coded symbols based on grade, the details of which are illustrated on Figure 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,*	• See release details

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 (e.g. 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.*	• Core plans to commence a first phase reconnaissance drilling program at Virginia and the Copper Royals region in the coming weeks.