ASX ANNOUNCEMENT

ASX : CXO

23rd November 2015

Jervois reconnaissance drill results exceed expectations

HIGHLIGHTS

- **Drilling has intersected numerous elevated copper zones within the 20km long Big-J target zone on the Jervois Domain**
- **Near surface malachite (copper) mineralisation identified in a number of drill holes**
- **20km strike length of Big-J now established to have potential for Jervois style copper mineralisation**
- **Big-J geology, geophysics and now copper in drilling strengthen the case for a step-change in scale of mineralisation in the Jervois area**
- **Drill targets have characteristics consistent with the Sedex/VHMS style of mineralisation identified at KGL's Jervois project**
- **Strong targets to drill to infill 2,000-6,000m gaps between traverses**

Core Exploration (ASX:CXO) is pleased to announce the assays from the Company's first drilling of it's 100%-owned Jervois Domain tenements north-east of Alice Springs in the Northern Territory have exceeded expectations.

Core's drilling has proven that the 20km Big-J target zone has the geology, geophysics and now near surface copper exploration results consistent with KGL Resources neighboring Jervois project, but on a much larger exploration scale (Figures 1 & 2).

Core's first pass shallow drilling program (average drill hole depth of 10m at 50m spacing) found elevated copper on all five traverses drilled across a 15km section of the Big-J target zone. Best results were on the northern traverses D, F and H (refer Table 1 and Figure 1).

Visible copper mineralisation as malachite was also observed near surface and over intersections several metres wide in a number of drill holes.

Much of the Big-J target geology is buried under a very shallow cover of sand and soil and the primary purpose of the drilling was to determine geology and the depth of this cover. Whilst the drilling determined that the cover was shallow, the number of holes that intersected copper mineralisation and the grade of that mineralisation far exceeded the Company's expectations.

Core's copper assays are comparable in magnitude with KGL's nearby surface copper exploration results in and around KGL's J-fold line of lode which hosts the Jervois Copper Project, but represent a much larger area of prospective geology.

Previous explorers had disregarded the huge potential of this area as earlier exploration and development activity has focused on nearby areas of outcropping mineralisation.

Drilling intersected a range of psammatic and pellitic schists, calc-silicates, pegmatites, mafic schists and occasional andalusite and porphryblastic schists typical of the Bonya Metamorphics suite of rocks.

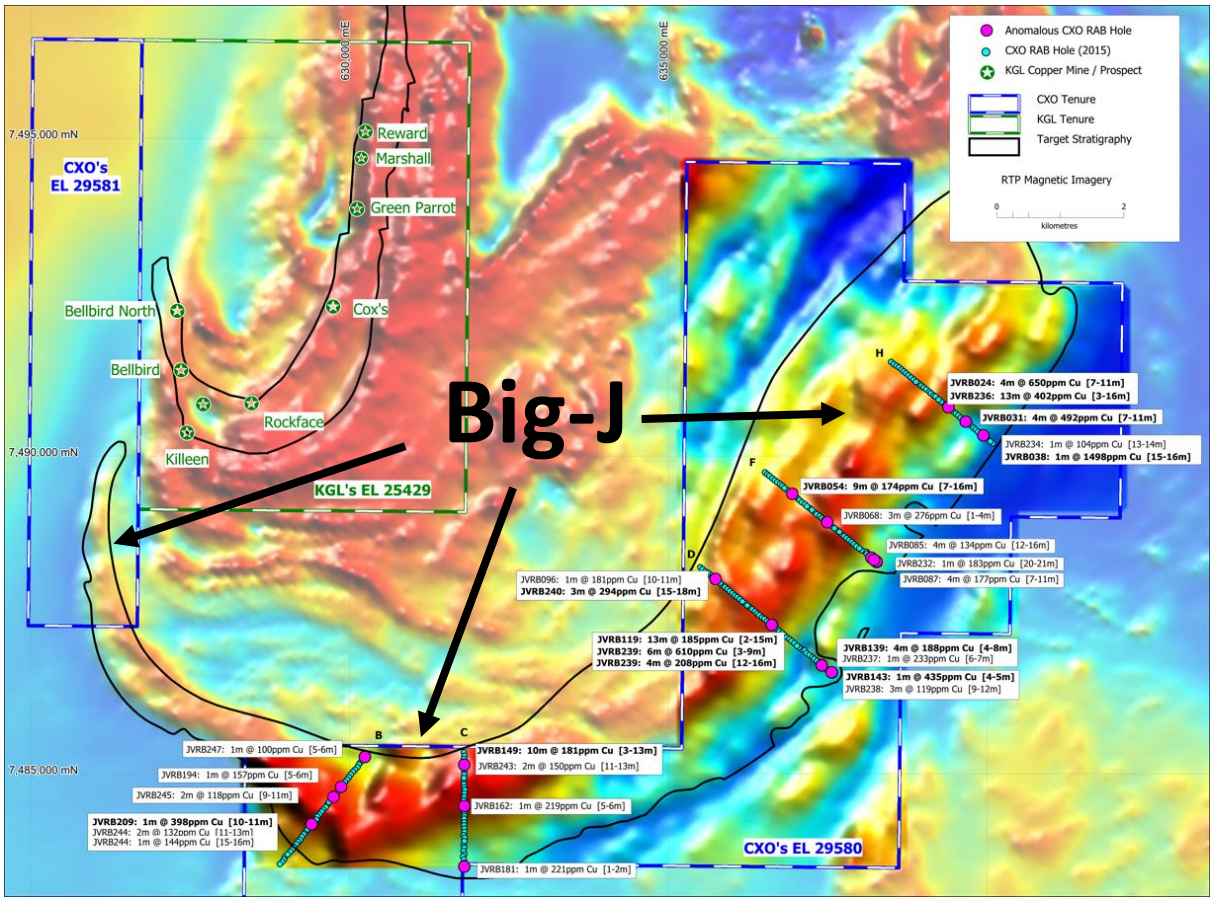

Figure 1. Core's significant copper drill results, tenure and location of KGL's Jervois Project deposits, overlain on RTP magnetic image of the Jervois area.

Traverse	Hole	Depth From	Interval	Copper (ppm)
H	24	7	**4**	**650**
H	31	7	**4**	**492**
H	38	15	**1**	**1498**
H	236	3	**13**	**402**
F	54	7	**9**	**174**
D	119	2	**13**	**185**
D	239	3	**6**	**610**
C	149	3	**10**	**181**
B	209	10	**1**	**398**

Table 1. Significant copper drill results found on all traverses.

Core's drilling has found that the copper-rich Bonya Metamorphics geology is covered with only a few meters of shallow soil, sand and alluvium, which elevates the potential to make discoveries with cost-effective geochemical exploration methods and improves the chances of finding economic, near surfaces copper deposits.

Core is also applying similar geophysical tools to those used to characterise and define the nearby Jervois copper and base-metal mineralisation by KGL Resources and Rox Resources in the same host Bonya Metamorphics geology.

Core's geophysical signatures, geology and geochemistry of the Big-J fits well with Sedex/VHMS model proposed for the mineralisation at Jervois by recent NTGS research.

Next Steps

Given the encouragement of these excellent results, a range of drilling and exploration opportunities open up to Core to further prove up the copper potential and scale of Big-J.

Obvious large untested 2,000m to 6,000m gaps within the 20km length of the Big-J are targets for infill reconnaissance drilling.

In addition to shallow infill drilling and surface geochemistry surveys in early 2016, Core anticipates follow-up deeper drilling to test the depth extensions of identified near surface copper mineralisation.

KGLs nearby work has also shown the success of applying geophysics to find deeper deposits at Jervois, so Core intends to complement its near surface exploration with additional geophysics to aid drill targeting and interpretation.

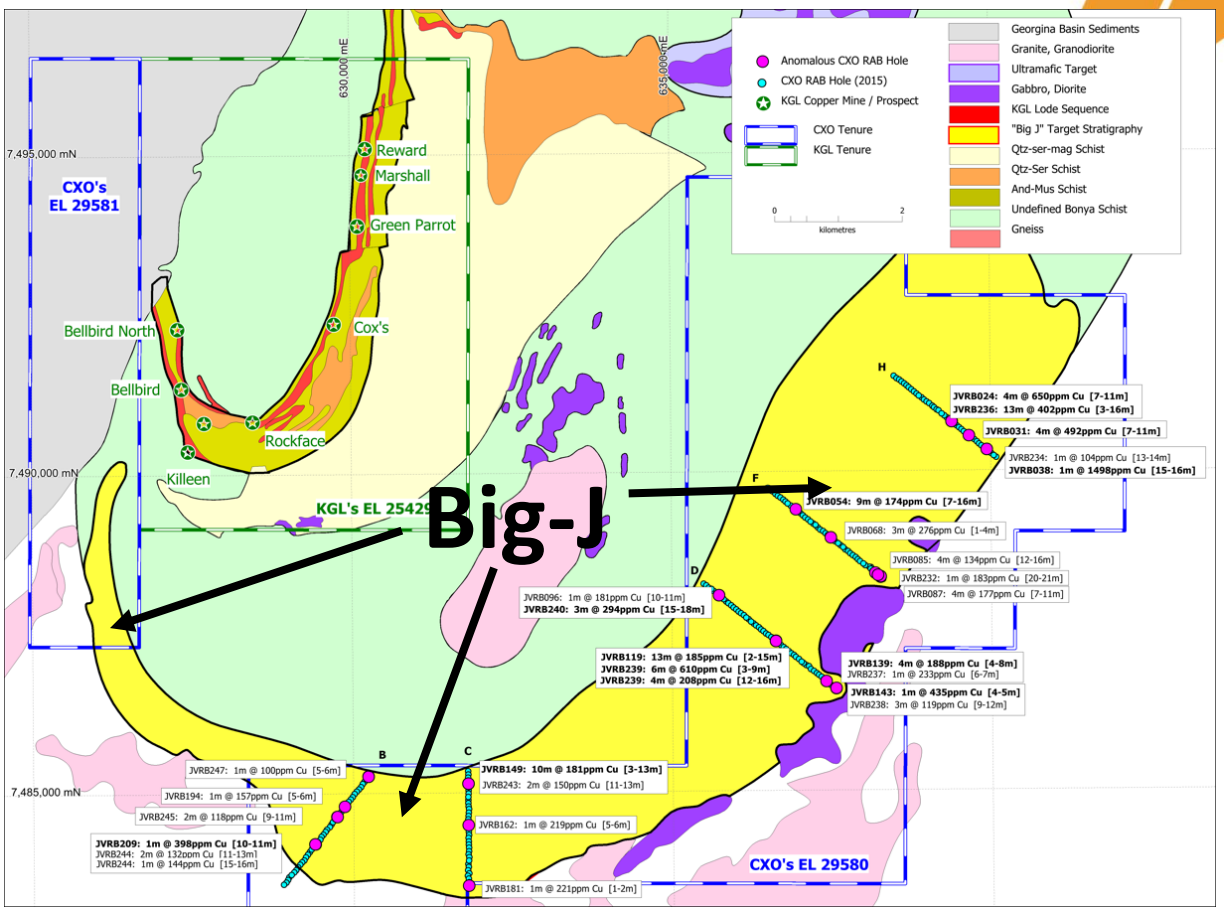

Figure 2. Core's significant copper drill results, tenure and location of KGL's Jervois Project deposits, overlain on interpreted geology of the Jervois area.

Managing Director Stephen Biggins commented "Core's copper results from our first drilling program at Jervois have not only exceeded expectations, but boosted the potential to deliver additional large scale deposits and enhance the development of a new regional copper mining centre at Jervois."

"Core anticipates building on these very positive early stage drill results to deliver more substantial copper intersections with infill and deeper drilling along the 20km length of the now proven Big-J copper target." he said.

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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.

Jervois RAB Drilling – October 2015– 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.*	• A handheld XRF (Niton XL3t GOLDD+) was used to pre-screen end of hole samples such that only anomalous readings were physically sampled for laboratory analysis. • Bottom of hole RAB drill cuttings were spear sampled collecting 1-3kg of representative material. • Additional samples higher up in holes were composited from representative chip-tray samples providing nominally typically 100g of material for analysis.
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).*	• Bullion Drilling were contracted to undertake open hole RAB drilling using a combination of blade and hammer • All drill holes were vertical
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• RAB drilling only so no assessment of sample representivity or sample bias available.

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.*	• Drill cuttings were qualitatively logged and photographed • Qualitative logging included lithology, colour, mineralogy, description, marker horizons, weathering, texture, alteration and mineralization
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*	• See Sampling section above for a description of sampling and sub-sampling techniques. • Sample sizes are considered appropriate for the expected grainsize of mineralisation. • Every twentieth end-of-hole sample drilled was duplicated. Certified standards were submitted in sequence for every 25 drilled end-of-hole samples. • Subsampling techniques are undertaken in line with standard operating practices in order to ensure no bias associated with sub-sampling. • The nature, quality and appropriateness of the sampling technique is considered adequate for the type of mineralisation and confidence level being attributed to this initial reconnaissance RAB drilling program.

Criteria	JORC Code explanation	Commentary
	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.*	• A certified and accredited global laboratory (Intertek-Genalysis) was used for all assays. • Sample preparation was undertaken in Alice Springs with analysis undertaken at Intertek's Adelaide laboratory. • Samples were analysed using Intertek's 4A/OM10 technique which involves near-total 4 acid digest and analysis using ICP-OES and ICP-MS for 46 elements. • Internal certified laboratory QAQC is undertaken by Intertek. • Duplicates and certified standards were inserted in sequence as detailed above.
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.*	• Primary data is captured directly into an in-house referential and integrated database system designed and managed by the Exploration Manager. All assay data is cross-validated within the database by various integrity scripts and externally using MapInfo drill hole validation checks including interval integrity checks. • Laboratory assay data is not adjusted.
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.*	**<u>Collar coordinate surveys</u>** • All coordinates are recorded in GDA 94 MGA Zone 53. • Surveys have been undertaken by Core Exploration staff using a hand-held GPS this tool has an accuracy of approximately 3m. • Topographic control uses the DTM generated by the VTEM 200m airborne survey recently conducted over EL 29580.

Criteria	JORC Code explanation	Commentary
		<u>Down hole surveys</u> • No downhole surveys were undertaken
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.*	• Drilling was undertaken on five traverses with nominal 50m between holes. 22 holes were redrilled deeper as twins using a RAB hammer: JVRB024-JVRB236, JVRB031-JVRB235, JVRB038-JVRB234, JVRB054-JVRB226, JVRB055-JVRB227, JVRB062-JVRB228, JVRB083-JVRB229, JVRB084-JVRB230, JVRB085-JVRB231, JVRB086-JVRB232, JVRB087-JVRB233, JVRB096-JVRB240, JVRB119-JVRB239, JVRB139-JVRB238, JVRB143-JVRB237, JVRB149-JVRB243, JVRB162-JVRB242, JVRB181-JVRB241, JVRB182-JVRB247, JVRB194-JVRB246, JVRB198-JVRB245, JVRB209-JVRB244 • Initial reconnaissance RAB drilling only. • See drilling section above regarding composite sampling
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.*	• Initial reconnaissance drilling only
Sample security	• *The measures taken to ensure sample security.*	• Sample Intervals are put into individually numbered calico sample bags and are then loaded into cable tied bulka-bags before being dispatched to Intertek-Alice Springs for sample preparation. • Assay pulps are returned to Core Exploration from contracted laboratories on a regular basis and stored securely for future reference.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews 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 Jervois RAB drilling was undertaken on EL 29580 that is 100% held by DBL Blues Pty Ltd a wholly owned subsidiary of Core Exploration Ltd. • Core Exploration manages EL 29580. • EL 29580 is located on Jervois Pastoral Station. • All drilling was undertaken outside of Heritage, Conservation or National Parks on EL 29580. • All work was undertaken within the scope of the Exploration Mining Management Plan (EMMP) that was approved by NTDME
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical exploration on EL 29580 is limited to early auger sampling. In late 2014 CXO flew a 200m spaced VTEM supermax AEM survey
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Geology comprises Proterozoic geology of the Bonya Schist (including saprolitic schist, gneiss, pssamite and rare mafic / pegmatites). • Drilling is targeting SEDEX or VMS Cu mineralisation.

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*
		• Drill hole locations information is recorded within the CXO in-house database with all collar locations illustrated in the figures accompanying this document. A total of 247 holes were drilled for a total of 3,162.3m. The average depth of holes was 12.8 metres with a maximum depth of 51 metres.
		• As drilling was only open hole RAB drilling which is essentially only

Criteria	JORC Code explanation	Commentary
	○ *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 explain why this is the case.*	geochemical mapping it is considered a full table of drill hole details is not warranted. • No material information is excluded.
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.*	• Aggregated intersections have been calculated for copper using a 100ppm cut-off. Minimum intersection widths are 1m and no internal dilation is included • No metal equivalents are reported.
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').*	• Initial reconnaissance drilling only thus geometric relationship of mineralisation to vertical drill orientation unknown.
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 attached plans showing drill hole density accompanying this document.
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*	• See attached table of intersections. • Reported intersections use the criteria detailed in the above section

Criteria	JORC Code explanation	Commentary
	Exploration Results.	"data aggregation methods".
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.*	• Due to the drilling technique geology including primary textures are hard to distinguish or are obliterated. • Minor ground water was sporadically intersected in only 9 of the 247 holes drilled. • Multi-element geochemistry assaying (47 elements) including gold by fire-assay is routine for all sampling. Some elemental associations are recognised within certain lithologies within the region and are used as a tool to assist in interpretation of original lithologies where alteration affected the ability to visually determine the lithology. • The target stratigraphy which has been interpreted by NTGS as a potential repeat of the Jervois Line-of-Lode is best defined as a magnetic high. • VTEM processing is still ongoing with CSIRO but has been affected by strong IP-coupling effects
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 further drilling may be undertaken