



ASX ANNOUNCEMENT

ASX : CXO

13th February 2012

Major diamond drilling program commences on Yorke Peninsula minerals project

HIGHLIGHTS

- **Two diamond drill rigs on site to commence drilling on the Yorke Peninsula project this week**
- **Six large-scale coincident gravity/magnetic targets to be drilled**
- **Drill targets on adjacent tenement to Rex Minerals' (ASX:RXM) Hillside Project**

The Directors of Core Exploration Ltd (ASX:CXO) are pleased to announce the start of the Company's much anticipated diamond drilling program on the 100%-owned Yorke Peninsula minerals project in South Australia.

Two diamond drill rigs have arrived on site and have commenced drilling.

Core's Managing Director, Mr Stephen Biggins, said the commencement of the crucial diamond drilling program followed extensive lead-up exploration work on the Yorke Peninsula project since the Company listed on ASX 12 months ago.

"We look forward with great expectation to the results of this drilling program taking Core and its key project to the next step of identifying a major new minerals project for South Australia and the Company's shareholders," he said.

Mr Biggins said the diamond drilling program comprises a total of 2,000-2,500 metres of drilling, with holes to drill in excess of 100m into the basement target rocks on the Yorke Peninsula prospect.

"Our substantial set of six drill targets are coincident with the 12km-long Palace structural zone within the Company's Yorke Peninsula tenement (Figures 1)," he said.

"The sizeable gravity features have an inconsistent magnetic character which fits well with Core's interpretation of these drill targets as structurally controlled, dense, IOCG (Iron Oxide Copper Gold) alteration with fluctuating magnetite and hematite content."



Core’s 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 (Figure 2).

“Success with this new drilling program could be a huge game changer for the Company and its investors,” Mr Biggins said.

“Drilling will take approximately one month to complete, with first assay results expected to be reported in April. Our geologists will be looking at the new drill core for the same style of mineralisation and alteration as seen nearby at Rex’s Hillside discovery,” he said.

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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.

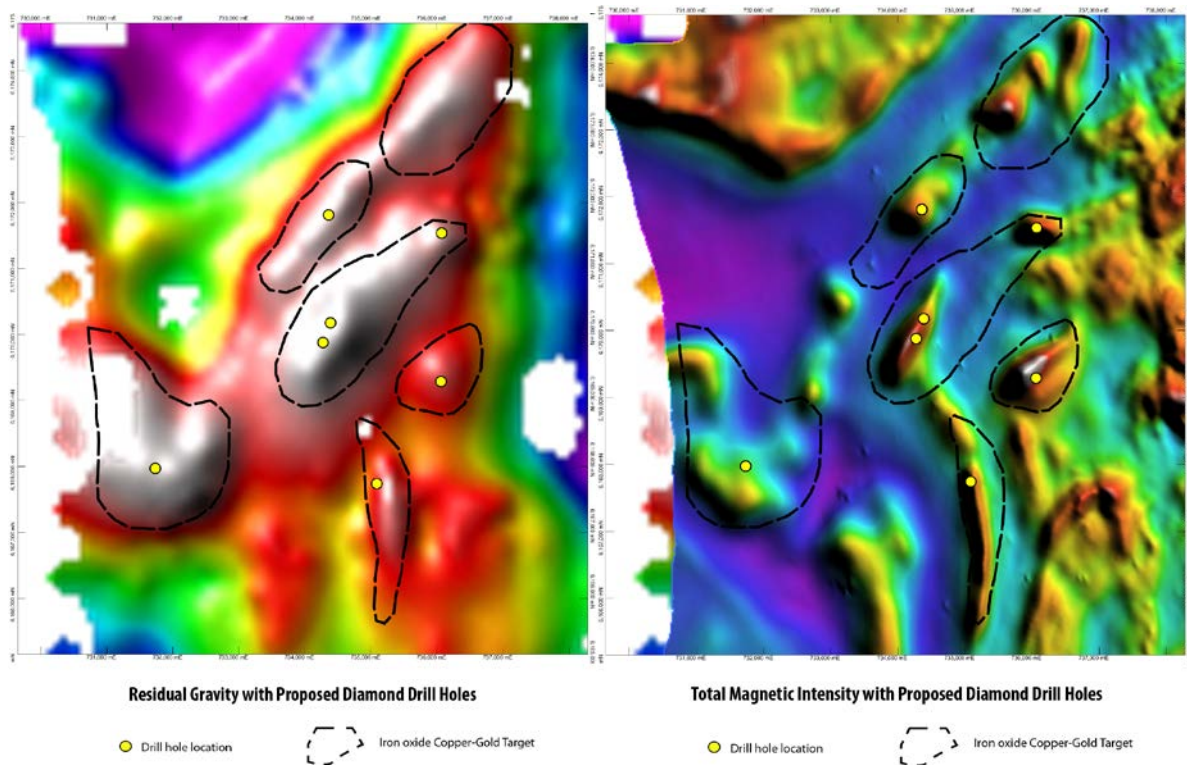


Figure 1. Core Exploration’s Drill Targets, Yorke Peninsula Project, S.A.



Figure 2. Core Exploration's Yorke Peninsula Project, S.A.