



# ASX ANNOUNCEMENT

ASX : CXO

25<sup>th</sup> September 2012

## Core builds strong position in new Northern Territory IOCG province

### HIGHLIGHTS

- **Core broadens exploration activity with large strategic holding of NT exploration tenements in new IOCG province**
- **Core has rights to 16 tenements mostly contiguous covering 1,600km<sup>2</sup> in a new IOCG province**
- **Existing mineralisation at surface a strong indicator of prospectivity**
- **Disparate ownership of tenements has meant that no systematic exploration previously undertaken on tenements for IOCG style targets**
- **New NT IOCG project compliments Core's Roxby and Yorke Peninsula IOCG projects**
- **Exploration to commence in Q4 2012 with Core utilising latest exploration techniques on new tenements.**

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Core Exploration Ltd (ASX:CXO) is pleased to announce that it has built a strong strategic holding of tenement interests covering around 1,600km<sup>2</sup> of highly prospective geology within Australia's new East Arunta IOCG province in the Northern Territory, 100km NE of Alice Springs (Figure 1).

Core has engineered - through joint venture, acquisition and new tenement applications - the rights to 16 mostly contiguous tenements that comprise the Company's new Albarta Project within this newly-identified and previously unexplored IOCG (Iron-Oxide-Copper-Gold) terrain.

Core's tenements cover a number of significant copper, gold +/- uranium and rare earth element (REE) mineral occurrences (Table 1, Figures 1-3). The Company believes that the existing evidence of mineralisation, recently confirmed IOCG alteration in the region and large tenement holding over a substantial strike length of regional structures, makes this exciting exploration project very attractive for investment (Figures 2 & 3).

Core's new Albarta Project covers some 100km of strike length of interpreted prospective regional structures which are thought to control mineralisation (Figure 2).

The Company's recognition and early move on Albarta leads growing industry and market recognition of this new, outcropping East Arunta IOCG terrain.

Prospect	Copper	Gold	Uranium	Other
Oona	2.7% Cu			2.6% Zn
Paradise Well	3.8% Cu			
Blueys	2% Cu			320g/t Ag
East Amarata		25 g/t Au		
Pattersons		30m @ 0.5g/t Au*		
Daicos			19.4% U	22.3% REE
Yambla			13.8% U	
Blueys Folley				7% REE
Mordor				2m @ 1.1 g/t Pt+Pd+Au*

Table 1. Significant surface rock chip sampling and drill intercepts (\*) from prospects on Core's Alberta Project. These historic results are sourced from NTGS databases and Company exploration reports.

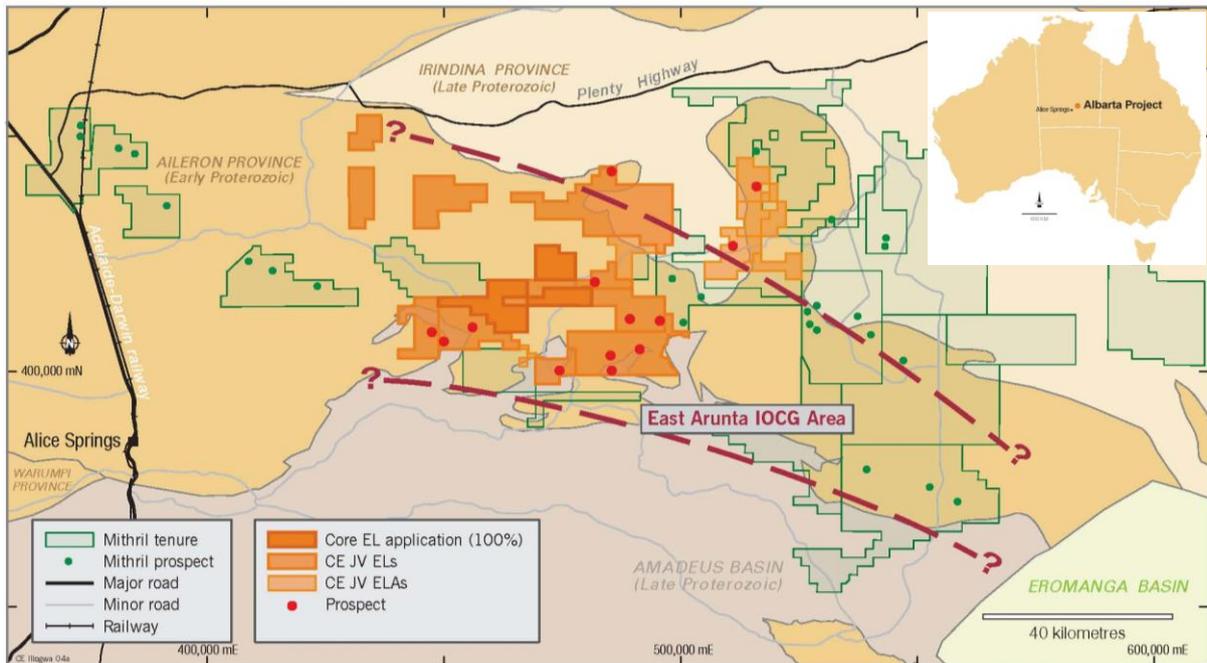


Figure 1. Core Exploration's and surrounding tenements and prospect locations, East Arunta IOCG Zone, Northern Territory.

The recently confirmed East Arunta IOCG terrain represents a newly-recognised Proterozoic copper – gold province characterised by a long belt of structurally deformed granite and sedimentary sequences that contain variable amounts of quartz veining, strong iron and fluorite alteration and outcropping copper - gold mineralisation.

The region's prospectivity has been confirmed by the discovery of copper-gold mineralisation associated with IOCG style alteration by the Northern Territory Geological Survey (NTGS) and the recent exploration success by Mithril Resources Ltd (ASX:MTH) with the discovery of further copper–gold mineralisation on its nearby Huckitta project (Figure 1).

Recent drilling by other explorers at a number of prospects within the East Arunta province has encountered IOCG style alteration and copper mineralisation. Copper sulphide mineralisation and broad widths of strong alteration confirm that a significant iron oxide copper-gold mineralised system is present in the region.

In addition to its IOCG potential Core's Albarta tenements are also prospective for other mineralisation styles including gold, uranium, rare earths, volcanic hosted massive sulphide and sedex style base metal mineralisation.

Although the range of exciting prospects identified by Core on the Albarta Project are of a high priority (Figure 2 & 3), by acquiring a large tenement holding Core is able to undertake a regional and tenement wide, systematic approach to exploration focusing on IOCG targets.

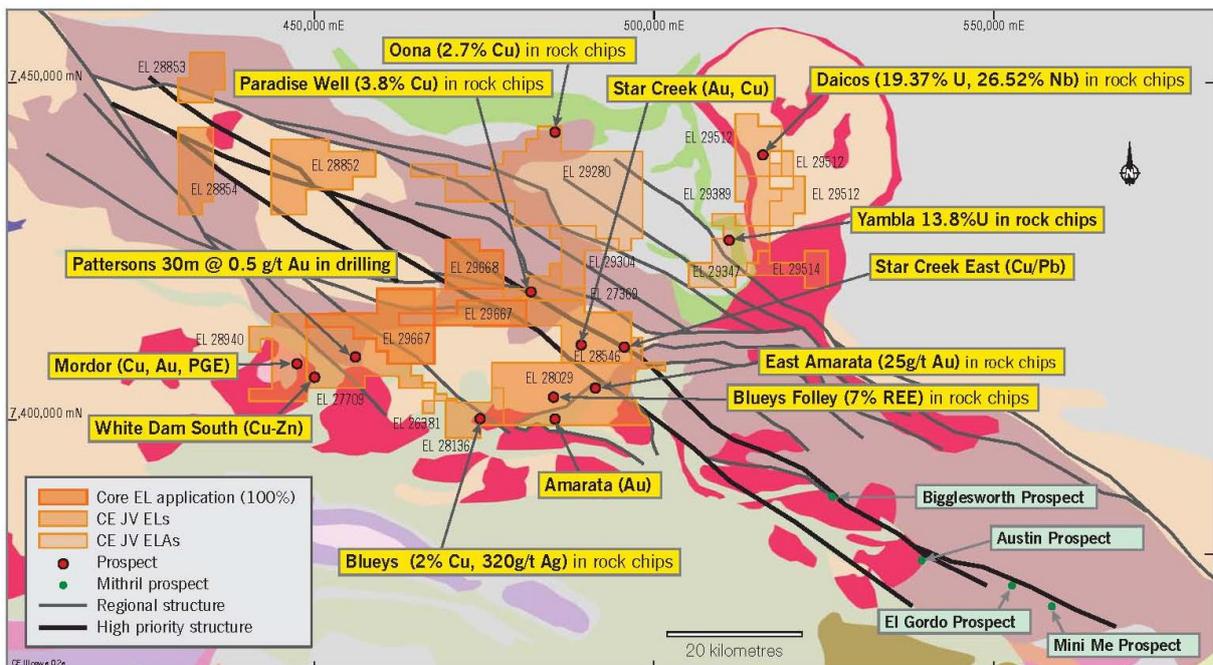


Figure 2. Core Exploration Albarta Project tenements and prospects overlain on regional geology and structure.

### Summary of Key Terms

Core has been working over several months to finalise joint venture and tenement acquisition deals on 14 tenements covering 1,400km<sup>2</sup> in Australia's new East Arunta IOCG terrain in the NT. Including the Company's adjacent two 100% EL applications, Core's total project tenure will cover close to 1,600km<sup>2</sup>.

Core has acquired its interest in the 14 tenements by completing three separate transactions with three different groups of vendors. The terms of each transaction are set out in Schedule 1.



## Next Steps

Exploration on the Albarta project will commence in Q4 2012, which will be focussed toward prioritising targets for drilling in 2013.

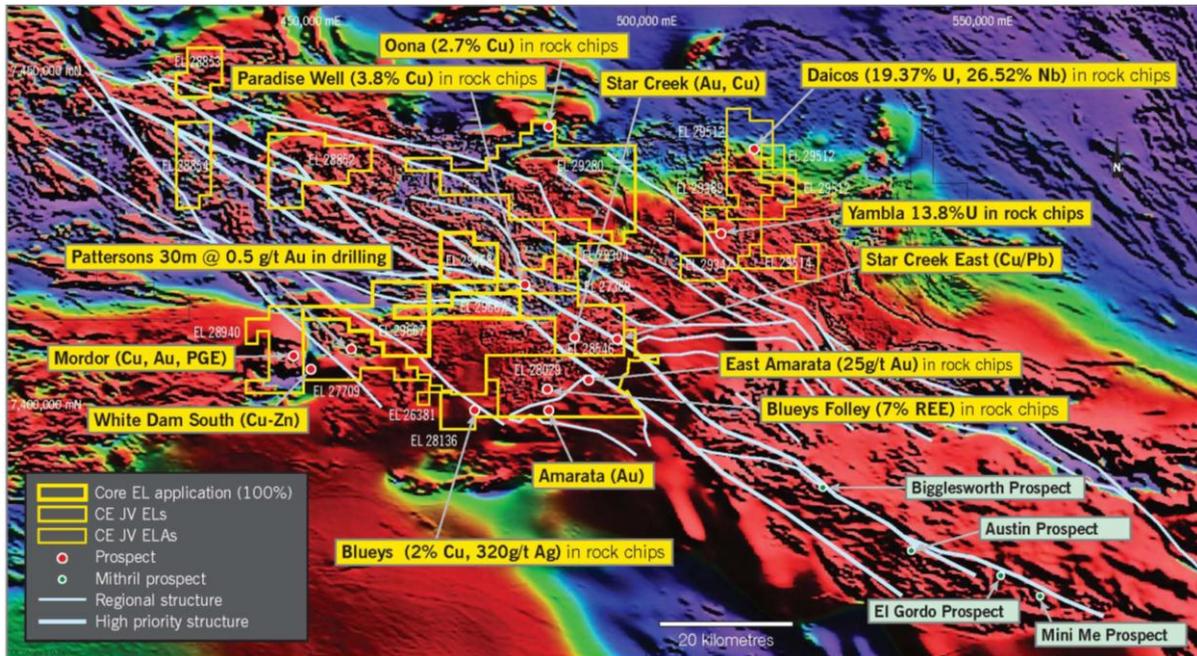


Figure 3. Core Exploration Albarta Project tenements and prospects overlain on magnetic image.

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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.*


**Schedule 1 – Key terms of transactions**

Transaction	Description	Tenements and applications	Consideration
Transaction 1	Core and vendors have formed an unincorporated joint venture to explore the tenements.	<u>Granted tenement</u> 1. EL28853 2. EL28854 3. EL28852 <u>Application</u> 4. EL29304 5. EL29347 6. EL29389 7. EL29512 8. EL29514	<ul style="list-style-type: none"> <li>Core may earn an initial 51% joint venture interest by spending \$175,000 on exploration during the next 2 years.</li> <li>Core may earn an additional 29% joint venture interest (total of 80%) by spending an additional \$200,000 (total of \$375,000) over an additional 2 years (total of 4 years).</li> <li>If Core acquires 80% interest, then vendors remaining 20% joint venture interest will be free carried to completion of a bankable feasibility study.</li> <li>Core has an option to acquire the vendors' 20% free carried interest at a price equal to the greater of \$1,000,000 and a value determined by an independent expert.</li> </ul>
Transaction 2	Core and vendors have formed an unincorporated joint venture to explore the tenements.	<u>Granted tenement</u> 9. EL27369 10. EL27709 11. EL28029 12. EL28136 13. EL28546	<ul style="list-style-type: none"> <li>Core must issue 500,000 Core shares to vendors by 5 October 2012. Shares to be held in voluntary escrow for 3 months.</li> <li>Core may earn an initial 51% joint venture interest by spending \$225,000 on exploration during the next 2 years.</li> <li>Core may earn an additional 29% joint venture interest (total of 80%) by spending an additional \$200,000 (total of \$425,000) over an additional 2 years (total of 4 years).</li> <li>If Core acquires 80% interest, then vendors remaining 20% joint venture interest will be free carried to completion of a bankable feasibility study.</li> <li>Core has an option to acquire the vendors' 20% free carried interest at a price equal to the greater of \$1,000,000 and a value determined by an independent expert.</li> </ul>
Transaction 3	Core has purchased the tenement from the vendors	<u>Granted tenement</u> 14. EL28940	<p>Purchase price for tenement is the issue of 1,000,000 Core shares to vendors.</p> <p>Completion of transaction is conditional on Ministerial consent and approval by Core shareholders at AGM to the issue and allotment of the 1,000,000 Core shares to the vendors</p>