



ASX ANNOUNCEMENT

ASX : CXO

2nd September 2015

Core now funded to drill Yerelina and Jervois projects after SPP and Underwriting successfully raises \$600,000

Core Exploration Limited (ASX: CXO) is pleased to announce that the Company's shareholder Share Purchase Plan (SPP) and underwriting has successfully raised \$600,000. These funds will be immediately applied to two exciting drilling campaigns underway this month in SA and NT.

Core Exploration will have two drilling campaigns underway during September in some of the most prospective geological terrains for base metals and uranium in Australia.

Core's 1,000m diamond drilling program is commencing this week on the Yerelina Zinc Project in SA. The diamond core holes will be targeted under the known outcropping high grade zinc mineralisation identified by Core in mineralised breccia and surface gossans hosted within fault zones interpreted to be up to 1.5km long.

Core is also planning to commence a 4,000m RC/RAB drilling campaign in September on the Company's Jervois Domain Project in NT. 14 potential drill targets have been identified within a 15km strike length of the prospective Big-J fold. The high priority targets have a range of geophysical characteristics consistent with the Sedex/VHMS style of copper mineralisation identified at KGL's nearby Jervois project.

Diamond drilling at Yerelina Zinc Project in SA is expected to take 3-4 weeks to complete with assay results expected to start arriving during October. Core has also been awarded a grant of \$75,000 for this drilling as part of the SA Government's PACE Discovery Drilling 2015 program.

Core's Jervois Domain drilling in NT is commencing in late September and assay results are expected to start arriving toward the end during October. KGL has also recently announced plans to commence drilling of new geophysical targets in the Bellbird area at Jervois.



Share Purchase Plan and Placement

The Share Purchase Plan (SPP or Offer) announced on 16 July 2015 at 2.5 cents per share, closed on 26 August 2015 raising \$125,500. The board advises that, applications for 5,020,000 shares were accepted under the SPP. Additionally, the full amount of underwriting funds have been received and a further 18,980,008 fully paid ordinary shares (Placement) have been issued to underwriters of the SPP. A further 12,000,000 unlisted options with an exercise price of 5.0 cents and expiry of 31 August 2017 have been issued to underwriters. The Company has issued a further 178,000 fully paid ordinary shares at 2.5 cents each for contract services.

Core Exploration would like to thank its shareholders for the support it received under the SPP and believes the strong level of interest from shareholders and new investors through the underwriting, reflects on the quality of the Company's assets and the Board and Management in anticipation of the Company's upcoming drilling programs.

The holding statements for the new securities will be dispatched on 4 September as advised in the SPP timetable.

Issue of underwriting shares and options - disclosure required under ASX Listing Rules 7.1A.4(b) and 3.10.5A

In relation to the Placement, and in accordance with ASX Listing Rules 7.1A.4(b) and 3.10.5A the Company makes the following disclosures:

- (a) The Company will issue a total of 19,158,008 fully paid ordinary shares (18,980,008 as SPP underwriting and 178,000 as contract services) at 2.5 cents per share and 12,000,000 unquoted Options. Of the securities issued, 15,048,628 fully paid ordinary shares will be issued under Listing Rule 7.1A and the remaining 4,109,380 shares and 12,000,000 unquoted options will be issued under the Company's 15% placement capacity under Listing Rule 7.1.

The securities issued under Listing Rule 7.1A result in the following dilution to existing holders of ordinary securities:

- Number of fully paid ordinary shares on issue prior to the placement, but after the issue of SPP shares under LR 7.1A was 155,506,287.
- Number of fully paid ordinary shares on issue following this issue of securities under LR 7.1A will be 170,554,915 (a total of 174,664,295 including the issue under LR 7.1).
- Percentage of voting dilution following the issue under LR 7.1A is 10% (12% whereby the issue of shares under LR 7.1 is taken into account).

- (b) The Company will issue shares as a placement to sophisticated, professional and institutional investors. The issue will be made as an issue in which existing shareholders have been able to participate through the company's SPP.
- (c) An underwriting agreement has been entered into in relation to the shortfall under the SPP. The underwriter has been paid a fee of 12,000,000 unquoted options with an exercise price of 5.0 cents each and expiry date of 31 August 2017.
- (d) Fees of 6% of the total funds raised under the Placement are due to be paid.

For any questions, please contact the undersigned.



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Core Exploration Ltd