



# ASX ANNOUNCEMENT

ASX : CXO

7<sup>th</sup> September 2015

## Core's diamond drilling underway on Yerelina Zinc Project

### HIGHLIGHTS

- **1,000m diamond drilling program has commenced on Core's Yerelina Zinc Project in South Australia**
- **Diamond core holes targeted under the known outcropping mineralisation**
- **High grade mineralisation identified in mineralised breccia and surface gossans hosted within fault zones interpreted to be up to 1.5km long.**
- **Core awarded 50% co-funding of drilling costs by SA Government**
- **Drilling to be completed in September with assays expected in October**

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Core Exploration Limited (ASX:CXO) is pleased to announce drilling has started on the Company's Yerelina zinc-lead-silver project on EL 5015, which covers a 1,000km<sup>2</sup> area in northern South Australia.

The diamond drilling is targeted under the outcropping high grade mineralisation identified at a number of prospects including Great Gladstone and Big Hill at Yerelina (Figures 1 and 2). Core's diamond drilling program will be the first drilling in this region to test these targets.

Core's diamond drilling program comprises a total of six angled diamond core holes totalling approximately 1000m. The angled diamond core holes are targeting beneath mineralised breccia and surface gossans hosted within fault zones interpreted to be up to 1.5km long (Figures 1 and 2).

The Yerelina project is highly prospective for shallow and potentially deeper base and precious metal mineralisation as evidenced by high grade mineralisation and historic mine workings within repeated structures identified by Core to date over an 8km by 3km area.

Core's analysis of modern satellite imagery and the Company's detailed heli-borne magnetic and radiometric survey data have identified that these mineralised structures are part of a large scale system of repeated north/south regional faults (Figure 1).

The drill core will also provide valuable information to unlock and target the interpreted MVT-style “engine room” that is driving good grade mineralisation consistently through a large volume of consistent basin geology over an 8km by 3km area (Figure 1).

Core has been recently awarded a grant of \$75,000 as part of the SA Government’s PACE Discovery Drilling 2015 program. Core’s successful proposal for drilling at Yerelina was assessed and ranked against criteria by a panel of government and independent representatives with extensive mining industry experience.

Drilling is expected to take 3-4 weeks to complete. Subsequent to core cutting and sampling, assay results are expected during October.

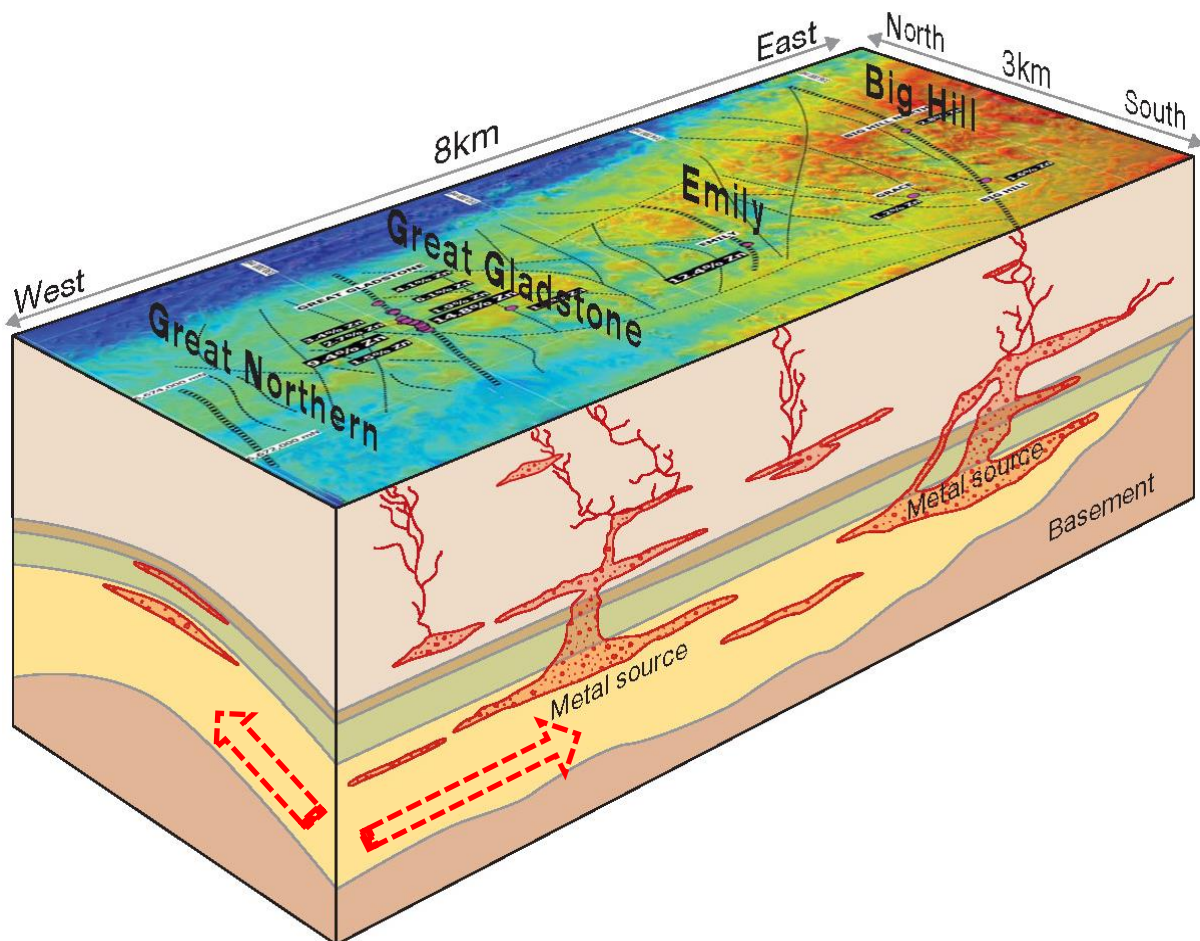


Figure 1. Magnetic image, surface mineralised structures and drill targets in plan view with block model of conceptual geological targets (depth not to scale).

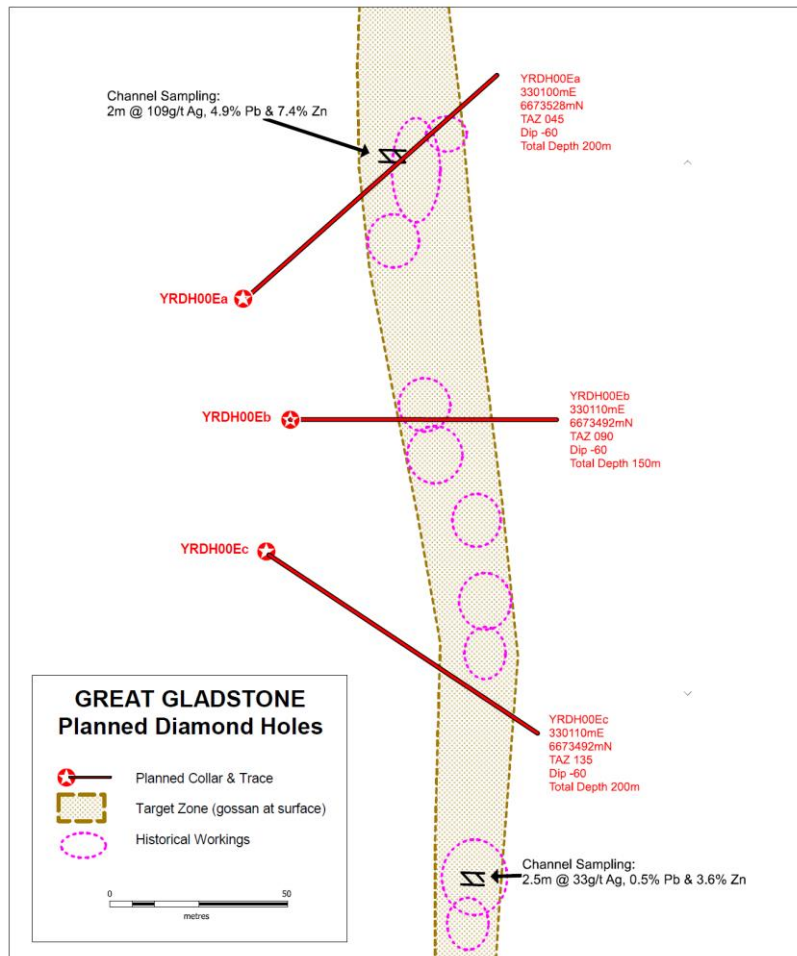


Figure 2 Proposed diamond drill plan Great Gladstone Prospect, Yerelina Zinc Project SA.

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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 includes exploration information that was prepared and first disclosed by Core under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in all previous announcements has been compiled by Mr Stephen Biggins as the Competent Person and who provided his consent for all previous announcements. The information that was reported in announcements previously released under JORC Code 2004 is the announcement dated 19/03/2013 titled "High Grade Lead-Zinc-Silver Assays from S.A. Project"