



ASX ANNOUNCEMENT

ASX : CXO

17th May 2015

Update on Blueys Silver Project and NT Lithium Exploration

HIGHLIGHTS

- **Core has retained 100% of the Blueys Silver Project in the Northern Territory after its Chinese JV partner notified Core of its withdrawal from the project**
- **Core will assess other avenues for progressing Blueys Silver Project whilst remaining focussed on its lithium exploration portfolio in the NT**
- **First assay results from current field work at the Finniss Lithium Project expected before the end of May**

Core Exploration Ltd (ASX:CXO) (“Core” or “Company”) is pleased to provide the following update.

Blueys Silver Project

Core has regained 100% ownership and control of the Blueys Silver Project (“Blueys”) in the Northern Territory.

In late 2015 Core entered into a binding term sheet with No.1 Geological Survey of Jilin Province (“Jilin”) to establish a joint venture whereby Jilin could earn up to an 80% interest in EL 28136. One of the conditions precedent to the farmin was that Jilin was to have received FIRB approval. Core has received notification from Jilin that it has terminated the farmin agreement and will not be earning an interest in the Blueys Project.

Core’s previous drilling intersected extremely high silver grades up to 1,000g/t silver at Blueys as well as silver and base metal mineralisation over a 500m long zone at the nearby Inkheart Prospect. Mineralised intersections at Inkheart are generally between 3-12m thick but in places there are wider mineralised zones up to 36 metres thick.

Surface rock chip samples from Blueys graded up to 4,065 g/t silver (Ag), 5.5% copper (Cu) and 25% Lead (Pb).

Mapping and rock chip sampling by Core at Blueys has identified a broad zone of pervasive stock-work veining associated with malachite and azurite (copper) and galena (lead/silver) minerals at surface. Surface mineralisation and widespread veining coincides with a sizeable soil anomaly (500m x 250m) greater than 1,000ppb Ag, including a peak silver in soil value of 25,250ppb Ag.

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. 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.

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 where Core already has a large tenement footprint.

Core will assess other avenues for progressing this for this silver, lead and zinc project as the Company focusses on its lithium projects in the Northern Territory.

Update on NT Lithium Exploration

Core commenced fieldwork earlier this year for the evaluation and geochemical sampling of numerous historic mine workings in the lithium prospective pegmatite fields in the Northern Territory, where Core's portfolio covers more than 25 historic tin-tantalum mines considered highly prospective for lithium mineralisation, including the Mount Finniss Tin Tantalum Mine – the largest historically producing tin-tantalum mine in the NT.

Core's evaluation and exploration work represents the first systematic assessment of these historic mines and surrounding tenements for lithium, given all of the historical work was primarily focused on tin-tantalum.

Core expects to announce the first lithium assays from the current field work including sampling of previously mined pegmatites on the Finniss Lithium Project before the end of May.

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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 10/09/2013 "Highest ever silver grades at Blueys Prospect, NT" and 17/06/2014 "High grade silver lead intersections from maiden drilling program Albarta Project, NT".