



# ASX ANNOUNCEMENT

ASX : CXO

19<sup>th</sup> August 2015

## MOU signed to establish JV at Inkheart and Blueys, NT

### HIGHLIGHTS

- **Memorandum of Understanding (MOU) signed with offshore organisation on Core's Blueys EL 28136 in the Northern Territory**
- **The non-binding MOU aims to establish a Joint Venture (JV) by which the incoming party can earn up to an 80% interest in EL 28136 by sole funding up to \$2 million on exploration**
- **Previous drilling by Core at Inkheart and Blueys includes :**
  - 36m @ 29g/t silver (Ag) & 0.67% lead (Pb) at Inkheart
    - inc 4m @ 195 g/t Ag, 5.24% Pb and 2.49% Zn
  - 12m @ 82g/t Ag & 1.4% Pb at Inkheart
    - inc 3m @ 198g/t Ag & 4.1% Pb
  - 3m @ 268.0g/t Ag & 8.0% Pb at Inkheart
  - 1m @ 1,070g/t Ag and 8% Pb at Blueys
- **Conditions for JV decision to be completed toward the end of 2015**

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Core Exploration Ltd (ASX:CXO) is pleased to announce the Company has entered into a non-binding Memorandum of Understanding (MOU) with an offshore organisation. Under the MOU the parties agree to negotiate the final terms of a Joint Venture to advance Core's Inkheart and Blueys Project in the Northern Territory.

Subject to due diligence and other conditions, the MOU outlines the key terms to negotiate a future Joint Venture between the two parties. The MOU summarises key terms by which the incoming party can earn up to an 80% interest in Core's EL 28136 by sole funding up to \$2million of exploration expenditure within 2 years.

The MOU sets out the key terms of the proposed Joint Venture, including that the incoming party can earn an initial 51% interest by spending \$1.0m over 12 months and an additional 29% interest

(total of 80%) by spending an additional \$1.0m (total of \$2.0m) during a further 12 months (total of 2 years).

In 2014 a drilling program undertaken by Core intersected primary base metal mineralisation over a 500m long zone at the Inkheart Prospect. Mineralised intersections are generally between 3-12m thick but in places there are wider mineralised zones up to 36 metres thick (Figures 1 & 2).

Core believes that further drilling and exploration at Inkheart and Blueys Prospects on EL 28136 is likely to lead toward the discovery of higher grade and thicker parts of this mineralised system.

Highly anomalous metals in soils, gossans mapped at surface and elevated metals in shallow drilling are strong indicators that the Bitter Springs host rocks are a key target for higher grade mineralisation.

Discovery of thicker, high grade primary mineralisation would dramatically strengthen the potential of the structurally controlled margin of the Amadeus and east Arunta provinces as a substantial exploration province prospective for economic discoveries of silver, zinc and lead mineralisation.

The Joint Venture considered under the MOU is subject to a due diligence period of approximately 3 months and will be subject to further negotiation, funding approval and can be terminated by either party prior to establishing the JV. The MOU is not legally binding on the parties and will automatically terminate if the incoming party is unable to gain funding approval.

If the conditions contemplated by the MOU are met then it is expected that the Joint Venture would be in place toward the end of 2015.

For further information please contact:

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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 to the ASX on 03/11/2015 "New intersections extend mineralisation at Inkheart, NT" and 17/06/2014 "High grade silver lead intersections from maiden drilling program". Albarta Project, NT". The Company is not aware of any new information that materially affects the information included in this announcement.*

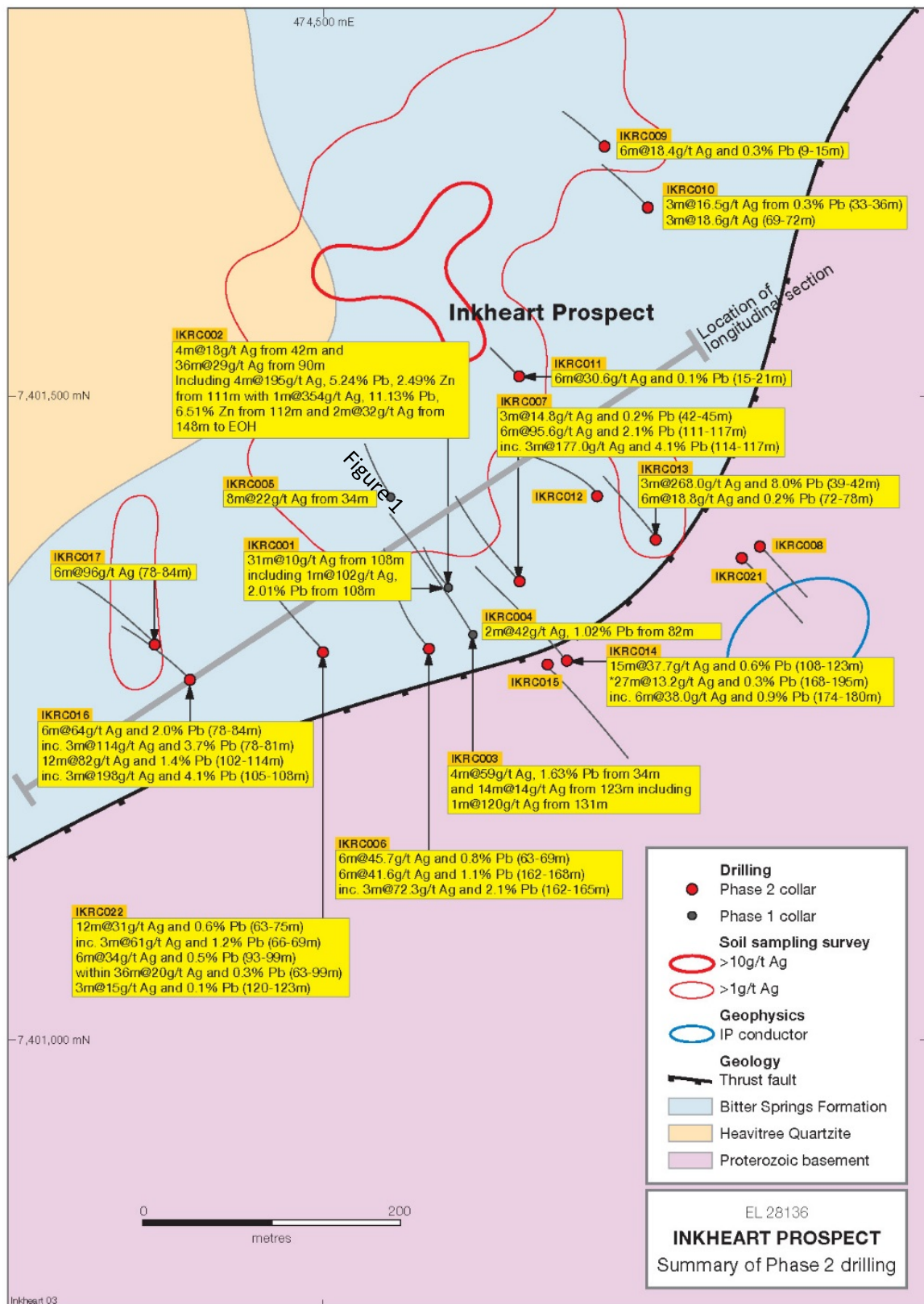


Figure 1. Summary of significant RC drilling results at Inkheart Prospect.

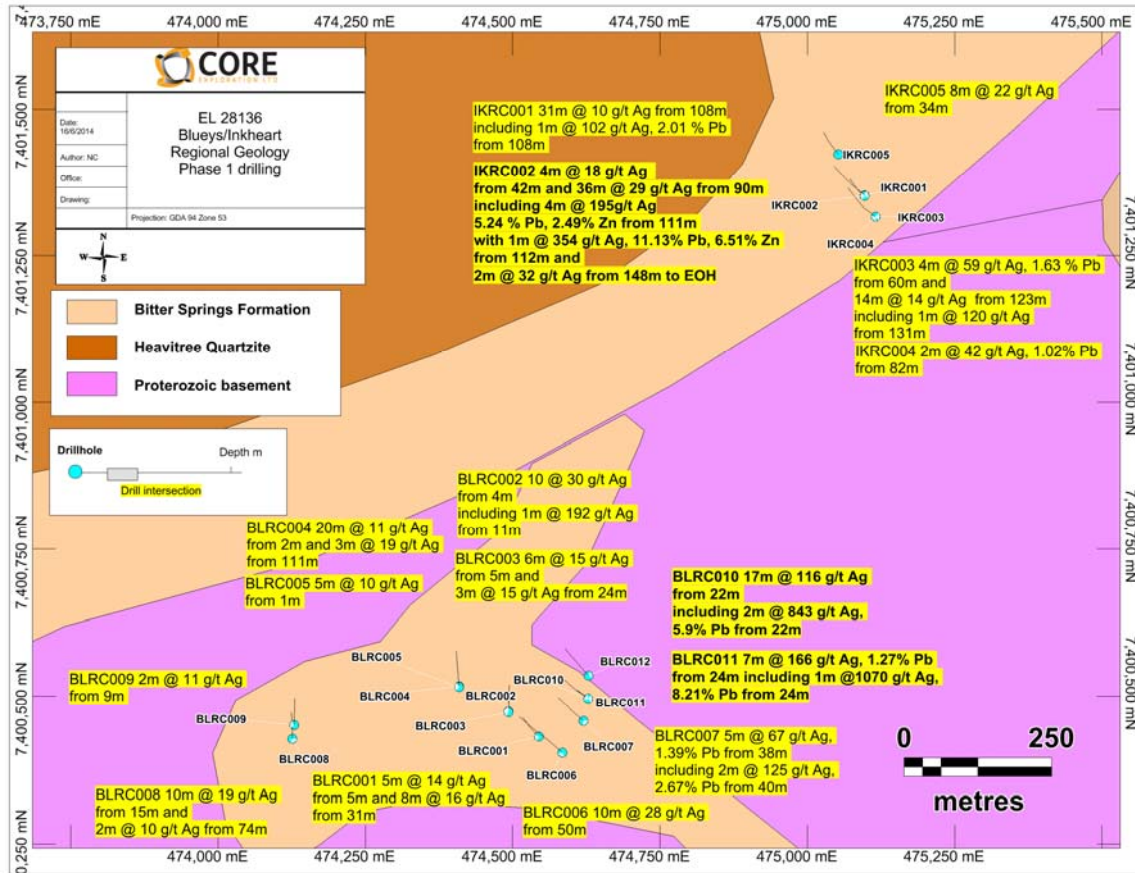


Figure 2. Significant RC drillhole intersections, Phase 1 drilling Inkheart and Blueys Prospects, NT.