



ASX ANNOUNCEMENT

ASX : CXO

2 August 2011

Core commences maiden copper-gold drilling on SA's Yorke Peninsula

The Board of Core Exploration Ltd (ASX:CXO) is pleased to announce that the Company's first drilling program, since listing on the ASX earlier this year, has commenced on its prospective Yorke Peninsula Project in South Australia.

Core's Managing Director, Mr Stephen Biggins, said "the first air-core drill program had been doubled in size to 4,000m as a result of the Company's increasing confidence in the IOCG (Iron Oxide Copper Gold) potential of the Yorke Peninsula Project."

Core's earlier geophysical surveys have defined a large-scale set of magnetic and gravity drill targets identified within the 12km long, 2-4km wide Palace Structural Zone (Figure 1).

"This geophysical scenario is a strong indicator of magnetite/hematite iron oxide alteration systems and potentially IOCG style mineralisation," he said.

Importantly, 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.

The drilling is expected to take 3 weeks with the assay results to be available a further 6 to 8 weeks after drilling concludes.

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The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Exploration Ltd and 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. As a Competent Person, he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.

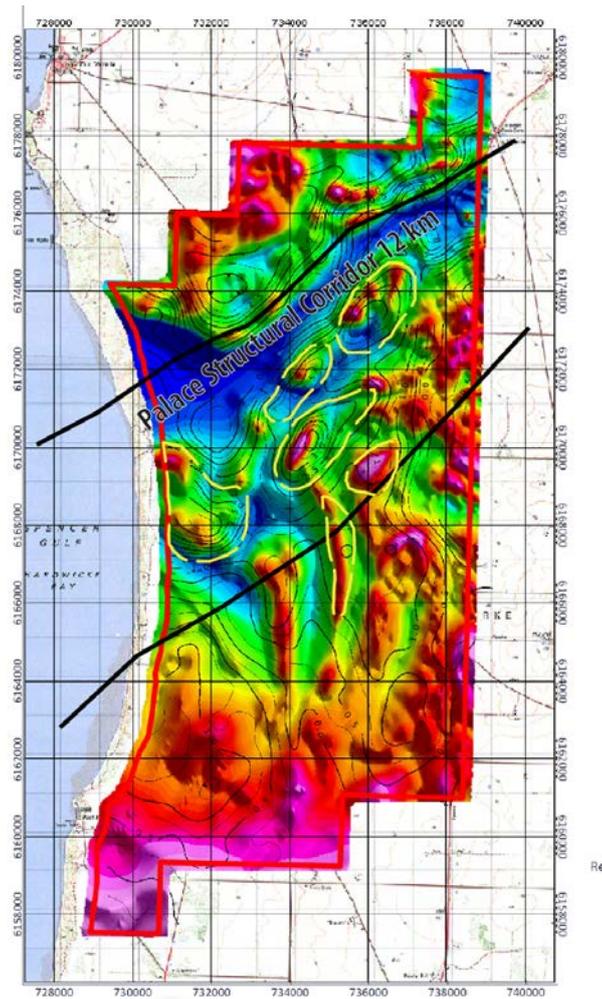


Figure 1: Drill targets with residual gravity contours overlain on Magnetic (RTP)

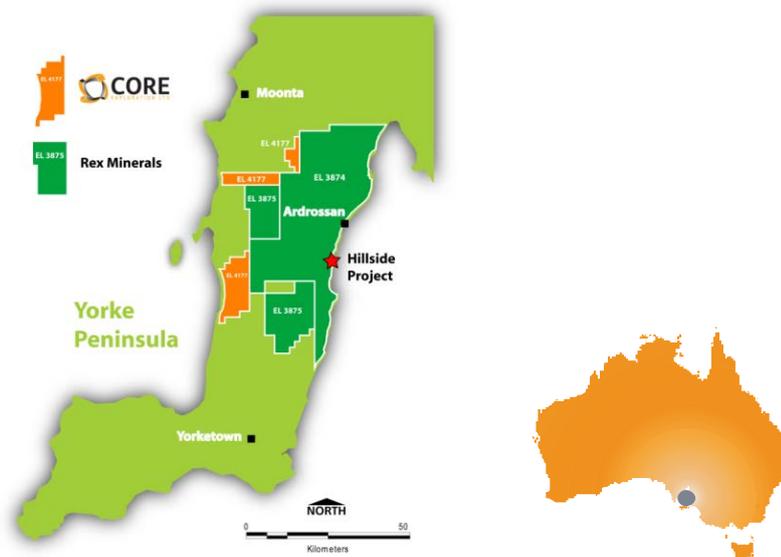


Figure 2: Core Exploration's Yorke Peninsula Project, South Australia