31 October 2011

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Australian Stock Exchange
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QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 SEPTEMBER 2011

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cash Flow Reports for the quarter ended 30 September 2011.

Yours faithfully

Stephen Biggins
Managing Director

A Level 2, 143 Hutt Street, Adelaide SA 5000 | T (08) 7324 2987| F (08) 8312 2002| E info@coreexploration.com.au
www.coreexploration.com.au

ASX Release

31 October 2011

CORE EXPLORATION LTD
Level 2
143 Hutt Street
Adelaide SA 5000

CONTACT:

Stephen Biggins
Managing Director

Jarek Kopias
Company Secretary
jkopias@coreexploration.com.au

E-MAIL:
info@coreexploration.com.au

WEBSITE:
www.coreexploration.com.au

Directors:

Greg English
Non-Executive Chairman

Stephen Biggins
Managing Director

Michael Schwarz
Executive Director Exploration

Issued Capital:
41,500,000 Ordinary Shares
8,575,000 Unlisted Options

ASX Code: CXO

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 SEPTEMBER 2011

Highlights

- ❖ **Initial drill program completed on the Yorke Peninsula, S.A.**
- ❖ **Elevated copper and silver in drill results from two out of the three prospects tested effectively on Yorke Peninsula**
- ❖ **$50,000 PACE funding awarded for upcoming Airborne EM survey on YP**

Overview

The Board of Core Exploration Ltd ("Core") is pleased to present its quarterly activities report for the period ended 30 September 2011.

Core's first air-core drill program was completed during August and returned encouraging copper and silver assays.

Subsequently Core has received South Australian State Government funding for Core's upcoming airborne electromagnetic (AEM) on the Yorke Peninsula in November.

The next drill program on Yorke Peninsula is scheduled to commence in January 2012, once the current cropping season has ended.

The Group maintains a strong balance sheet with A$3.8 million cash on hand as at 30 September 2011.

Projects

Yorke Peninsula (SA) – Activity during the Quarter

Yorke Peninsula Drill Program

Drill results from two separate prospects returned anomalous copper and high levels of silver from Core's first air-core drilling program conducted on the Yorke Peninsula project in South Australia.

Six semi coincident gravity and magnetic targets were subjected to first-pass aircore drilling in August. These large-scale gravity and magnetic drill targets are hosted in an analogous geological setting to Rex Minerals' (ASX:RXM) Hillside Project (Inferred and Indicated Resource of 217Mt at 0.7% copper and 0.2g/t gold)) on the adjacent tenement.

Core has scheduled a follow-up RC drilling program on Yorke Peninsula to commence as soon as the 2011 cropping season is completed, most likely in January 2012. The aim of the next drill program will be to follow up the anomalous drill results and to drill the targets not tested fully by the shallow air-core drilling, as well as priority targets identified by the upcoming AEM survey.

Drilling Results

Target A returned highly anomalous multi-element results in basal sediments in drill hole YPAC012 at 82-83m (BOH). A number of the rare earth elements were also elevated. Anomalous elements such as these are often associated with IOCG and/or metasomatite/skarn mineralisation.

The main geophysical feature at Target A is a gravity anomaly which consists of a 3 x 2 km semi-circular residual gravity feature with semi-coincident magnetic anomalies in the NW and SE segments. Basement rocks at Anomaly A also included fine grained mafic intrusive and dark red-black altered massive granite.

Target D had anomalous results include 2.3 g/t silver at 93-94m(BOH) in YPAC007, which intersected a magnetic mafic intrusive. The main geophysical feature at Target D is a gravity anomaly which consists of a 3 x 1.5 km elliptical NE-SW residual gravity feature with semi-coincident magnetic anomalies in the NE segment. The geology consists of foliated mafic gneiss and green intermediate coarse grained pyroxenite.

Target F, YPAC0038 intersected elevated levels of 357 ppm copper and 0.5g/t silver within a metasomatite (altered granite) at 53m (BOH sample). The main geophysical feature at Target F is a 4 km x 0.35 km N-S linear magnetic anomaly with a small semi coincident gravity anomaly in the central section. The geology consists of coarse grained altered red granite, banded metasomatite and foliated biotite schist which most likely represents a contact aureole between Hiltabe Suite granite and Wallaroo Group metasediments.

Comments on air core drilling program

Core's exploration team were disappointed that the air-core drill method used in the first drilling program did not deliver more effective information nor test three of the drill targets.

There were two reasons for this; Firstly, the cover was deeper than expected and comprised harder bands that the air-core method was unable to drill through. Secondly, the top of basement was sharp and hard, which limited basement/saprolite intersections (with potential for significant assays) to a maximum of 1-2m at the bottom of hole (BOH).

Importantly, only three of the six prospects targeted reached the basement (target) rocks, but anomalous results were returned from all these three prospects.

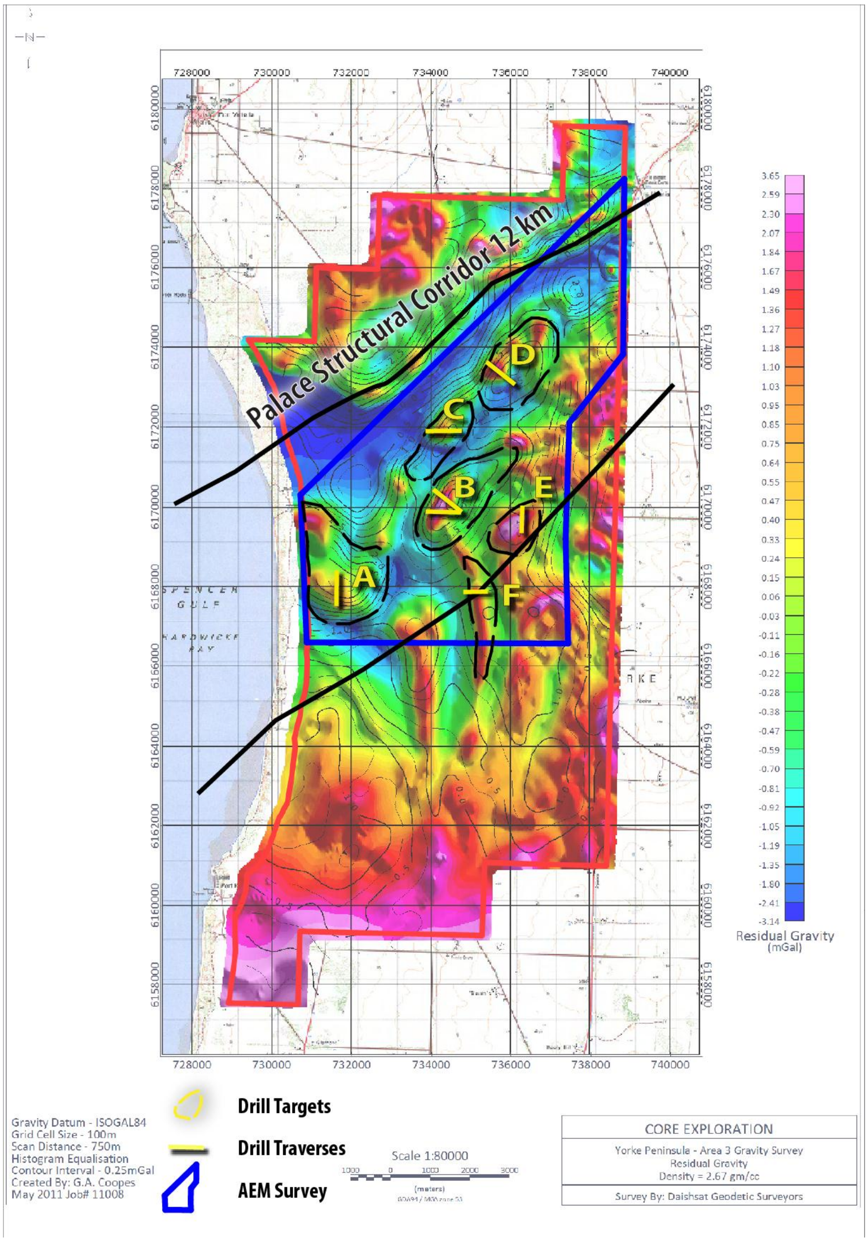

Figure 1: AEM survey area and drill targets within the Palace Structural Zone, Area 3, Yorke Peninsula Project, South Australia (residual gravity contours overlain on Magnetic (RTP) image)

Figure 2: Core Exploration's Yorke Peninsula Project, South Australia

Airborne Electromagnetic Survey

Core Exploration was pleased to receive confirmation that it has been granted funding as part of the South Australian Government's Plan for Accelerating Exploration (PACE) Initiative.

The funding for $50,000 will cover a substantial part of the cost of implementing airborne electromagnetic (AEM) exploration technology on Core's promising Yorke Peninsula minerals project.

The funds from this government initiative have now enabled Core to bring forward its important AEM survey to start next month on its Yorke Peninsula licence area.

This high-powered AEM survey would aim to directly target mineralisation within the project's Palace target zone as defined by the gravity and magnetics of the licence area.

CORE EXPLORATION LTD

FITTON PROJECT – ACTIVITY DURING THE QUARTER

Surface rock chips collected as part of Core's first exploration program at Fitton project in South Australia, assayed to 10.5% copper and 624ppm uranium. The rocks were sourced from a shear zone that varies from a few metres up to 25m wide and was mapped by the Company for a strike length of more than 650m (Figure 3).

Core's Fitton Project covers 106km² adjacent to the Mt Painter Inlier. The region is well known for its numerous breccia complex and large-scale secondary uranium occurrences. Examples of nearby secondary uranium deposits include the Beverley mine and Beverley 4-mile deposits to the east of the Core tenement (Figure 4).

The project covers areas of Radium Creek metamorphics and other prospective host rocks within the Mt Painter Inlier. The Radium Creek package of uranium-rich rocks is a very prospective exploration target for the Company's exploration activities.

During the Quarter, Core successfully negotiated and executed a Work Area Clearance Agreement with the local Native Title Holders in the region, the Adnyamathanha Traditional Lands Association (ATLA).

As a result, Core will shortly be undertaking detailed soil surveys and mapping of this shear zone and to explore the surrounding prospective area for additional related shear zones. The program will also include systematic rock chip sampling along the extent of the exposed shear zone.

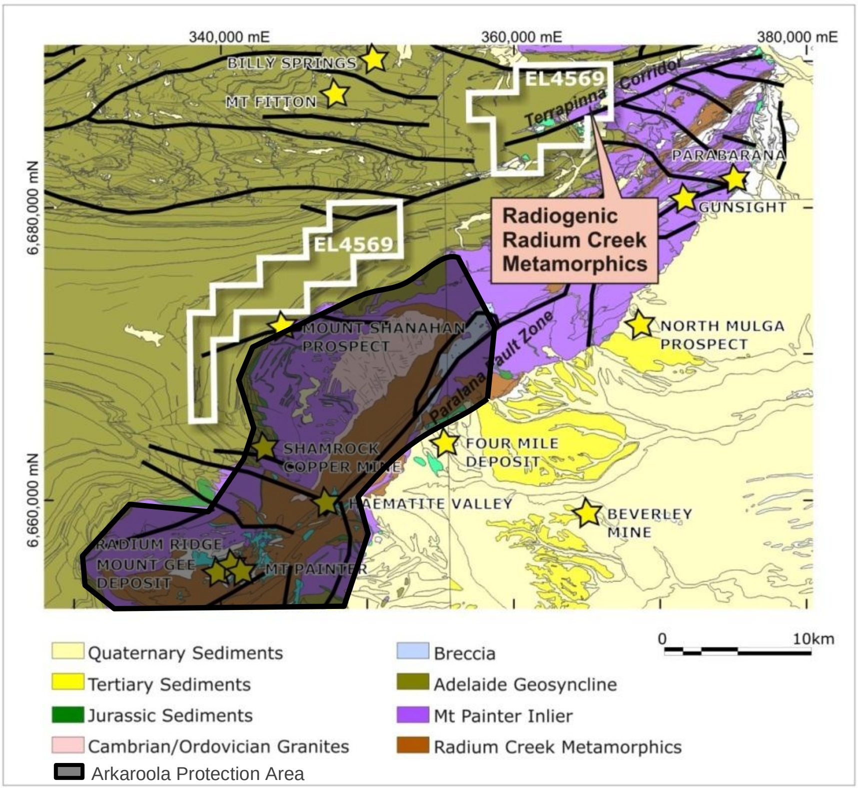

Figure 3: Fitton Project EL 4569 geology and location, northern South Australia

Corporate

CASH POSITION

The Group had $3.83 million cash in hand as at 30 September 2011.

Outlook – current December Quarter

An Airborne Electromagnetic (AEM) survey, co-funded by the State governments PACE program, is scheduled to commence on the Yorke Peninsula in November over the Palace Structural Zone.

A detailed soil sampling program is planned to commence shortly on the Fitton Project, followed by mapping and rock chip sampling during November.

RC drilling on the Yorke Peninsula project is scheduled to commence in January 2012.

ASX Announcements

The Company made the following announcements during the quarter and to the date of this report:

Date	Announcement
5 Jul 2011	Change in Registered Address
7 Jul 2011	Mineralised shear zone identified at Mt Painter Project, S.A.
29 Jul 2011	Quarterly Activities Report and Appendix 5B
2 Aug 2011	Drilling commences on Yorke Peninsula SA
20 Sep 2011	Appendix 3B - unlisted option issue
29 Sep 2011	Core Exploration Annual Report 2011
30 Sep 2011	Notice of Annual General Meeting and Proxy Form
13 Oct 2011	Elevated Copper and Silver in Yorke Peninsula
26 Oct 2011	Release of Securities from Restriction and Appendix 3B
27 Oct 2011	Core receives PACE funding for Yorke Peninsula

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Stephen Biggins who is a member of the Australasian Institute of Mining and Metallurgy. Mr Biggins is the Managing Director of Core Exploration Ltd. Mr Biggins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Biggins consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Core Exploration Ltd

ABN	Quarter ended ("current quarter")
80 146 287 809	30 September 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current Quarter (3 Months) $A'000	Year to date (3 Months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration and evaluation	(356)	(356)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(211)	(211)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	112	112
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	- Prospectus costs	-	-
	Net Operating Cash Flows	(455)	(455)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(77)	(77)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
		-	-
	Net investing cash flows	(77)	(77)
1.13	Total operating and investing cash flows (carried forward)	(532)	(532)

1.13	Total operating and investing cash flows (brought forward)	(532)	(532)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	- Capital raising costs	(1)	(1)
	Net financing cash flows	(1)	(1)
	Net increase (decrease) in cash held	(533)	(533)
1.20	Cash at beginning of quarter/year to date	4,363	4,363
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	3,830	3,830

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	131
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount above includes all payments to Directors and also includes payments to entities associated with Greg English and Stephen Biggins. The payments relate to executive services and directors fees on commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

n/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

n/a

Financing facilities available

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	235
4.2	Development	-
4.3	Production	-
4.4	Administration	159
	Total	**394**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	296	349
5.2	Deposits at call	3,534	4,014
5.3	Bank overdraft	-	-
	Other (provide details)	-	-
	ısh at end of quarter (item 1.22)	3,830	4,363

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	EL28349	Amadeus (licence application granted during the quarter)	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter				
7.3	**+Ordinary securities**	41,500,000	27,625,000		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter				
7.7	**Options** *(description and conversion factor)* Unlisted Options Unlisted Class B Options Unlisted Options	 7,000,000 1,500,000 75,000	 - - -	*Exercise price* 25 cents 25 cents 20 cents	*Expiry date* 30 Jun 2014 31 Oct 2014 19 Sep 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Jarek Kopias Date: 31 October 2011

Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities**

The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards**

ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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