



Chairman's Letter

12 October 2016

Dear Shareholder

Core Exploration Limited Share Purchase Plan

On behalf of the board of directors (**Board**) of Core Exploration Limited (ACN 146 287 809) (**Company**), I am pleased to offer eligible shareholders with the opportunity to subscribe for up to \$15,000 of new fully paid ordinary shares in the Company (**New Shares**), free of brokerage and commission, under a Share Purchase Plan (**SPP or Plan**).

The right to participate in the Offer under the Plan is optional and is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the capital of the Company (**Shares**) at 7:00 pm (AEST) on 5 October 2016 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

The SPP is targeting to raise \$2.5 million. If total demand for the SPP exceeds \$2.5 million, then the Company reserves the right to close the SPP early and scale back applications or elect to increase the amount raised under the Plan.

The Company recently announced that it had raised approximately \$6.0 million from a heavily oversubscribed Share placement to professional and sophisticated investors (**Placement**). These Shares were issued at a price of \$0.09 per Share. The SPP issue price is 9.0 cents per New Share which is the same price as the Placement and a 14.2% discount to the volume weighted average price of Shares over the last 5 days on which sales of the Shares were recorded by ASX Limited prior to the date of the announcement of the SPP on 6 October 2016.

It is intended that the funds raised from the SPP will be used as follows:

- (a) immediate follow-up diamond and reverse circulation (RC) drilling of recent high grade discoveries at the Finniss Lithium Project with the objective of defining initial JORC resources;
- (b) metallurgical test work on samples from the Finniss Lithium Project;
- (c) immediate phase 2 RC drilling at other high priority pegmatites within the Finniss Lithium Project;
- (d) early engineering studies relating to the potential development of the Finniss Lithium Project;
- (e) geochemical and geophysical work at the Finniss Lithium Project;
- (f) permitting to progress the grant of a mining licence at the Finniss Lithium Project; and
- (g) provide the Company with working capital to enable it to support its current operations.

Details of the Plan are set out in the Terms and Conditions and the personalised application form enclosed with this letter. The Board urges you to read these Terms and Conditions carefully and in their entirety before deciding whether or not to participate in the Plan. If you are uncertain whether New Shares are a suitable investment for you, then you should consult your financial or other professional adviser.

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company.

Yours faithfully

Greg English
Chairman
CORE EXPLORATION LIMITED



CORE EXPLORATION LIMITED
ACN 146 287 809
SHARE PURCHASE PLAN - TERMS AND CONDITIONS

This document sets out the Terms and Conditions of the Core Exploration Limited Share Purchase Plan and is binding on any Eligible Shareholder completing and lodging an Application Form or making payment by BPay®.

Purpose

The Share Purchase Plan (**SPP** or **Plan**) offers Eligible Shareholders of Core Exploration Limited (**Core** or **Company**) the opportunity to subscribe for new fully paid ordinary shares in the Company (**New Shares**), up to a maximum value of \$15,000 (subject to any discretionary scale backs).

New Shares under the Plan will be issued at 9.0 cents each which is a 14.2% discount to the volume weighted average market price of Shares (as defined in the Listing Rules) calculated over the last 5 days on which sales in the Shares were recorded on the ASX prior to the date of announcement of the Plan. The SPP issue price of 9.0 cents per New Share is less than the highest market price of 14.0 cents per Share and in excess of the lowest market price of 3.0 cents per Share, in the 30 day period prior to announcement of the Plan.

The SPP is targeting in the order of **\$2.5 million** however the Company reserves absolute discretion regarding the final amount raised under the Plan (subject to the maximum permitted under the ASX Listing Rules).

The SPP allows Eligible Shareholders to increase their investment in the Company without the need to pay brokerage costs.

Participation in the Plan is optional and is subject to these terms and conditions (**Terms and Conditions**). Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders cannot transfer their rights to any New Shares offered under the Plan).

Indicative Timetable

Record Date (7:00pm AEST)	Wednesday, 5 October 2016
Announcement Date of Plan	Thursday, 6 October 2016
Opening Date of Plan / Despatch of Offer document	Wednesday, 12 October 2016
Closing Date of Plan (5:00pm AEST)*	Friday, 28 October 2016
Issue of New Shares under the Plan*	Thursday, 3 November 2016
Dispatch of holding Statements*	Monday, 7 November 2016

* These dates are indicative only. The Company may vary the dates and times of the Offer by lodging a revised notice with ASX. Eligible Shareholders are encouraged to submit their applications early as the Directors reserve the right to close the SPP early if oversubscribed.

Shareholders eligible to participate in the Plan

Holders of Shares that were registered on the Company share register as a holder of Shares at 7:00pm (AEST) on 5 October 2016 (**Record Date**) with an address in Australia or New Zealand are deemed eligible shareholders (**Eligible Shareholders**) and may participate in the Plan.

If you hold Shares on behalf of persons who reside outside Australia or New Zealand, or are in the United States, you are not an Eligible Shareholder and are not entitled to participate in the Plan.

Details of how Custodians, trustees and beneficiaries are treated under the Plan are provided further below.

Joint holders/joint beneficiaries

If two or more persons are registered on the Company share register as jointly holding Shares, they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them. If the same joint holders receive more than 1 offer under the Plan due to multiple identical holdings, the joint holders may only apply in aggregate up to the maximum amount of \$15,000.

Foreign offer restrictions

The Plan may not be released or distributed in any country other than Australia or New Zealand. The Plan does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country, other than Australia or New Zealand. In particular, any securities described in this document have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand

The New Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

How much can you invest?

Eligible Shareholders may apply for a maximum of \$15,000 and a minimum of \$2,500 worth of New Shares under the SPP. This limitation applies even if you receive more than one Application Form, or if you hold Shares in more than one capacity.

Subject to the above, Eligible Shareholders may participate by selecting one of the following offers to purchase New Shares under the Plan.

Subscription amount	Number of Shares to be issued at issue price of \$0.09 per New Share
\$2,500	27,778
\$5,000	55,556
\$7,500	83,334
\$10,000	111,112
\$15,000	166,667

Note: Eligible Shareholders are encouraged to submit their applications early as the Directors reserve the right to close the SPP early if oversubscribed. The Directors also reserve the right to scale back the amount of New Shares to be issued. Accordingly, the actual number of New Shares you receive may vary from the above table in the event of oversubscription (excess money will be returned without interest).

The maximum investment any Eligible Shareholder may apply for will remain \$15,000 even if a Shareholder receives more than one Offer (whether in respect of a joint holding or because the Shareholder has more than one holding under a separate account).

If you apply for New Shares under the Plan, you are applying for a certain value of New Shares at the issue price of \$0.09, rather than a certain number of Shares. Fractional Shares will not be issued and any fraction of a Share will be rounded up to the nearest whole number of Shares.

Once an application for New Shares under the Plan has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date.

You should be aware that although the offer price of \$0.09 per New Share is at a discount to the market price of Company Shares on ASX as at the date the Plan was announced, shares are a speculative investment and there is a risk that the price of Shares on ASX may change between the date of this document and the date of issue of the New Shares under the SPP, and that the value of the New Shares received under the Plan may rise or fall accordingly. The Board recommends that you obtain your own financial advice in relation to the Offer under the SPP and consider price movements of Shares in the Company prior to making an application under this SPP.

How do you apply?

If you would like to subscribe for New Shares, then the following application and payment options are available:

(a) Application Form and accompanying cheque

Eligible Shareholders wishing to pay by cheque must follow the instructions on the Application Form.

Eligible Shareholders should complete the Application Form, provide a cheque that is payable to “**Core Exploration Limited**” and crossed “**Not Negotiable**” and return the completed Application Form and cheque to:

Core Exploration Limited
C/- Security Transfer Registrars Pty Ltd
PO Box 52
Collins Street West VIC 8007

to be received by the share registry no later than 5.00pm (AEST) on the Closing Date.

(b) Payment by BPay^{®1}

Eligible Shareholders wishing to pay by BPay[®] must use the specific biller code and customer reference numbers detailed on their personalised Application Form.

If you choose to pay via BPay[®] you are not required to submit your Application Form.

Any Eligible Shareholder that chooses to pay by BPay[®] is deemed to represent to the Company that the amount of Shares subscribed for pursuant to the Plan, or any other arrangement similar to the Plan in the prior 12 months, does not exceed \$15,000 (including joint or any other beneficial interests).

Your payment will not be accepted after 5:00pm (AEST) on the Closing Date and no New Shares will be issued to you in respect of that application. If you have multiple holdings you will have multiple BPay[®] customer reference numbers. To ensure you receive your New Shares under the Offer in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied only for the application to which that Customer Reference Number applies and any excess amount will be refunded.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPay[®]. It is your responsibility to check that the amount you wish to pay via BPay[®] does not exceed your limit.

Once an application under the Plan has been made or your BPay[®] payment made, it cannot be revoked.

Raising Amount and Scaleback

The Plan is targeting to raise \$2.5 million, however the Company reserves absolute discretion regarding the final amount raised under the Plan. If total demand for the SPP exceeds \$2.5 million, the Company reserves the right to close the SPP early and scale back applications (or elect to increase the amount raised) in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant’s shareholding, the extent to which eligible shareholders have sold or bought additional shares after the Record Date and the date an application was made. Eligible Shareholders are therefore encouraged to submit their applications early.

If the Company rejects or scales-back an application or purported application, then the Company will promptly return to the Shareholder the relevant application monies, without interest. If the amount received is less than the minimum application amount of \$2,500, then Core will not issue any New Shares to you and the money received from you will be refunded without interest.

¹ ® Registered to BPAY Pty Ltd, ABN 69 079 137 518

Core reserves the right to reject any application for New Shares under the SPP that it believes does not comply with these Terms and Conditions.

Issue and Quotation of New Shares

New Shares to be issued under the Plan will rank equally in all respects with all other Shares from the date of issue and will be issued as soon as reasonably practicable after the Closing Date.

Shareholding statements or CHESS notification will be issued in respect of all New Shares issued under the Plan.

The Company will, promptly after the issue of New Shares under the Plan, make application for those New Shares to be listed for quotation on the official list of ASX. You should confirm your holding before trading in any New Shares you believe have been issued to you under the SPP.

Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out in these Terms and Conditions). If you do not wish to accept the offer under the SPP, then you do not need to take any action and the SPP offer will lapse on the Closing Date.

No Underwriting

The Plan is not underwritten.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a Custodian (as defined in ASIC Class Order 09/425 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of New Shares for each beneficiary for whom you act as Custodian provided you annex to your Plan application form (**Application Form**) a certificate to the Company (**Custodian Certificate**).

For the purposes of ASIC Class Order 09/425 you are a 'Custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depository services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184 or by relying on the Australian financial services licence of your master Custodian under regulation 7.1.06(k) of the *Corporations Regulations 2001*;
- is a trustee of a self-managed superannuation fund or a superannuation master trust;
- is a responsible entity of IDPS like schemes; or
- is noted on the Company's register of members as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Security Transfer Registrars Pty Ltd on 08 9315 2333 (within Australia).

The Company reserves the right to reject any application for New Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Modification and Termination of the Plan

The Company may modify or terminate the Plan, or waive strict compliance with any of the Terms and Conditions, at any time and any modification, waiver or termination is binding on all Eligible Shareholders even where the Company does not notify you of that event.

In the event the Plan is terminated before the issue of New Shares, all application monies will be returned to you, without interest, by direct credit to your nominated account as recorded on the Company's share register or cheque to your address as shown on the Company's share register as soon as practicable.

Without limiting the above, the Company may issue to any person fewer New Shares than the person applied for under the Plan if the issue of the New Shares applied for would contravene any applicable law or the Listing Rules of ASX or ASIC Class Order 09/425.

Class Order compliance

The SPP offer of New Shares is made in accordance with ASIC Class Order (CO 09/425), which grants relief from the requirement to prepare a prospectus for the SPP offer of New Shares.

Application Form

The Application Form forms part of the Terms and Conditions for the purposes of the Plan and the Offer.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or New Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these conditions may be exercised by the Directors or any delegate of the Directors.

Governing Law

The Terms and Conditions and the Offer under the Plan are governed by the laws of South Australia.

Disclaimer

Before you apply for New Shares under the Plan, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the Plan (taking into account your own financial situation, needs and objectives).

The Company and its officers make no recommendation about whether or not you should apply for New Shares under the Plan and nothing in these Terms and Conditions (including the Application Form) or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the Plan.

Acknowledgements

By making payment (including through BPay) or returning an Application Form or Custodian Certificate, you certify, acknowledge, warrant and represent as true, correct and not misleading to Core that:

- (a) you have read and accepted the Terms and Conditions in full;
- (b) you declare that all details and statements in your application are true and complete and not misleading;
- (c) your application, under the Terms and Conditions of the SPP set out in this document (including the Application Form and Custodian Certificate), will be irrevocable and unconditional (i.e. it cannot be withdrawn);
- (d) as at the Record Date, you were recorded on Core's share register as being a registered holder of Core Shares and having an address in Australia or New Zealand;
- (e) if you have a registered address in New Zealand, you continued to hold Shares as at the Record Date on 5 October 2016;
- (f) you and each person for whose account or benefit you are acting is not in the United States and is not a U.S. Person, or acting for the account or benefit of a U.S. Person;
- (g) you acknowledge that the New Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and the New Shares

may not be offered, sold or otherwise transferred unless an exemption from the registration requirements of the U.S. Securities Act is available;

- (h) you represent that you have not, and you agree that you will not, send any materials relating to the SPP to any person in the United States or to any person who is, or is acting for the account or benefit of, a U.S. Person;
- (i) you are not applying for New Shares with an aggregate application value, when aggregated with the application value of any Shares issued to you or a Custodian on your behalf under the SPP or similar arrangement in the previous 12 months, of more than \$15,000 under the SPP (including by instructing a Custodian to acquire New Shares on your behalf under the SPP), and you are complying with the limitations detailed in these Terms and Conditions;
- (j) the total of the application price for the following does not exceed \$15,000:
 - (i) the Shares the subject of the application;
 - (ii) any other Shares issued to you under the Plan or any similar arrangement in the 12 months before the application;
 - (iii) any other Shares which you have instructed Custodian to acquire on your behalf under the Plan; and
 - (iv) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the Plan.
- (k) if you are a Custodian and are applying on behalf of a Beneficiary on whose behalf you hold Shares:
 - (i) you are a Custodian (as that term is defined in ASIC Class Order (CO 09/425));
 - (ii) either or both of the following apply (as applicable):
 - (A) that on the Record Date you held Shares on behalf of one or more other persons (each a Beneficiary) that are not Custodians;
 - (B) that on the Record Date another Custodian (**Downstream Custodian**) held beneficial interests in Core Shares on behalf of one or more other persons (each a Beneficiary), and you hold the shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian;
 - (iii) each Beneficiary has subsequently instructed either you or the Downstream Custodian (as applicable) to apply for New Shares on their behalf under the SPP;
 - (iv) details of the number of Beneficiaries instructing you to participate, the name and address of each Beneficiary and in respect of each such Beneficiary:
 - (A) the number of Shares that you hold on behalf of that Beneficiary; and
 - (B) the dollar amount of New Shares that the Beneficiary, or its agent, has instructed you to accept on behalf of the Beneficiary;as set out in the Application Form or the Custodian Certificate and Schedule, is true and correct;
 - (v) there are no Beneficiaries in respect of whom the total of the application value for (a) the New Shares applied for by you under the SPP on their behalf; and (b) any Core Shares issued to you in the previous 12 months as a result of an instruction given by the Beneficiary to you or a Downstream Custodian to apply for Core Shares on their behalf under an arrangement similar to the SPP, exceeds \$15,000; and
 - (vi) a copy of these Terms and Conditions were given to each Beneficiary;

- (l) you may be offered New Shares pursuant to the SPP in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;
- (m) you accept the risk associated with any refund that may be despatched to you by direct credit or cheque to your address shown on Core's share register;
- (n) you are responsible for any dishonour fees or other costs Core may incur in presenting a cheque for payment which is dishonoured;
- (o) you agree to be bound by the provisions of the Constitution of Core (as amended and as it may be amended from time to time in the future);
- (p) you authorise Core and its affiliates, officers and representatives to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions;
- (q) you authorise Core (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your application and to complete the application by the insertion of any missing minor detail; and
- (r) Core may at any time irrevocably determine that your application is valid in accordance with these Terms and Conditions, even if the application is incomplete, contains errors or is otherwise defective.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser, or Mr Jaroslaw (Jarek) Kopias, Company Secretary on +61 8 7324 2987.

Glossary

Application Form means the application form that accompanies this Share Purchase Plan.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange.

Board means the board of Directors of Core Exploration Limited.

Closing Date means 5:00pm (AEST) on 28 October 2016 or such other date determined by the Board.

Company or **Core** means Core Exploration Limited ACN 146 287 809.

Custodian has the meaning given elsewhere in these Terms and Conditions.

Custodian Certificate means the certificate outlined in the Terms and Conditions of the Plan.

Directors means the directors of the Company.

Eligible Shareholders means Shareholders with an address in Australia or New Zealand as at the Record Date.

Listing Rules means the Listing Rules of the ASX.

New Shares means the new Shares offered under the SPP.

Offer means the offer of New Shares under the SPP priced at 9.0 cents per New Share.

Record Date means 7:00pm (AEST) on 5 October 2016.

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

SPP or **Plan** means the Share Purchase Plan offered by the Company to Eligible Shareholders.

Terms and Conditions means the terms and conditions contained in the SPP.