

30 NOVEMBER 2015

AUSTRALIA (NT,SA)

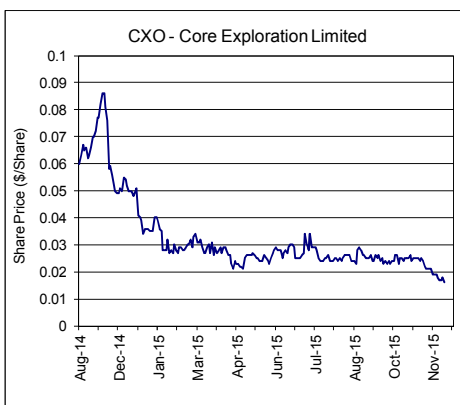
ZINC, COPPER, URANIUM

MID EXPLORATION

EXCHANGE: ASX:CXO

CAPITAL PROFILE

Share price (A\$)	0.016
52 week range (A\$/share)	0.016 to 0.059
Number of shares (M)	174.7
Options and warrants (M)	56.1
Performance rights (M)	3.9
Fully diluted (M)	234.7
Market capitalisation (undiluted) (A\$M)	2.8
Debt (A\$M) - Dec 15F	0.0
Enterprise value (A\$M)	2.8
Major shareholders: Top 20 shareholders (35%)	
Avg monthly volume (M)	10.0
Cash (A\$M) - Dec 15F	0.4
Price/Cash (x)	7.3
Listed company options:	Yes



DIRECTORS

Greg English (Non Exec Chairman)
Stephen Biggins (Managing Dir)
Heath Hellewell (Non Exec Dir)

Mr Stephen Biggins, Managing Director
Tel: +61 08 7324 2987
Adelaide, South Australia
www.coreexploration.com.au

Analyst: John Wilson
johnwilson@rcresearch.com.au

CORE EXPLORATION LIMITED

Australian focused exploration company targeting near term copper and zinc discovery; and midterm uranium.

Share Price: A\$0.016

Results (4Q15) from initial drilling at Yerelina (SA, Zn) confirm a large, sediment hosted, carbonate rich zinc, lead and silver mineralising system at depth; 17m intersection includes 4m at 3% Zn and 1m at 6% Zn. Drill results at Jervois Domain (NT, Cu) confirm potential for Jervois style copper mineralisation and is strategically positioned proximal to KGL's advanced Bellbird discovery. Follow up geophysics and drilling expected 1Q16 (6,000m). CXO also holds U prospects near Four Mile (SA) awaiting the expected rebound in the U price midterm.

INVESTMENT POINTS

- ◆ **Yerelina Project - Zinc:** (SA) Targeting high grade zinc, lead and silver within a large, possibly new MVT system over 3km by 8km. Sediment hosted targets with grade at surface and historically mined at depth.
- ◆ **Yerelina Project:** Diamond drilling 2H15 (1037m) confirmed a large, sediment hosted, carbonate rich zinc, lead and silver mineralising system (possibly MVT) continues at depth. Drill results include **17m Pb/Zn/Ag** including **4m at 3% Zn and 1m at 6% Zn plus Pb and Ag** from 144m.
- ◆ **Jervois Domain - Copper:** (100% CXO, NT) targeting a large 15km geophysical anomaly under shallow cover - prospective brownfield satellite extension **500m from the boundary with KGL's significant Cu, Pb-Zn advanced stage Bellbird discovery.**
- ◆ **Jervois Domain:** Multiple targets RAB drilled 2H15 confirm malachite mineralisation and geology consistent with neighbouring Sedex/VHMS at KGL's **Jervois Project**. CXO's bottom of hole RAB intercepts include 4m at 650ppm Cu, 6m at 610ppm Cu and 1m at 1498ppm Cu. Follow up drilling 1Q16.
- ◆ **Fitton Project - Uranium:** (SA) is located in an established world-class uranium mining region. Hardrock and sedimentary targets in and around the Mt Painter Inlier near the Beverley/Four Mile ISR uranium mines. **CXO hardrock intercepts include 11m @ 0.13% U₃O₈ and 60m @ 0.05% U₃O₈.** Geochemical surveys and geological mapping 4Q15.
- ◆ **Drilling Diary: Jervois Domain** (1Q16, 6,000m); copper; **Inkheart** (1H16 tbc, 1,000m DD); zinc (MOU for JV earn in by third party, binding agreement expected Dec '15); **Yerelina** (mid 2016)
- ◆ **Six month share price catalysts** include next phase of drilling at Jervois Domain copper project (1Q16); and finalising the JV and DD at Inkheart.

COMPANY STATISTICS

Year End June	Sep-15a	Dec-15F	2015A	2016F	2017F
Exploration and evaluation (A\$M)	0.31	0.30	1.53	1.21	1.20
Corporate (A\$M)	0.14	0.15	0.72	0.59	0.60
Exploration/(Expl.+ Corporate) (%)	70	67	68	67	67
Funding duration at current burn (years)			0.2	0.3	0.4
Shares on issue (pr end) (m shares)	174.7	174.7	150.5	224.7	324.7
Drilling - RAB (m)	2,500	0	0	8,500	0
Drilling - Other/Diamond (m)	1,037	0	2,000	4,037	0
Land holding ('000 ha)*	400	400	400	400	400
Capital raisings (A\$M)	0.6	0.1	1.8	1.7	2.0
Funding from JV partners (A\$M)	0.0	0.0	0.0	0.0	0.0
Cash (A\$M)	0.6	0.4	0.5	0.5	0.7
Cash backing (Ac/share)	0.4	0.2	0.4	0.2	0.2

*Est. of tenements held and under application. Quarters refer to calendar year. Drill metres are RCR estimates.

COMPANY COMMENT

Overview: Core Exploration listed on the ASX in 2011. It holds extensive, strategic exploration ground targeting base metals and uranium in mining friendly Australian jurisdictions (SA, NT).

Base and Precious Metals

Yerelina Project (100% CXO, SA, Zn): Extensive landholding (1000km²) in the Northern Flinders Ranges; targeting sediment hosted base metals (MVT) within the Tapley Hill Formation. High grade Ag-Pb-Zn was historically mined at depth 100 years ago. Multiple old workings and outcropping mineralisation occurs in kilometer long vein sets over a large area. Satellite imagery, and magnetic and radiometric surveys indicate repeated regional structures comprising a large scale system covering 3km by 8km and incorporating historical workings at Great Gladstone and Big Hill and other prospects. The company indicates there has been no systematic exploration of the region using modern exploration techniques and it has not been previously drilled. CXO mapped a >3km shear zone, up to 10m wide, containing high grade Pb-Zn gossans (2Q15) and targeted down dip extensions to this in its recent drill program. Drilling 2H15 at **Big Hill Prospect** intersected a wide zone of 33m at 0.2% Zn of shallow oxidised breccias and veining (~15m to 30m depth) and it is anticipated that with deeper drilling higher grade lead and zinc sulphides will be encountered. At **Great Gladstone Prospect** diamond drilling 2H15 intersected 17m Pb/Zn/Ag including 4m at 3% Zn and 1m at 6% Zn plus Pb and Ag from 144m depth confirming mineralisation continues beneath the zone of oxide brecciation and veining. CXO's drill program 3Q15 (1,037m DD) confirmed the presence of mineralised structures under outcropping Ag-Pb-Zn mineralisation in a limestone setting consistent with MVT style deposits. Follow up drill program expected mid 2016.

Jervois Domain Project (100% CXO, NT, Cu): 200km NE of Alice Springs. CXO tenements comprise 280km² targeting hybrid SEDEX-VHMS copper and base metals in the Eastern Arunta. Due to shallow cover, little exploration has been undertaken historically. Strong anomalies defined by conductivity, magnetic and Airborne Inductively Induced Polarisation (AIIP) defining a large target "Big-J" in conjunction with research partner CSIRO - over 20km of prospective strike defined. The maiden drill program 2H15 (2,500m, RAB) tested multiple shallow targets confirming geology and depth of cover to basement (~10m) over the Big J anomaly. Multiple intersections of near surface malachite confirm mineralisation typical of the Bonya Metamorphics and consistent with early results at KGL's neighbouring BFS stage Cu, Pb-Zn Jervois project. **CXO intercepts include 4m at 650ppm Cu (0.06%), 6m at 610ppm Cu and 1m at 1498ppm Cu (0.15%).** CXO is targeting interpreted repeated stratigraphy under cover on the eastern side of the Jervois Domain in the Bonya Metamorphics - at greater depth of 300-400m. Follow up infill drilling is expected 1H16 (5,000m RAB; 1,000m RC) in the 2km to 6km gaps not drilled in the current program; and will also test for depth extensions of copper mineralisation intersected at surface. CXO will undertake further geophysics to assist with drill hole targeting.

CXO is using similar tools and an exploration model utilised successfully at **Bellbird** by **KGL Resources** (ASX: KGL, 500m from CXO tenement boundary) which intersected 13m @ 5.75% Cu, 23.2 g/t Ag, 0.32 g/t Au from 20m (Jul '14). KGL Jervois Copper Project resource: 26.7Mt @ 1.12%Cu, 16.6g/t Ag; plus Pb-Zn-Ag-Cu resource; PFS Dec '14 (2Mtpa plant, capex US\$189M, C1 net opex US\$1.51/lb). Other discoveries include nearby Rox Resources (ASX:RXL) 38m @ 4.4% Cu in the Bonya Metamorphics, the same host geology targeted by KGL and CXO.

Inkheart - Blueys Project (100% CXO, NT, Pb-Ag-Zn): Drilling to test for Pb-Ag-Zn mineralisation at depth at the Bitter Springs Formation. Non binding MOU announced 19

August 2015 for third party to earn up to 80% in the project by spending up to \$2M. Details/conditions to be confirmed.

Uranium

Fitton Project (100% CXO, SA, U): Located 500km north of Adelaide, Fitton is in the Mt Painter Inlier a region marked by uraniferous granites prospective for primary and associated with secondary uranium. The area is within 25km of 3 high grade, sandstone hosted ISR uranium mines - Beverley, Beverley North and Four Mile. CXO is targeting hardrock uranium mineralisation in the Mt Painter Inlier and sedimentary hosted uranium in nearby tenements to the east and west in the same sedimentary horizon that hosts the Beverley/Four Mile uranium mines.

CXO discovered uranium drilling a magnetic anomaly at the **Scott Lee Prospect** Nov '12 (1900m) and followed with a second campaign Mar '13 (2500m) which intercepted shallow uranium mineralisation over a 1km strike. Best intercepts include 11m @ 1309ppm U₃O₈ (from 49m downhole, across strike) and 60m @ 480ppm U₃O₈ (down plunge). Uranium outcrops at surface (0.30% U₃O₈) and is open at depth below 150m. CXO indicates the average width and grade of intercepts in the higher grade core to date averages around 10m width and 0.1% U₃O₈. Uranium mineralization appears to be structurally controlled within doleritic schist on the northwest edge of the Mt Painter Inlier. Follow up drilling is planned along strike targeting the host shear structures 2H16 (5,000-10,000, TBC) with potential to establish a resource. Geochem surveys planned 4Q15. **Unconformity targets:** Scott Lee prospect is located a few hundred metres below the major Unconformity which represents a primary target. As does the **Hamilton prospect** with a coincident magnetic anomaly. Unconformity systems can host large, high grade uranium deposits with well known examples in Australia (McArthur Basin) and Canada (Athabasca Basin).

CXO also holds regional tenements prospective for **sandstone hosted uranium at Lake Frome**, in the same horizon, 25km east of, and downstream from Beverley/Four Mile, on ground previously held by Cameco - about 25km further from the uraniferous granite source for Beverley/Four Mile; and also holds tenements to the west with confirmed uranium mineralisation.

Uranium Market Outlook: The uranium spot price is US\$36/lb (23 Nov); contract price US\$44.00/lb (31 Oct). The uranium market has been under pressure since the nuclear accident in Japan (Fukushima) March 2011 which saw Japan's entire nuclear fleet shutdown or suspended. The first reactor came back online 11 August 2015 and second came back online Oct '15. Further restarts are expected 2015/16. 3 more reactors have cleared the regulatory safety inspections, and in total over 20 reactors are expected to come back online over time. By 2030 Japan expects 20-22% of its electricity will be from nuclear, a key driver of a targeted 26% reduction in CO₂ emissions by 2030 (over 2013 levels). The sector is positioned to benefit longer term from increasing global efforts to reduce carbon emissions, especially with expanding nuclear build in China and India, though marked increase in price may not be evident till the turn of the decade. The incentive price for new mine capacity is estimated at US\$65 /lb to US\$75/lb.

Investment Comment: Drill results 4Q15 at Yerelina and Jervois Domain while not producing a "discovery" hole and associated rerating for CXO have nonetheless advanced the company's confidence in the geological model and further confirmed the presence of significant mineralised systems. The next drill campaigns are expected at Jervois Domain 1Q16 (6,000m) and Yerelina 2Q16. With projects that have potential to attract significant JV partners, brownfields proximity to KGL and an active drill program, CXO's market cap of \$2.8M represents a good risk/reward investment proposition.

KEY PROJECTS

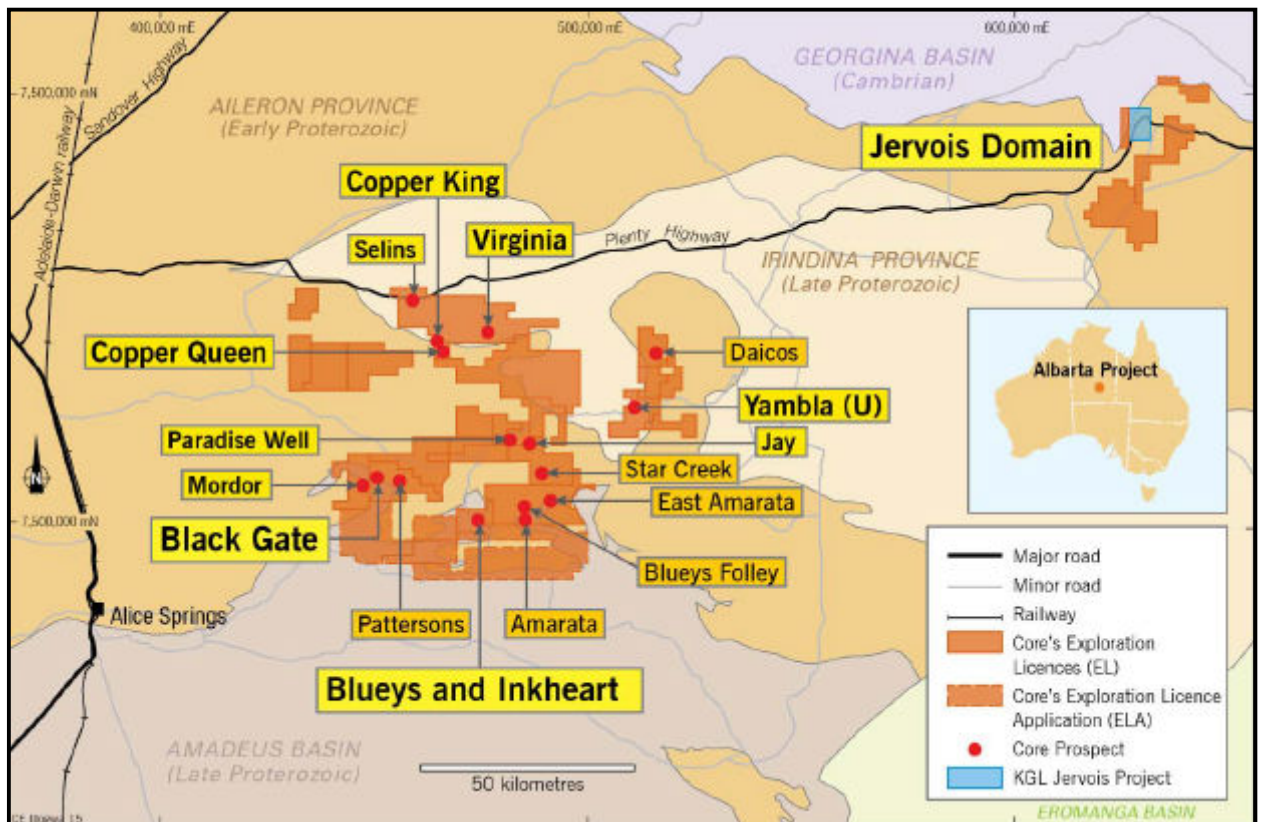
Project	Ownership/ Option	JV Partner	Target Type	Process Route	Project Status	Location
Yerelina Zinc Project	100%	na	Sediment hosted	na	Mid Expl	Australia (SA)
Fitton Uranium Project	100%	na	Granite, Sedimentary	na	Mid Expl	Australia (SA)
Jervois Project	100%	na	Cu: Sedex/VHMS	na	Mid Expl	Australia (NT)
Inkheart - Blueys Project	100%	na	Ag-Pb-Zn, Cu	na	Early Expl.	Australia (NT)
Roxby Project	100%	na	IOCG	na	Early Expl.	Australia (SA)
Albarta Project	various	na	Ag-Pb-Zn, Cu	na	Early Expl.	Australia (NT)

RESERVES AND RESOURCES/MINERALISED MATERIAL

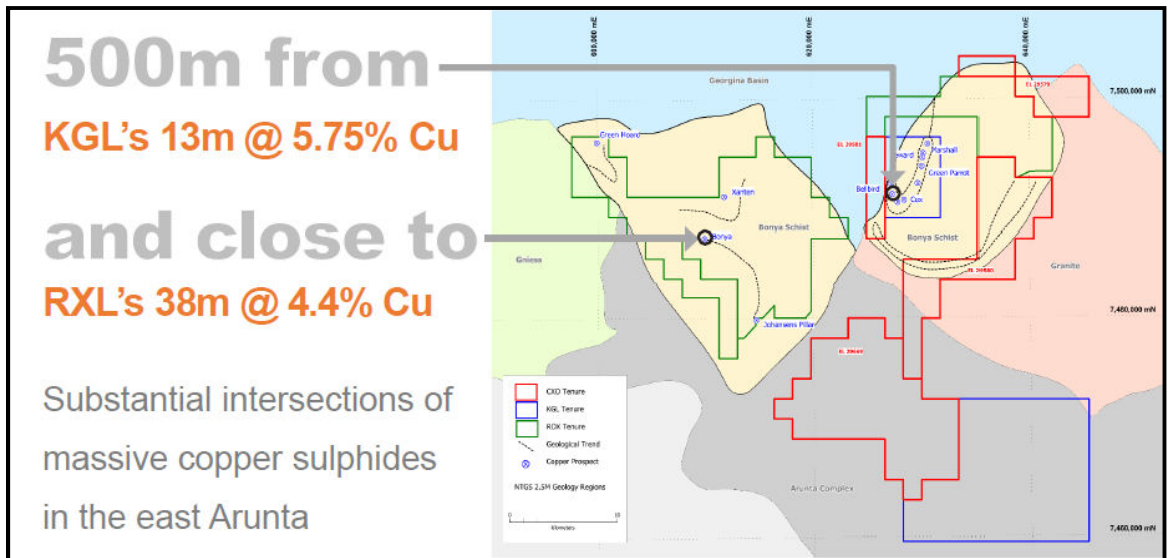
Code for reporting mineral resources - Australia (JORC)

Classification	Project Equity	Ore Mt	Grade g/t	Cut Off g/t	Koz	Mlb
Reserves					0.0	0.0
Resources					0.0	0.0
Mineralised Material (est., non compliant with JORC)					0.0	0.0

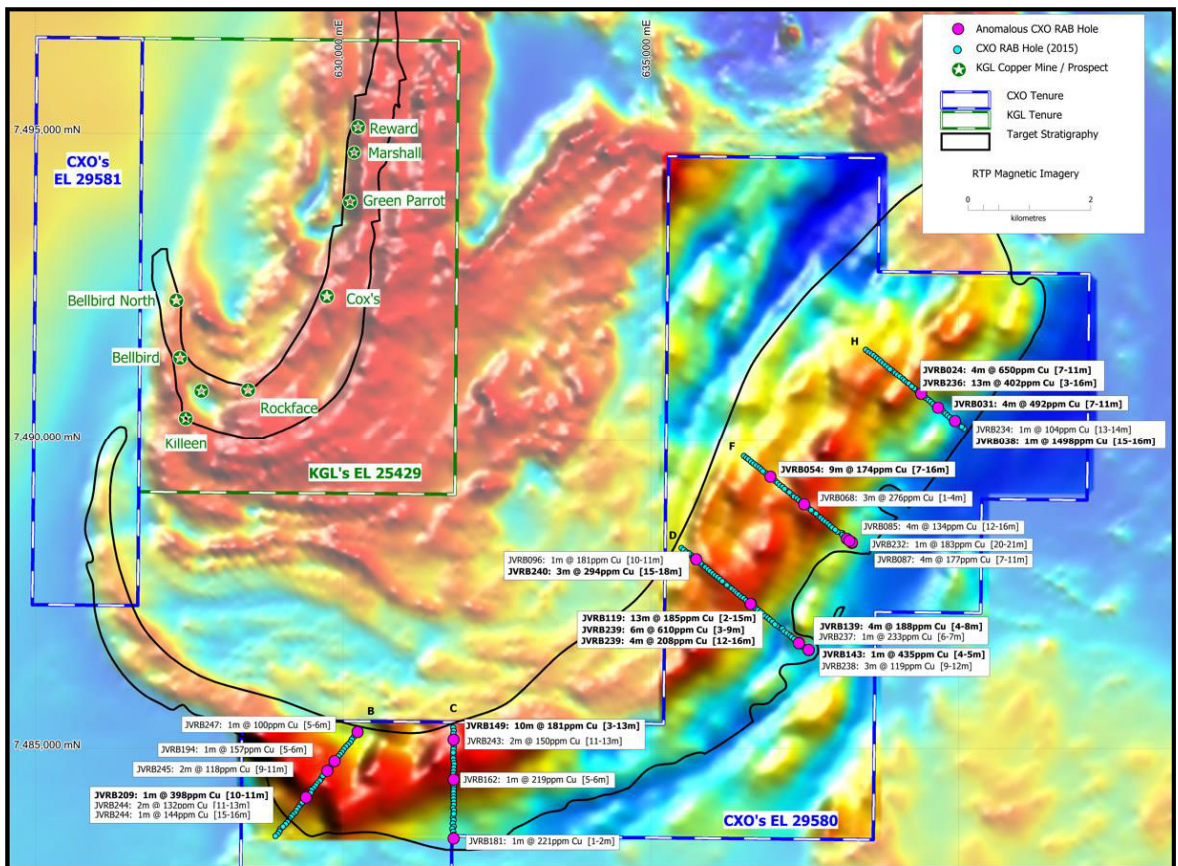
Jervois Domain Project (200km NE of Alice Springs) and Albarta Project (Inkheart) (NT, CXO 100%):



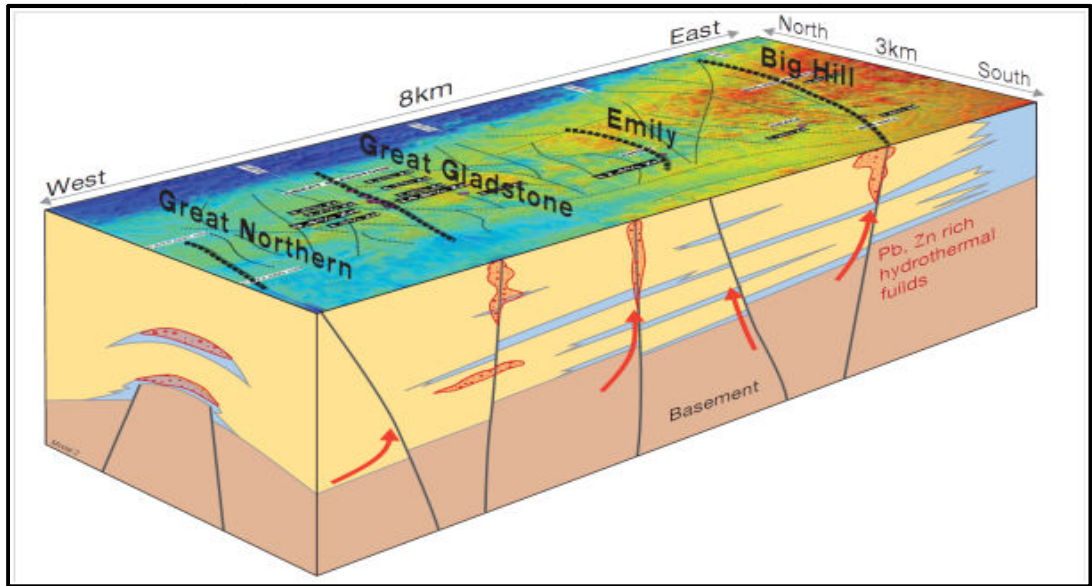
Jervois Domain (NT, CXO 100%): CXO has defined a large anomaly ("Big-J") with similar features to KGL's Bellbird discovery 500m from CXO's tenement boundary. KGL intersected 13m @ 5.75% Cu (Jul '14); and Rox Resources 38m @ 4.4% Cu in the Bonya Metamorphics. Multiple drill intersections by CXO 2H15 of near surface malachite confirm mineralisation typical of the Bonya Metamorphics and consistent with early results at KGL's Jervois project.



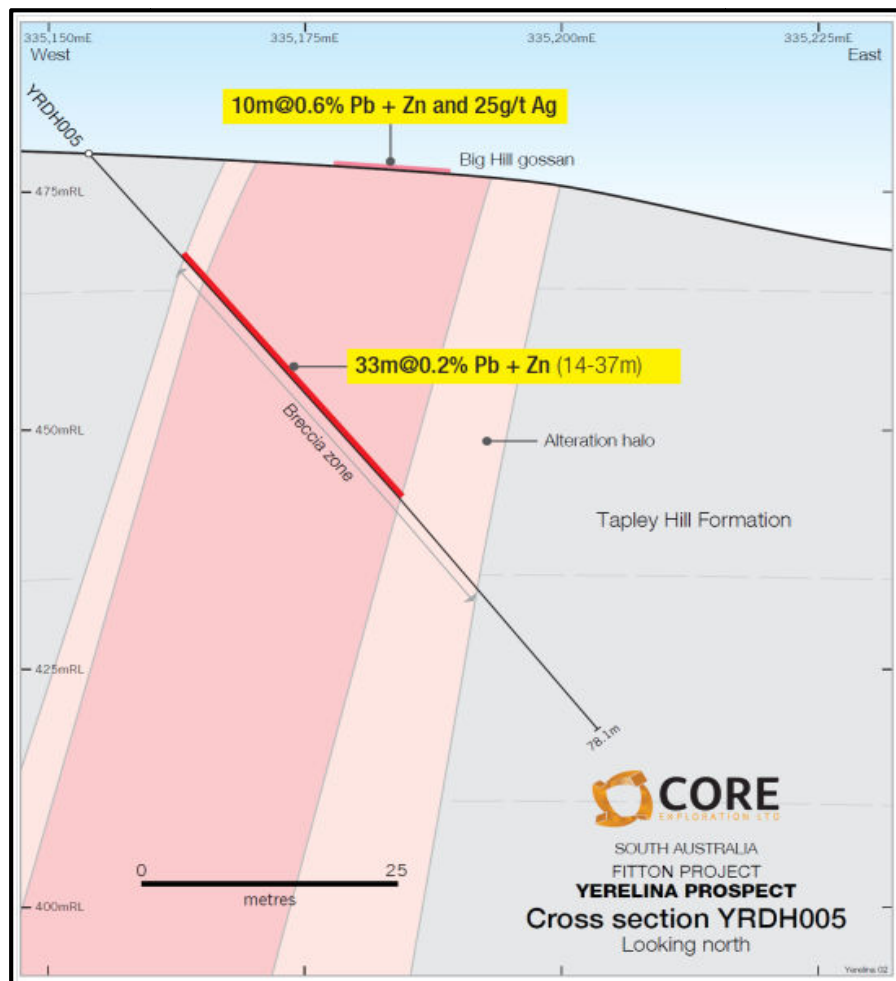
Jervois Domain: Chart shows CXO's "Big-J" anomaly defined through geophysics in conjunction with research partner CSIRO and contrasted with KGL's similar though smaller "J" anomaly (top left). Due to shallow cover, little exploration was undertaken historically.



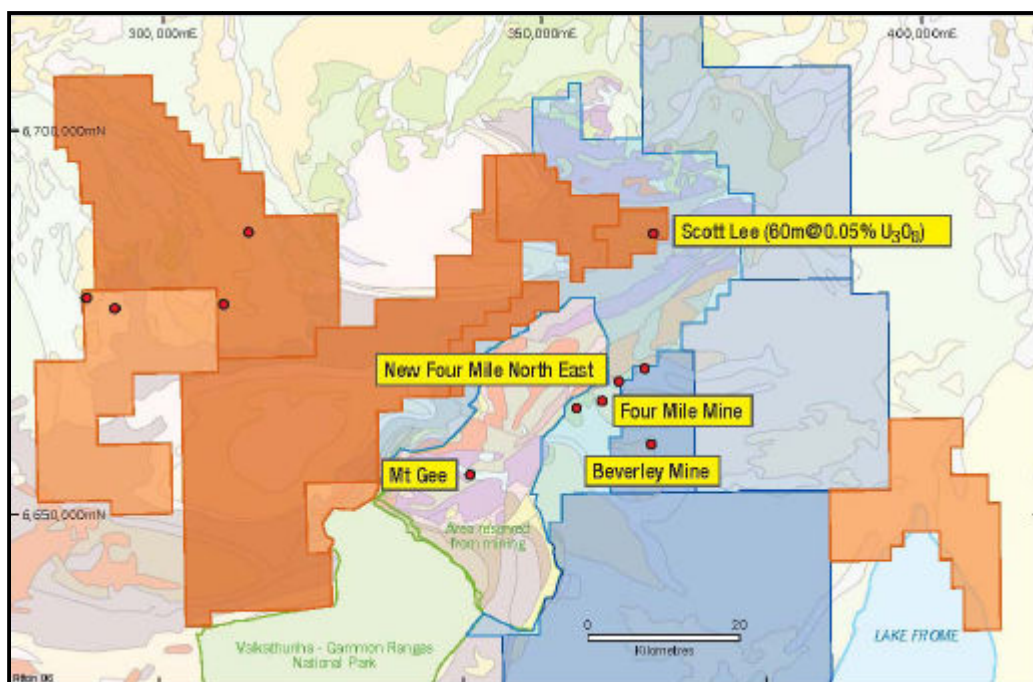
Yerelina (SA, CXO 100%): Conceptual block model showing a large mineralised structural system covering 3km x 8km and MVT style zinc targets at CXO's key prospects overlaid with magnetics.



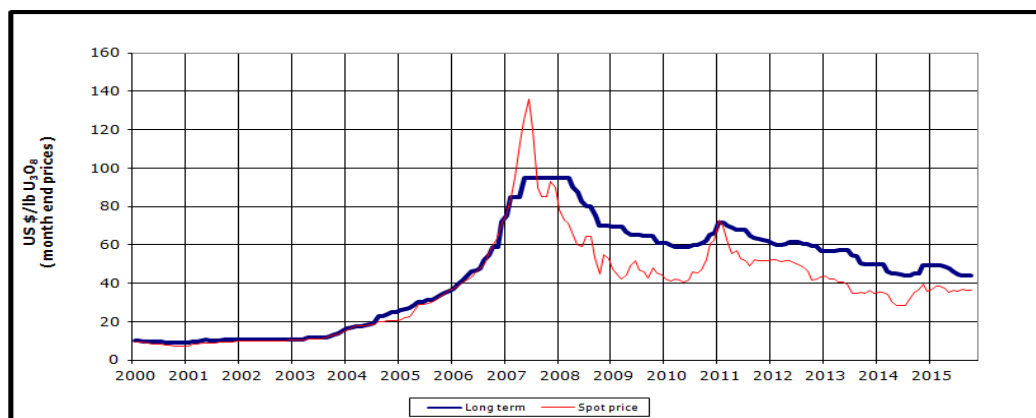
Yerelina; Big Hill Prospect. Drilling 2H15 intersected a wide zone of 33m at 0.2% Zn of shallow oxidised breccias and veining (~15m to 30m depth) and it is anticipated that with deeper drilling (expected 1H16) higher grade lead and zinc sulphides will be encountered.



Fitton Uranium Project, South Australia location map: CXO primary uranium intercepts at the Scott Lee Prospect in the Mt Painter Inlier include 11m @ 1309ppm U₃O₈ and 60m @ 480ppm U₃O₈ (2012/13). The area is within 25km of 3 high grade, sandstone hosted ISR uranium mines – Beverley, Beverley North and Four Mile. CXO is also targeting the same sandstone hosted uranium horizons at Lake Frome, 25km east of, and downstream from Beverley/Four Mile, on ground previously held by Cameco.



Uranium Price Chart: Long-term and spot average uranium prices: January 2000 - October 2015 (US\$/lb). The spot price is currently US\$36.00/lb (23 Nov) up from a near 10 year low of US\$28/lb (30 June 2014). The contract price is US\$44.00/lb (31 Oct).



Source: Cameco, RCR

Note: A resurgence in the uranium price to US\$55/lb is anticipated 2H16, driven by renewed demand for uranium from Japan and ongoing global growth in nuclear reactor construction; currently there are 438 operable reactors globally, 65 reactors under construction and 489 planned and proposed (WNA Nov 2015). Growth is expected to remain particularly strong in Asia, led by China which has resolved to increase the energy share of non fossil fuels to meet climate targets: official installed nuclear capacity projections of up to 70-80 GWe by 2020, and 200 GWe by 2030. This compares with a 26 GWe capacity today (29 reactors). China has 22 reactors currently under construction – 18 of which are expected online in 2015-18.

Demand for uranium is expected to increase from 170mlbspa U₃O₈ currently to 252mlbspa by 2030 (WNA 2013 reference case). Longer term, incentive prices above US\$60/lb are expected to be supported by the opening of a marked supply gap and growing global urgency to reduce carbon emissions.

RCR uranium spot price forecasts are CY15 US\$37.80/lb, CY16 US\$45/lb, CY17 US\$53.80/lb, long term US\$55/lb (LT contract price US\$65/lb); and long term AUD 0.85.

CONTACT

Resource Capital Research
ACN 111 622 489

Level 21, 68 Pitt Street
Sydney NSW 2000

T +612 9439 1919
E info@rcresearch.com.au

www.rcresearch.com.au

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