BRIDGING REPORT
EL 28853 “NO. 1 TANK”

YEAR 3
6th FEBRUARY 2014 – 31st JANUARY 2015

Author: N Chalmers
Date: 31st March 2015
Tenement Holders: Core Exploration Ltd (100%)
Tenement: EL 28853
Distribution: Core Exploration Ltd (1)
Geoscience.Info, Department of Mines and Energy (1)

Map Sheet: Alice Springs 1:250,000 sheet (SF5314)
Riddock 1:100,000 sheet (5851)
Laughlen 1:100,000 sheet (5751)

Target Commodity: Copper, Gold
Keywords: Exploration review, Iron oxide copper-gold, West Bore Schist Zone
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1.0 Summary

The EL 28553 “No. 1 Tank” license area is comprised of thirteen (13) graticular blocks and straddles the West Bore Schist Zone. The license area contains a series of faulted blocks, fragmented by merging West Bore Shear Zone and Cadney Fault zone regional structural trends (deemed mantle tapping structures).

During the bridging period Core Exploration became 100% owner operators of EL28853 after a purchase agreement with the former tenement owners. Core continued to assess the tenements copper-gold potential as well as the regions potential to host uranium mineralization styles which will be a focus on the tenement in the first year of the grouped reporting, Alberta North, GR359.

Core is also encouraged by the uranium potential within the Aileron Province so will be focusing part of its exploration program on EL28853 on the tenements uranium potential.

2.0 Introduction

This report covers the bridging period exploration activities completed within EL 28853 “No. 1 Tank” between 6th February 2014 and 31st January 2015. EL 28553 straddles the West Bore Schist Zone, and is located within the Laughlen (5751) and Riddoch (5851) 1:100,000 map sheets, and ALICE SPRINGS (SF53-14) 1:250,000 map sheet. An assessment of uranium and geothermal prospectivity of southern NT by Geoscience Australia (GA) has placed the licence area within the deemed highest level of potential for IOCGU deposit prospectivity namely A1 (GA Record 2012/051).

Vehicle access to EL 28853 from Alice Springs is northward via the sealed Stuart Highway to the Plenty Highway. At approximately 70km eastward along the single strip bitumen portion of the Plenty Highway is the Anamarra Creek crossing, where a cleared dirt track commences on the eastern side of the road which leads into the licence area via West Bore.
Figure 2.1 Location Map of EL 28853

3.0 Tenure

EL 28553 was granted to Gempart (NT) Pty Ltd on the 6th February 2012. During the reporting period Core Exploration became 100% owner operators of EL28853 after a purchase agreement with the former tenement owners. EL 28853 overlies pastoral leases Alcoota (PPL 1032) and Mt Riddock (PPL 989). Tenure details are tabulated below.

Table 4.1 Tenure Details for Year 2

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Owner</th>
<th>Date Granted</th>
<th>Tenure</th>
<th>Size</th>
<th>Rent Yr 2</th>
<th>Expenditure Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 28853</td>
<td>DBL Blues (Core Exploration Ltd 100%)</td>
<td>06/02/2012</td>
<td>6 Years</td>
<td>13 blocks 41.86 km²</td>
<td>$267</td>
<td>$13,800.00</td>
</tr>
</tbody>
</table>
4.0 Geology and Mineralisation

The licence area is located within the southeast Arunta Inlier, a major ensialic Palaeoproterozoic to Mesoproterozoic mobile belt of multiply deformed polymetamorphic basement terrain covering 200,000 square km of central Australia. It differs from other north Australian Proterozoic inliers by intensity and frequency of apparent deformation, the high grade of metamorphism and the abundance of granite. It is thus more akin to mobile belts in southern Africa and the Baltic Shield. A tectonic setting of older 2.5-2.0 Ma continental crust, nowhere exposed, beneath Palaeoproterozoic rocks (1850Ma) is the current model. The overall style of deformation and subsequent basin development across central Australia is similar to other continental settings where thick-skinned deformation and rifted or sag continental basin development are the norm. The mobile belt evolved over 1500Ma commencing with mafic and felsic volcanism, mafic intrusions within a latitudinal rift, followed by marine deposition of shale and limestone, followed by subsequent deformation, metamorphism and emergence. Flysch sedimentation accompanied by volcanism continued within geosynclinal troughs flanking the latitudinal ridge of meta-igneous rocks followed by shallow-marine platform deposition, more deformation/metamorphism plus granitic intrusion all of which point towards a proposed extensional continental setting. Furthermore, the recent interpretation of geochemical and isotopic data, combined with remapping of mafic rock units, indicate an abundance of 1810 – 1800 Ma high level tholeiitic mafic intrusions with geochemical signatures representative of continental margin subduction or back-arc related magmatism.

The southeast Arunta region is assigned to the Aileron Province locally referred to as the Ongeva package (1810 – 1790) of which the Strangeways Metamorphic Complex (SMC) is the major outcropping unit within the ALICE SPRINGS map sheet. The SMC is bounded to the south by an apparently long lived zone of tectonism which trends east-southeast for approximately 140km and hosts the Winnecke goldfield, Arltunga Nappe Complex and White Range goldfield. SMC crops out northwards for 40km truncated by Florence Creek Shear Zone juxtaposing older SMC against 1765Ma Oonagalabi tongue rocks assigned to upper Bungitina metamorphics. The remaining northerly limit of exposed SMC forms a sheared unconformable contact with 743Ma Irindina Province Harts range Group Riddoch Amphibolite which trends west-northwest for approximately 60km before disappearing beneath onlapping Tertiary sediments of the Waite Formation.

The SMC is of unknown thickness (estimates from mapping of 5 to 15km) is a package of complexly folded Palaeoproterozoic mafic/felsic granulite and metasediments. Basement to the SMC is not exposed in the region and is unknown. However, age dating of intrusives indicate that most of the SMC is older than 1780Ma. Parts are deposited in a deeper water setting based on chrono-stratigraphic correlations with turbiditic Lander Rock beds in NAPPERBY (i.e. Pelites of Erontonga and Yambah granulites are deep-water mudstones and greywackes). The Utlanamama Zn-Cu prospect (formerly Phlogopite mine) located 30km west of EL28853, is an interpreted volcanic hosted massive sulphide deposit (VHMS) which also supports a moated deep water depositional setting, occurring at depths of at least 1000 metres. Recent convention suggests SMC changes from a bimodal volcanic sequence upward to a pelitic succession overlain by siliciclastics and carbonates however, caution is warranted as many of the felsic/mafic extrusives appear to be intrusive. The presence of
extrusive/pyroclastic volcanic rocks cannot be dismissed however, locally intrusive units are more common within the SMC.

Intense deformation, metamorphism and accompanying anatexis (partial-melting) have largely obliterated all primary sedimentary/igneous rock features. Additionally, the wall rocks of mineral deposits such as the Johnnies Cu-Au deposit were extensively altered prior to high grade metamorphism, and thus, generally protolithic rock-type classifications are educated guesses.

Locally, the northern area of EL 28853 is traversed by the West Bore Shear Zone, from west to east before swinging abruptly southward and eventually being cut off by the southeast trending Cadney Fault Zone. The, Camp Hill Cu workings are located approximately 2km east of EL 28853 and occurs at the intersection of the bending West Bore Shear Zone and several closely-spaced northeast trending parallel faults. The West Bore Shear Zone splays after bending from E-W to N-S, and hosts several malachite dominated copper occurrences close to outcropping structurally fragmented mafic granulite.

Retrograded Hillsoak Bore metamorphics comprising biotite/quartzfeldspathic gneissess/schists and amphibolite dominate the tenure’s geology where the Cadney Fault Zone and West Bore Shear Zone structural trends come together initiating extensive cross faulting to the northeast. The U-Th-Nb-Ta-Sn-Be (Samarskite) bearing Mt Johnstone pegmatite is located one km southeast of EL 28853 within the Cadney Fault Zone. Radioactive pegmatites are relatively common throughout the Harts Ranges, mainly due to Thorium, enriched in REEs of ASO age (450 - 30Ma).
5.0 Previous Exploration

1969 - 79

Stockdale Prospecting (SPL) systematically completed drainage/stream sediment sampling within central Australia from 1969 to 1973. During their programs eleven (11) active channel samples were collected from within EL 28854 and ten (10) samples from within EL 28853. No kimberlitic indicators or diamonds were recovered however, a geochemical split from BCO 1735 collected from a tributary of the Oneva Creek draining within EL 28853 assayed at 4 ppb Au. The next immediate drainage to the east, Cadney Creek, was also highly anomalous for gold with results of 383, 57 and 25 ppb Au returned. These samples were, subsequently resampled by SPL in 1992.

EL 110 granted to Russgar Minerals in 1973 included the area of EL 28853. Russgar Minerals mapped the area (1:26 000 airphotos) and conducted an aerial "mercury sniffing" geochemical survey over a large part of the Harts Range delineating nine areas of elevated mercury readings.

1980 - 1988
Hillrise Minerals joint ventured EL 1802 to CRAE in 1981 who conducted a drainage sampling program over a 20km by 10km area commencing from Mt Campbell in the east to Blackfellow Bones Bore in the west. Thirty five (35) active creek alluvium samples were collected, observed for KIs, assayed for 14 elements, and returned a best result of 55ppm Cu, 60ppm U (822132) and 20ppm W (822080).

White Industries (WIL)/ BHP were granted EL 2648 in 1982 over an area which encompassed EL 28853 and EL 28854, from which ten (10) drainage samples were collected (RTO955 to 96), observed for KIs and assayed for As, Ce, La, Ba, Nb, Zr, Cu, Pb, Zn, Co, Ni, Cr. No anomalous results were reported.

Huntings carried out a photo-interpretation of EL 2648 identifying five (5) circular features of possible kimberlitic origin. Heavy mineral sampling within EL 3498 (including lower reaches of Anamarra Creek, draining catchment area of EL 28853) by Negri River Corporation (NRC) from 1982 to 1985 positively identified several KIs from initial sampling downstream of EL 28853. Unfortunately, a twenty-two (22) sample follow-up program did not repeat the positive results of the initial program. Likewise, previous minus 80 mesh geochemical splits returned highly anomalous gold values from two localities downstream of EL 28853 (SNG 3: 0.216ppm Au and ONG 5: 0.16ppm Au) which also proved unrepeateable.

1989 - 1998

EL 6013 was granted to G K Bogie in 1989 centered on Cattlewater Pass covering the western half of EL 28853. Bogie conducted a gyrocopter drainage sampling program over extremely rugged an inaccessible terrain collecting forty-seven (47) samples from within the EL 28853 licence area i.e. Ongeva and Oneya Creek drainages. The following field season Bogie contracted the late Dr Burton Murrell to conduct an 'overbank' silt drainage sampling program, a technique Dr Murrell was pioneering in the Alice Springs region. Eleven (11) overbank samples (648 – 658) were collected from drainages within the EL 28853 licence area, and returned AAS Cu assays of 50 - 70 ppm. Cadney Creek (~20km east of EL 28853) was also sampled, with results delineating a weak gold anomaly (WH608: 0.008, WHHA: 0.006, WH11b: 0.006, WHHC: 0.006, and WH11D: 0.001ppm Au), contrasting with results reported by SPL twenty years previously.

In 1992 Clarence River Finance P/L prospected the area immediately east of EL 28853, including rock chip sampling of the Camp Hill Cu deposit, and three other copper shows, which trend south-southeast away from Camp Hill (EL 6941). Clarence River Finance P/L also prospected the Mt Johnstone area Ciccones Find Samarskite bearing pegmatite (24m x 7m) and reported anomalous REEs, U, Nb, Th, Ta and Ba results.

In 1992, the late Dr Burton Murrell of Saturn Resources was granted EL 6899 and completed an extensive overbank drainage sampling program including thirty four (34) samples from the southern drainages located within EL 28854 (592, 617 - 619, 621 - 627, 701 - 717, 722 – 724). Gold assays ranged from 0.001 to 0.003 ppm Au, whilst copper values varied from 30 to 90ppm Cu.

During 1993 Bogie/Murrell completed rock chip sampling of a 'magnetite gossan' located approximately 6km south-southeast of the western boundary of EL 28853 (EL 6013) which returned an assay of 0.028ppm Au (CP223A).

Normandy Exploration completed heavy mineral sampling of Anamarra Creek, from the headwaters within EL 28854 (draining Mt Johnstone) to the Plenty Highway, over a distance of 17km. This sampling program traversed over EL 28853, collecting fifty three (53) samples in 1994. The samples were observed for KIs from disproportionately large high-grade metamorphic terrain concentrates for negative results (EL 7932).
Pasminco were granted EL 8787 in 1995, which encompassed the Cadney Creek catchment including the western third of EL 28853. A 200 metre line space AMAG geophysical survey was flown over the licence area along north-south orientated flight lines at a nominal altitude of 80m. Late stage northeast - southwest trending cross faults were recognized as prominent magnetic linear features within the overall dataset, increasing in both intensity and frequency towards the Copper Queen Cu workings located slightly north of EL 8787. A total of twenty-two (22) minus 80 mesh drainage samples were collected, nine (9) of which namely (133247 to 133250, 133358, 133059, 133060, 133083 and 133087) were located within EL 28853.

The following table of sample populations and anomalous geochemistry thresholds highlights the difficulty of interpreting geochemistry datasets from different sources in the eastern Arunta.

<table>
<thead>
<tr>
<th>Company / Data</th>
<th>Pb ppm</th>
<th>Zn ppm</th>
<th>Cu ppm</th>
<th>Ni ppm</th>
<th>Cr ppm</th>
<th>Au ppm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bogie Cattlewater Pass</td>
<td>10</td>
<td>52</td>
<td>52</td>
<td>2</td>
<td>140</td>
<td>0.006</td>
</tr>
<tr>
<td>Endras Arltunga</td>
<td>40</td>
<td>215</td>
<td>105</td>
<td>47</td>
<td>110</td>
<td>0.09</td>
</tr>
<tr>
<td>Pancon Arltunga</td>
<td>10</td>
<td>475</td>
<td>250</td>
<td>79</td>
<td>110</td>
<td>0.015</td>
</tr>
<tr>
<td>Pasminco Western data</td>
<td>24</td>
<td>62</td>
<td>52</td>
<td>66</td>
<td>-</td>
<td>1</td>
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</table>

1998 - 2007

EL 22292 was granted to Oneva Exploration P/L in 2001 who prospected the area between EL 28852 and EL 28853, along the east-southeast trending Cadney Fault zone for 16km discovering multiple occurrences of hitherto unknown malachite - dominated Cu mineralization (25 localities). All localities were rock chip sampled (158) and three, namely Diana's Block 1, Rip Hill and Bikini Basin, were also soil sampled (73).

Diana's Block 2 to 8 is a continuum of Cu (Au) mineralisation/alteration hosted within quartz-magnetite iron formation within enveloping magnetite schists, that trends northeast for approximately 2km. Diana's Block 2 was tested by two (2) RAB drillholes (43m and 42m respectively) returning no elevated Cu values. Likewise at Diana's Block 8, (2) RAB drillholes (27m and 35m) also returned no elevated Cu geochemistry.

Corner Post Hill prospect was tested by a single RAB drill hole (34m), and twenty-seven (27) samples were assayed for Au, Cu, Pb, Fe, Bi, K, Mg, Na, Ti. No elevated values were returned. The area is currently being worked by Genesis Resources (GES).

Tanami Gold (TGNL) moved into the Harts Range area in 2002. EL 10078 was pegged over the Copper Queen Cu workings, located approximately 8km east of EL 28853. TGNL interpreted Harts Range to be potentially prospective for Selwyn-type Cu-Au and/or Coronation Hill - type Au-PGE mineralization, primarily based on Au-Cu-PGE mineralised carbonate veins discovered at the Kongo prospect, located approximately 12km west of Copper Queen and discovered by PNC in 1996. TGNL collected fifty three (53) rock chip, fourteen (14) lag, 1,597 soil, and eighty three (83) drainage samples. TGNL also collared 230 RAB drillholes for 6,843m. 2,613 drill spoil samples were analysed. The net result of the above geochemical sampling was the delineation of a 20km x 15km area of geochemical anomalisism, structurally constrained by the northwest - southeast trending Florence Creek Shear Zone and the east - west Copper Queen trend.
During 2003, detailed analysis of hyperspectral data over the Riddoch Amphibolite (765Ma) within EL 10078 was completed using the Hymap Thematic mapper airborne remote sensing system. Potentially, the 'mineral mapping' was useful for delineating:

- ultramafic plugs ± PGE mineralisation
- carbonate/chlorite/muscovite alteration ± Au associated retrogressive shear zones common throughout Harts Range area
- anthophyllitic units which commonly host Cu - Zn - Pb - Ag- Au mineralisation
- gossanous zones ± Au and basemets.

EL 23184, which straddles the Cattlewater Pass track and abuts the northern boundary of EL 28853, was hyperspectrally surveyed however, no anomalous areas were delineated.

As taken from the 2014 Annual Expenditure Report for EL 28853, during Year 3 of license tenure Core intends to continue completing a thorough review of previous exploration activities and existing geochemical datasets (steam sediment, rock chips, soils) from within the licence area. The company intends to collect new surface geochemistry (using the most effective technique as determined from the review) to infill gaps in the data coverage and/or over any interpreted anomalous areas.

The closest known significant mineral occurrence to EL 28853 is the Johnnie’s Reward–Black Angus area, currently held by Arunta Resources (Arunta). Arunta have recognised a strong coincident gold-copper-arsenic geochemical response from soil sampling in the Johnnie’s Reward–Black Angus area. The Johnnie’s Reward Prospect is a copper-gold prospect associated with magnetite rich units of the Cadney Metamorphics. Proterozoic Cadney Metamorphics have been identified within EL28853, and as such, Core Exploration intends to use soil geochemical sampling, and possibly airborne magnetics, to target copper-gold mineralisation within the tenement. The acquisition of airborne magnetic data will prove useful in the delineation of prospective magnetite-rich horizons and mapping structural features within the area.

6.0 Bridging Period Work Summary

During the bridging period Core entered into a purchase agreement with the previous joint venture partners to become 100% owner and operator of EL28853. This purchase was part of a larger package of tenements which covers parts of the Aileron and Irindina Provinces as well as the northeastern edge of the Amadeus Basin.

No active exploration was undertaken on EL28853 during the bridging period.

Core continued to assess the prospectivity of its IOCG exploration model for the Aileron Province including within EL28853.
Table 6.1: Expenditure summary for EL28853 for the Bridging Period.

<table>
<thead>
<tr>
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<th>Eligible</th>
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<tbody>
<tr>
<td>EL 28853 6/2/14 - 31/1/15 Bridging</td>
<td></td>
</tr>
<tr>
<td>Geology - costs</td>
<td>$35,322.06</td>
</tr>
<tr>
<td>Miscellaneous items</td>
<td>$451.00</td>
</tr>
<tr>
<td>Depreciation of equipment</td>
<td>$413.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$36,186.06</strong></td>
</tr>
</tbody>
</table>

7.0 Rehabilitation

There were no earth disturbing activities on the tenement. No rehabilitation was required.

8.0 Conclusions and Recommendations

Core Exploration took over management of EL 28853 during its first year of tenure. The company is actively exploring for Iron-oxide Copper-Gold mineralisation within the eastern Arunta region. Core is also encouraged by the uranium potential within the Aileron Province so will be focusing part of its exploration program on EL28852 on the tenements uranium potential.

Proposed activities for the Year 3 reporting period include:

- Continue reviewing previous exploration activities and existing geochemical datasets (steam sediment, rock chips, soils)
- Collect new surface geochemistry to infill gaps in existing datasets
- Collect new surface geochemistry in conjunction with geological mapping and prospecting to investigated interpreted anomalous areas

9.0 References