

CORE EXPLORATION LIMITED

ACN 146 287 809

PROSPECTUS

For the offer of:

- (a) 43,511,385 Quoted Options (exercisable at \$0.05 each on or before 31 August 2017) to participants in the Placement (**Placement Offer**);
- (b) 10,000,000 Quoted Options (exercisable at \$0.05 each on or before 31 August 2017) to the Lead Manager of the Placement (**Lead Manager Offer**);
- (c) 3,700,000 Quoted Options (exercisable at \$0.05 each on or before 31 August 2017) to employees and Directors of the Company (**Director Offer**); and
- (d) 2,000,000 Quoted Options (exercisable at \$0.05 each on or before 31 August 2017) to a contractor of the Company (**Contractor Offer**),

(together, the **Offers**).

The Offers are subject to the conditions detailed in Section 3.5

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Quoted Options and Shares issued upon exercise of Quoted Options prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Quoted Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Quoted Options offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Gregory English
Non-Executive Chairman, Director

Mr Stephen Biggins
Executive Director, Managing Director

Mr Heath Hellewell
Non-Executive Director

Company Secretary

Mr Jaroslaw (Jarek) Kopias

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: +61 8 9315 2333

Registered Office

26 Gray Court
Adelaide SA 5000

Telephone: + 61 8 7324 2987

Website: www.coreexploration.com.au

ASX Codes

CXO and CXOOA

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditors*

Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville SA 5034

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	5 April 2016
Opening Date	5 April 2016
Closing Date*	12:00pm ACST on 8 April 2016
Expected date of Official Quotation of the Quoted Options	8 April 2016

* The Directors reserve the right to extend the Closing Date at any time without notice. As such, the date the Quoted Options are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 5 April 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Quoted Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Each of the Offers is only available to those persons who are personally invited to participate in the Offers. Applications for Quoted Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus. The Company will provide an Application Form to the designated persons who may participate in the Offers. The Offers are not made available to the general public.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.coreexploration.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Risk Factors

Potential investors should be aware that subscribing for Quoted Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Quoted Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Quoted Options pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Quoted Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 The Placement Offer

On 25 February 2016, the Company completed a placement of 43,511,385 Shares at \$0.022 per Share to raise \$957,250 (before costs) (the **Placement**). Investors who subscribed to Shares pursuant to the Placement were offered one (1) attaching Quoted Option for each Share subscribed in the Placement, with these Quoted Options being subject to Shareholder approval.

The Company is required to issue this Prospectus to allow for secondary trading on the ASX of the Quoted Options and resultant Shares that may be issued in the future if any of these Quoted Options are exercised.

The Company is now inviting investors in the Placement to submit applications under the Placement Offer for 43,511,385 Quoted Options for nil cash consideration.

The Placement Offer is open only to persons who participated in the Placement. Application Forms under the Placement Offer will only be provided by the Company to these persons.

All of the Quoted Options issued under the Placement Offer will rank equally with Quoted Options on issue at the date of this Prospectus. The terms of the Quoted Options are set out in Section 5.1 of this Prospectus.

3.2 The Lead Manager Offer

The Company is inviting applications under the Lead Manager Offer for 10,000,000 Quoted Options for nil cash consideration.

The Lead Manager Offer is open only to the Lead Manager (or its nominee) in consideration for professional services provided to the Company. An application Form under the Lead Manager Offer will only be provided by the Company to the Lead Manager (or its nominee).

All of the Quoted Options issued under the Lead Manager Offer will rank equally with Quoted Options on issue at the date of this Prospectus. The terms of the Quoted Options are set out in Section 5.1 of this Prospectus.

3.3 The Director Offer

The Company is inviting applications under the Director Offer for 3,700,000 Quoted Options for nil cash consideration.

The Director Offer is open only to employees and directors of the Company as designated by the Company. Application Forms under the Director Offer will only be provided by the Company to the designated Directors and employees.

All of the Quoted Options offered under the Director Offer will rank equally with Quoted Options on issue at the date of this Prospectus. The terms of the Quoted Options are set out in Section 5.1 of this Prospectus.

3.4 The Contractor Offer

The Company is inviting applications under the Contractor Offer for 2,000,000 Quoted Options for nil cash consideration.

The Contractor Offer is open only to InSync Equity Services Pty Ltd (or its nominee). An Application Form under the Contractor Offer will only be provided by the Company to InSync Equity Services Pty Ltd (or its nominee).

All of the Quoted Options offered under the Contractor Offer will rank equally with Quoted Options on issue at the date of this Prospectus. The terms of the Quoted Options are set out in Section 5.1 of this Prospectus.

3.5 Conditional Offer

Completion of the issue of Quoted Options to the Directors forming part of the Director Offer is conditional upon Shareholder approval at the general meeting of the Company to be convened on 8 April 2016 (**Condition**).

In the event that the Condition is not satisfied, the issue of Quoted Options to the Directors under the Director Offer will not proceed and no Quoted Options will be issued in respect to the Directors under the Director Offer pursuant to this Prospectus.

The Company also seeks Shareholder approval for the issue of Quoted Options under the Placement Offer and the Lead Manager Offer at the general meeting of the Company to be convened on 8 April 2016. In the event Shareholder approval is not obtained, the Company may issue some or all of the Quoted Options under the Placement Offer and Lead Manager Offer as permitted under the Listing Rules.

The Company is seeking Shareholder approval for the ratification of previously issued Shares at the general meeting of the Company to be convened on 8 April 2016. The approval of the ratification will enable the Company to issue further securities under Listing Rules 7.1 and 7.1A. The issue of Quoted Options under the Contractor Offer is conditional upon approval of the resolution to ratify previously issued Shares.

3.6 Objective

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Quoted Options issued by the Company prior to the Closing Date, and allow for secondary trading of the Shares that may be issued in the future if the Quoted Options are exercised.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.7 Application for Quoted Options

Applications for Quoted Options under the Offers must only be made by investors designated by the Company and must be made using the Application Form accompanying this Prospectus.

By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
26 Gray Court, Adelaide SA 5000	PO Box 12025, Sturt Street, SA 5000

Completed Application Forms must reach the address set out above by no later than the Closing Date.

3.8 Defects in Applications

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.9 Minimum subscription

There is no minimum subscription.

3.10 Oversubscriptions

No oversubscriptions will be accepted by the Company under the Offers.

3.11 Not underwritten

The Offers are not underwritten.

3.12 Issue of Quoted Options

The issue of Quoted Options under the Offers will take place as soon as practicable after the Closing Date.

The Directors will determine the recipients of all the Quoted Options. The Directors reserve the right to reject any application or to allocate any Applicant fewer Quoted Options than the number applied for.

3.13 ASX listing

Application for Official Quotation of the Quoted Options offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Quoted Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the

Prospectus, (or such period as varied by the ASIC), the Company will not issue any Quoted Options under this Prospectus.

The fact that ASX may grant Official Quotation to the Quoted Options is not to be taken in any way as an indication of the merits of the Company or the Quoted Options now offered for subscription.

3.14 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Quoted Options on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.15 Enquiries

Any questions concerning the Offers should be directed to Jaroslaw (Jarek) Kopias, Company Secretary, on 08 7324 2987.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Quoted Options issued by the Company prior to the Closing Date (including prior to the date of this Prospectus), and to allow for secondary trading in any Shares which may be issued in the future as a result of the exercise of these Quoted Options.

As the Quoted Options are issued for nil cash consideration, no funds will be raised by the issue of the Quoted Options.

4.2 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	218,342,868
Shares offered under this Prospectus ²	Nil
Total Shares on issue on completion of the Offers	218,342,868

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5.2 of this Prospectus.
2. This assumes the Offers are fully subscribed and no Options are exercised.

Options	Number
Unlisted Options on issue as at the date of this Prospectus exercisable at between \$0.05 and \$0.10 each on or before between 30 September 2016 and 31 January 2017	3,200,000
Total unlisted Options	3,200,000
Quoted Options on issue as at the date of this Prospectus exercisable at \$0.05 each on or before 31 August 2017	55,653,574
Options offered under this Prospectus	59,211,385
Total Quoted Options on issue on completion of the Offers	114,864,959
Total Options on issue on completion of the Offers	118,064,959

Notes:

1. The terms of the Quoted Options are set out in Section 5.1 of this Prospectus.

4.3 Financial effect of the Offers

The Quoted Options will be issued for nil cash consideration and accordingly no funds will be raised by the issue of the Quoted Options. However, as announced on ASX on 18 February 2016, the Company did raise \$957,250 from the Placement pursuant to which these Quoted Options are being offered.

The expenses of the Offers (of approximately \$20,028) will be met from the Company's existing cash reserves.

As such, the Offers will have a negative effect on the Company's cash reserves of approximately \$20,028.

4.4 Statement of Financial Position

Set out below is the Consolidated Statement of Financial Position of the Company as at 29 February 2016 (unaudited) and the Consolidated Pro-Forma Statement of Financial Position following completion of the Offers on the basis of the assumptions detailed further below. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the audited Annual Report for the 12 month period ended 30 June 2015 and reviewed financial report for the 6 month period ended 31 December 2015 as announced on ASX.

	Consolidated Management Accounts 29 February 2016 (unaudited)	Consolidated Pro-Forma Management Accounts 29 February 2016 (unaudited)
	\$	\$
Current Assets		
Cash and cash equivalents	966,204	946,176
Trade and other receivables	192,600	192,600
Total current assets	1,158,804	1,138,776
Non-Current Assets		
Exploration and evaluation expenditure	5,877,311	5,877,311
Plant & equipment	71,902	71,902
Total non-current assets	5,949,213	5,949,213
Total Assets	7,108,017	7,087,989
Current Liabilities		
Trade and other payables	159,479	159,479
Employee provisions	11,891	11,891
Total current liabilities	171,370	171,370
Total Liabilities	171,370	171,370
Net Assets	6,936,647	6,916,619
Equity		
Issued capital	13,269,955	13,249,927
Reserves	725,145	725,145
Retained losses	(7,058,453)	(7,058,453)
Total Equity	6,936,647	6,916,619

Assumptions for Unaudited Pro forma Statement of Financial Position

The pro forma Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between the unaudited management accounts as at 29 February 2016 and the close of the Offers other than payment of approx \$20,028 in costs associated with the Offers.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following sets out the terms of the Quoted Options to be issued under this Prospectus and a summary of the more significant rights and liabilities attaching to Shares to be issued on exercise of the Quoted Options.

This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

5.1 Terms and conditions of the Quoted Options

The following are the terms and conditions of the Quoted Options being offered pursuant to this Prospectus.

- (a) Each Option will entitle the Optionholder to subscribe for one Share in the Company (subject to possible adjustments referred to in paragraph (j), (k) and (l) below).
- (b) Each Option is exercisable at any time after the date of issue and before 5:00pm Adelaide time on 31 August 2017 (**Expiry Date**). Options not exercised before the Expiry Date will lapse.
- (c) The exercise price of each Option is \$0.05 (**Exercise Price**).
- (d) Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (e) Some or all of the Options may be exercised at any one time or times prior to the Expiry Date.
- (f) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares.
- (g) The Company will seek to have the Options admitted to the official list of ASX and the Options will be listed on ASX.
- (h) Each Option will be freely transferable at any time before the Expiry Date.
- (i) Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least five Business Days after the date the issue is announced.
- (j) If there is a bonus issue to the holders of Shares:
 - (i) the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the
 - (ii) Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - (iii) no change will be made to the Exercise Price.

- (k) If, prior to the Expiry Date, the issued capital of the Company is reorganised, the rights of the Optionholder may be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) In the event of a pro rata issue of securities to holders of Shares, the Exercise Price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the ASX Listing Rules at the time when the Options were granted.

5.2 Rights attaching to Shares

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

(b) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

(c) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, on a winding up of the Company any surplus may be divided among the shareholders of the Company.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules, or under the Company's Constitution.

(e) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant options over Shares, on any terms, at any time and for any consideration, as the Directors resolve.

(f) **Variation of Rights**

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(g) **Meetings and Notices**

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

6. RISK FACTORS

General

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Quoted Options. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Quoted Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Research and Development

The Company has claimed the research and development tax offset for the year ended 30 June 2013 for a total amount of \$296,140. Of the total claim, \$257,735 is currently being reviewed by AusIndustry as part of their internal processes. AusIndustry has not advised the Company of a decision in relation to the claim. A negative result in relation to the review by AusIndustry may result in some or all of the research and development tax offset, and accrued interest if applicable, becoming repayable.

6.2 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

6.3 Market conditions

The market price of Quoted Options and Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.4 Security Investments

Applicants should be aware that there are risks associated with any investment in securities. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Company's Securities regardless of the Company's performance.

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.5 Exploration and Evaluation Risks

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

In the case of exploration targets, it should be noted that these are conceptual in nature, there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

6.6 Commodity Price and Exchange Rate Risks

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.7 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental management, including compliance with all environmental laws.

6.8 Native Title and Title Risks

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to

tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

6.9 Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

6.10 Future Capital Requirements

The Company's activities will require substantial expenditure. There can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

6.11 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

6.12 Legislative changes and Government policy risk

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

6.13 Resource Estimations

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

6.14 Reliance on Key Personnel

The Company's success depends largely on the core competencies of its directors and management, and their familiarisation with, and ability to operate, in the metals and mining industry and the Company's ability to retain its key executives.

6.15 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Quoted Options offered under this Prospectus.

Therefore, the Quoted Options to be issued pursuant to this Prospectus, and the Shares to be issued upon their exercise, carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Quoted Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Quoted Options pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
5-Apr-16	NT Lithium Projects Presentation
30-Mar-16	Lapse of Unlisted Performance Rights
30-Mar-16	Lithium Evaluation of NT Pegmatite Mines Underway
15-Mar-16	Core Expands Dominant Position in NT Lithium Pegmatites
9-Mar-16	Notice of General Meeting and Proxy Form
2-Mar-16	CXO adds 25 historic pegmatite mines Finnis Lithium Project
25-Feb-16	Appendix 3B - Issue of Placement Shares
25-Feb-16	Cleansing Notice - Placement Shares
25-Feb-16	Core Exploration Half Year Accounts
23-Feb-16	Appendix 3B - Exercise of Options
18-Feb-16	Placement to Fund Advancement of Lithium Projects
17-Feb-16	Trading Halt
10-Feb-16	CXO NT Lithium Projects Presentation
8-Feb-16	New Lithium Project includes largest tin tantalum mine in NT
3-Feb-16	Core identifies lithium potential of NT pegmatites
1-Feb-16	Lapse of Unlisted Options
29-Jan-16	Lapse of Unlisted Performance Rights
29-Jan-16	Change of Director's Interest - G English
29-Jan-16	Change of Director's Interest - S Biggins
29-Jan-16	Change of Director's Interest - H Hellewell
29-Jan-16	Quarterly Activities and Cashflow Report 31 December 2015
19-Jan-16	Appendix 3B - Rights Issue Underwriting Options and Shares

Date	Description of Announcement
19-Jan-16	Cleansing Notice - Placement Shares
16-Dec-15	Joint Venture with Chinese Government Organisation
14-Dec-15	Trading Halt
26-Nov-15	Zinc grades confirm significant system at Yerelina
25-Nov-15	Appendix 3B - Rights Issue
25-Nov-15	Change of Director's Interest - S Biggins
23-Nov-15	Jervois reconnaissance drill results exceed expectations
23-Nov-15	Rights Issue Closes with Strong Support
9-Nov-15	Rights Issue - Despatch of Offer Document
2-Nov-15	Lapse of Unlisted Options
30-Oct-15	Rights Issue Letter to Eligible Shareholders
30-Oct-15	Quarterly Activities and Cashflow Report 30 September 2015
29-Oct-15	Core AGM Managing Director's Presentation~
29-Oct-15	Results of 2015 Annual General Meeting
29-Oct-15	Appendix 3B - Unlisted Options Issue
29-Oct-15	Change of Director's Interest - H Hellewell
27-Oct-15	Core Exploration Non-renounceable Rights Issue
27-Oct-15	Appendix 3B - Non-renounceable Rights Issue
27-Oct-15	Rights Issue Prospectus
27-Oct-15	Rights Issue - Letter to Ineligible Shareholders
27-Oct-15	Rights Issue - Letter to Optionholders
21-Oct-15	Second zone of breccia and veining intersected at Yerelina
19-Oct-15	Issue and Lapse of Unlisted Performance Rights
12-Oct-15	Drilling intercepts mineralised breccia zone at Yerelina
6-Oct-15	Core's Jervois Domain Drilling Underway

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.coreexploration.com.au.

7.3 Market price of Shares and Quoted Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.044	15 March 2016
Lowest	\$0.011	14 January 2016, 18 January 2016 and 21 January 2106
Last	\$0.035	4 April 2016

The highest, lowest and last market sale prices of the Quoted Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.018	15 March 2016 and 22 March 2016
Lowest	\$0.002	5 January 2016 to 28 January 2016
Last	\$0.015	4 April 2016

7.4 Details of substantial holders

Based on publicly available information as at 4 April 2016, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options ¹
Gregory English	6,265,000	0
Stephen Biggins	7,007,667	1,100,000 ²
Heath Hellewell	0	1,000,000 ³

Notes:

- 1,000,000 Quoted Options will be issued to each Director under the Director Offer subject to approval by Shareholders at the general meeting to be convened on 8 April 2016.
- Quoted Options.
- Unlisted Options exercisable at \$0.10 each on or before 31 January 2017.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Director.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2015/16	2014/15	2013/14
Gregory English	\$60,000	\$60,000	\$60,000
Stephen Biggins	\$278,000	\$285,549	\$300,000
Heath Hellewell	\$40,000	\$31,775	-

7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$4,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$15,034 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Estimated expenses of Offers

The total expenses of the Offers are estimated to be approximately \$20,028 as follows:

Expense	(\$)
ASIC Fees	2,320
ASX Fees	9,708
Legal Fees	4,000
Miscellaneous, printing and other expenses	4,000
Total	20,028

The estimated expenses will be paid out of the Company's existing cash reserves.

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on 08 7324 2987 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Quoted Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Quoted Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for

future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.12 Privacy Act

If you complete an application for Quoted Options, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Quoted Options, the Company may not be able to accept or process your Application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Stephen Biggins
Managing Director
For and on behalf of
CORE EXPLORATION LIMITED

9. DEFINITIONS

\$ means Australian dollars.

ACST means Australian Central Standard Time as observed in South Australia.

Applicant means an investor who applies for Quoted Options pursuant to any of the Offers.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESSE.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means Core Exploration Limited (ACN 146 287 809).

Constitution means the constitution of the Company as at the date of this Prospectus.

Contractor Offer means the offer of Quoted Options described in Section 3.4 of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Director Offer means the offer of Quoted Options described in Section 3.3 of this Prospectus.

Directors means the directors of the Company as at the date of this Prospectus.

Lead Manager means Hartleys Limited, Australian Financial Services Number 230052 ABN 33104 195 057.

Lead Manager Offer means the offer of Quoted Options described in Section 3.2 of this Prospectus.

Offers means the Placement Offer, the Hartleys Offer, the Director Offer and the Contractor Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offers as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement Offer means the offer of Quoted Options described in Section 3.1 of this Prospectus.

Prospectus means this prospectus.

Quoted Option means an Option exercisable at \$0.05 and expiring 31 August 2017 trading under ASX code CXOOA.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Security Transfer Registrars Pty Ltd (ACN 008 894 488).

Shareholder means a shareholder of the Company.