

ASX ANNOUNCEMENT

ASX : CXO

6th May 2014

DRILLING UNDERWAY AT BLUEYS, NT

- **Drilling to intersect targets below high-grade silver mineralisation at surface at Blueys and highly anomalous silver in soils at Inkheart**
- **RC Drilling program of 2,500 meters over 20 holes**
- **Following the move to 100% ownership of the Albarta Project, CXO shareholders have complete upside to the drilling**
- **Drill results to be received over the next 8 weeks**

Core Exploration Ltd (ASX:CXO) first reverse circulation (RC) drill program in the Northern Territory is underway at the Blueys Project, 100km NE of Alice Springs.

Core's 2,500m RC drilling program at the Blueys and Inkheart Prospects is testing highly prospective drill targets at both the Blueys and Inkheart Prospects within the Company's Albarta Project (Figure 1).

Core's RC drilling has been designed to confirm the source of extremely anomalous silver in soils and high-grade mineralisation identified by Core at surface (Figure 2). Core's IP geophysical surveys have identified very attractive chargeable and structural targets at depth below these surface indicators. These targets have never been drill tested as the deepest prior drilling was to a depth of 52m.

Drilling is expected to take 3-4 weeks to complete with assay results expected over the next 8 weeks.

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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.

Core Exploration confirms that it is not aware of any new information or data that materially affects the information included any previous announcement.

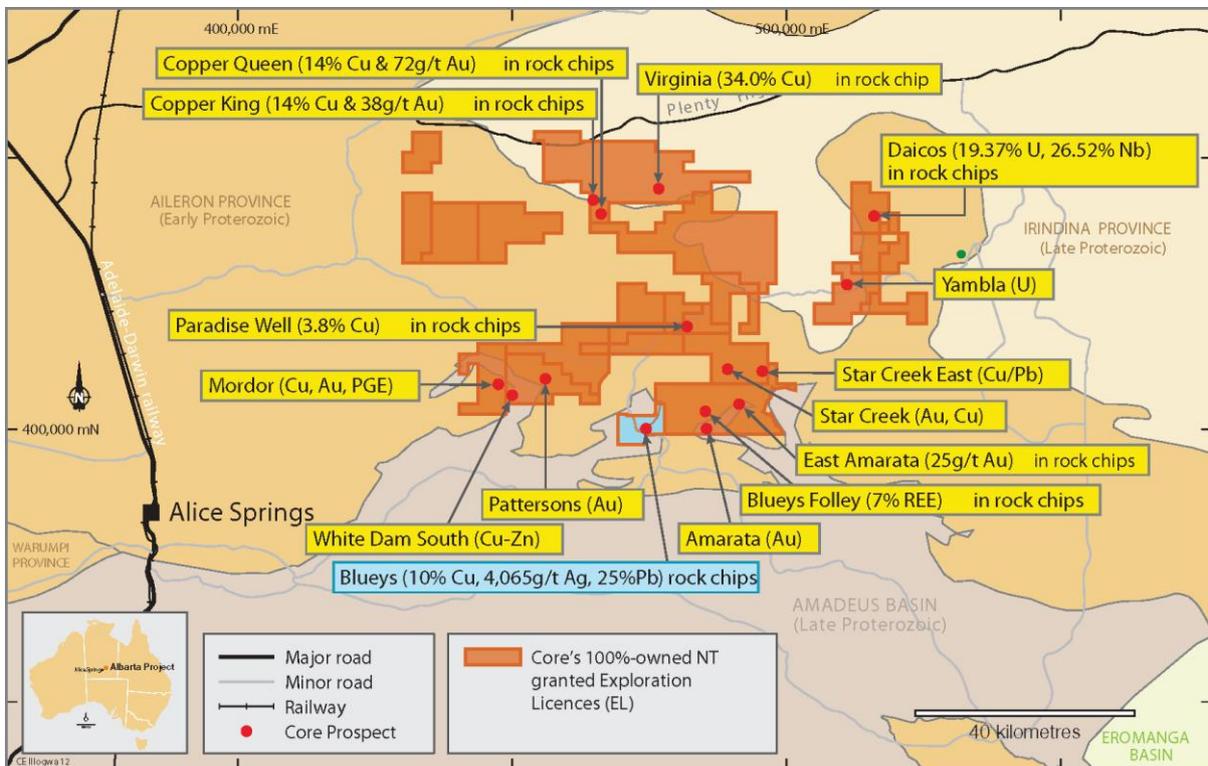


Figure 1: Core's 100% owned Blueys Project and Northern Territory tenements on regional geology.

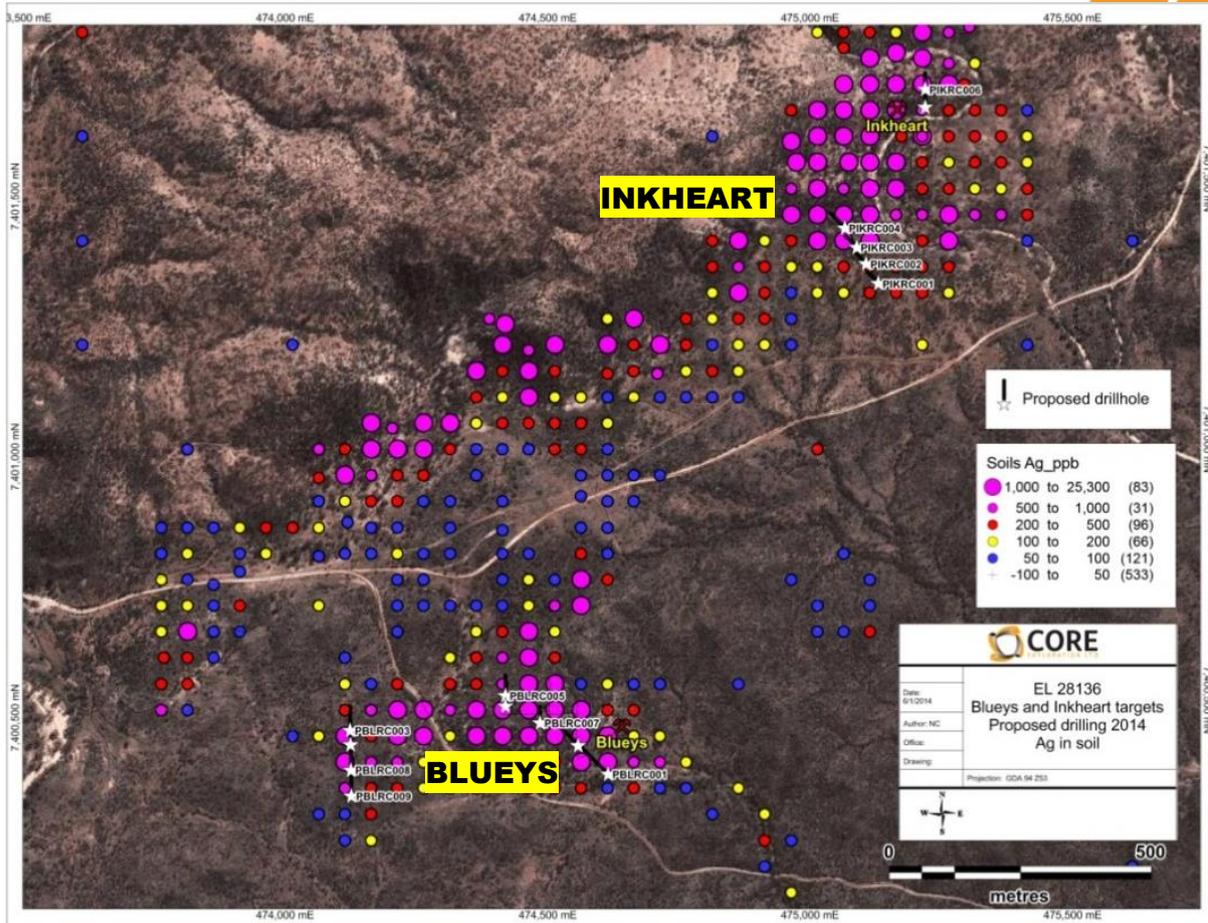


Figure 2. Proposed RC drill-hole locations at Blueys and Inkheart Prospects overlain on silver in soils geochemistry, EL 28136, Northern Territory.