



ASX ANNOUNCEMENT

ASX : CXO

24th August 2015

Co-funded diamond drilling to start next week on Yerelina Zinc Project

HIGHLIGHTS

- **1,000m diamond drilling program to commence next week on Core's Yerelina Zinc Project in South Australia**
- **Angled diamond core holes targeted under the known outcropping mineralisation**
- **High grade mineralisation identified in mineralised breccia and surface gossans hosted within fault zones interpreted to be up to 1.5km long.**
- **Up to 14.7 % zinc, 11.7% lead, and 567 g/t silver assays in separate rock chips from sampling of old workings and gossans discovered by Core**
- **Core awarded 50% co-funding of drilling costs by SA Government**
- **Drilling to be completed in September with assays expected in October**

Core Exploration Limited (ASX:CXO) is pleased to announce drilling is to commence next week on the Company's Yerelina zinc-lead-silver project on EL 5015, which covers a 1,000km² area in northern South Australia.

Core's diamond drilling program comprises a total of six angled diamond core holes totalling approximately 1000m.

The Yerelina project is highly prospective for shallow base and precious metal mineralisation as evidenced by high grade mineralisation on five separate north-south structures identified by Core.

Assay results also show that high grade mineralisation continues between and beyond the historic mining areas. Of the 38 samples taken along a 1,000m length of fault zone at Great Gladstone, 34 returned combined lead and zinc assays in excess of 10,000ppm and over 1 g/t silver with the best assay at 14.7% zinc. Lead values peaked at 12.7% and silver at 567 g/t (Figure 1).

The fully-cored drill holes are targeted under the known outcropping mineralisation to test, define and better understand grade distribution of four of the mineralised structures identified to date.

The drill core will also provide valuable mineralising and geological information to unlock the interpreted MVT-style “engine room” that is driving good grade mineralisation consistently through a large volume of consistent Proterozoic basin geology over an 8km by 3km area (Figure 1).

Core has been recently awarded a grant of \$75,000 as part of the SA Government’s PACE Discovery Drilling 2015 program. Core’s successful proposal for drilling at Yerelina was assessed and ranked against criteria by a panel of government and independent representatives with extensive mining industry experience.

Drilling is expected to take 3-4 weeks to complete. Subsequent to core cutting and sampling, assay results are expected during October.

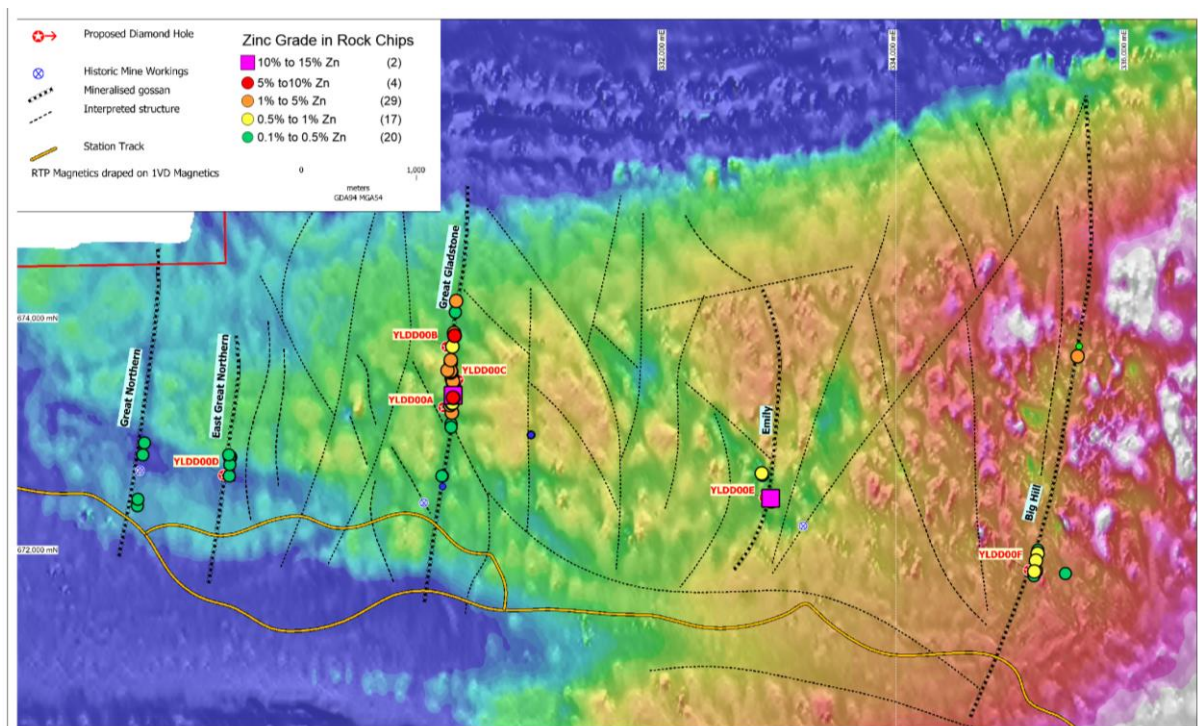


Figure 1. RTP Magnetic Imagery showing structural interpretation and zinc grade in rock chips.

For further information please contact:

Stephen Biggins

Managing Director

Core Exploration Ltd

info@coreexploration.com.au

John Field

Field Public Relations

08 8234 9555

john@fieldpr.com.au



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 includes exploration information that was prepared and first disclosed by Core under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in all previous announcements has been compiled by Mr Stephen Biggins as the Competent Person and who provided his consent for all previous announcements. The information that was reported in announcements previously released under JORC Code 2004 is the announcement dated 19/03/2013 titled "High Grade Lead-Zinc-Silver Assays from S.A. Project". The Company is not aware of any new information that materially affects the information included in this announcement.