CORE EXPLORATION LTD

For an offer of up to 25,000,000 Shares at an issue price of $0.20 each to raise up to $5,000,000.

Lead Manager to the Offer

BLIGH Capital

Bligh Capital Securities Pty Ltd
As corporate authorised representative of AFSL 329340

**IMPORTANT INFORMATION**

This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.
**The Shares offered by this Prospectus should be considered highly speculative.**

# PROSPECTUS 2010

ACN 146 287 809

## IMPORTANT NOTICE

This Prospectus is dated 15 November 2010 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.

The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC (Expiry Date). No Shares may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

## WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.coreexploration.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company 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.

## EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

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## Important Dates

| | |
|---|---|
| Lodgement of Prospectus with the ASIC | 15 November 2010 |
| Opening Date | 23 November 2010 |
| Closing Date | 5pm pm WST on 13 December 2010 |
| Despatch of Holding Statements | 17 December 2010 |
| Expected date for listing on ASX (ASX code "CXO") | 22 December 2010 |

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## Key Offer Statistics

| | |
|---|---|
| Offer Price | $0.20 per share |
| Number of Shares available under the Offer | 25 million |
| Total proceeds from the Offer | $5 million |
| Total number of Shares on issue following the Offer[1] | 41.5 million |

[1] Assumes maximum subscription

## Investment Highlights

This information is a selective overview only. Investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding whether to invest in Shares.

- Core Exploration offers a strategically acquired investment opportunity into one of the world's leading copper and uranium mining provinces.
- The Company has entered into agreements to acquire 100% of the shares in Sturt Exploration Pty Ltd (**Sturt**) and DBL Blues Pty Ltd (**DBL**). Sturt and DBL holds projects comprising five granted exploration licences (all held by Sturt) and three exploration licence applications (two held by Sturt and one held by DBL) covering over 2,000km$^2$ in the highly prospective Gawler Craton and Curnamona Craton of South Australia and Amadeus Basin in the Northern Territory.
- The tenements and tenement application held by Sturt and DBL are focused on targets within the most prospective geological terrains for copper, gold and uranium in South Australia and Northern Territory.
- Six separate project areas are located in geological regions which host world-class mining operations including Olympic Dam and the Beverley and Honeymoon mines and also the recent Hillside (Rex Minerals), Carrapateena and Punt Hill copper discoveries.
- Core Exploration is also developing an extensive uranium exploration project portfolio in South Australia, a jurisdiction with two operating uranium mines, a further two mines due to commence production next year and host to the world's largest uranium deposit at Olympic Dam.
- Core Exploration has an experienced and proven team of Directors with excellent skill sets for driving value growth in the mining industry. They have worked together successfully as a team and also separately on a number of IPO's on the ASX including SNU, MOX, MEU, SAU, AXE, & GRL(EXR).
- Core Exploration is targeting an Initial Public Offering (IPO) to raise $5 million to fund an aggressive exploration and development program on its highly prospective copper and uranium projects.

## Investment Risks

Mineral exploration, development and mining are high risk enterprises and only occasionally provide high rewards. Potential investors should consider an investment in Core Exploration as speculative.

Some of the key risks associated with an investment in Core Exploration are summarised in the following table. This list of risks is not exhaustive. Full details of the risks tabled below are set out in Section 12 of this Prospectus. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which its Shares trade on ASX.

| Risk area | Risks | Further details |
|---|---|---|
| Title and Native Title Risks | The Tenements held by the Company are at risk of being challenged or impugned and may be subject to native title claims.<br><br>There are currently registered native title claims over exploration licences, EL 4174, EL 4379, EL 4568, EL 4569 and exploration licence application ELA 227/09. In addition, there are Indigenous Land Use Agreements that relate to EL 4177 and EL 28349.<br><br>Please refer to Section 10 of this Prospectus for further details.<br><br>Further, all of the Tenements are subject to agreements with third parties and are all held by third parties. If any of these third parties default in their obligations under those agreements, it could make the Tenements liable to forfeiture or otherwise have a detrimental effect on the Company's operations. Please refer to Sections 10 and 11 for further details. | 12.2.1 |
| Tenure and Access | The Company's Tenements are subject to periodic renewal and there is no guarantee that renewals sought will be granted.<br>The Company's Tenements are subject to periodic renewal and there is no guarantee that renewals sought will be granted. Exploration licences EL 4379, EL 4174 and EL 4177 are subject to pending renewal applications. If the renewals are not granted the Company will not retain title to the tenements and it will be precluded from undertaking any exploration activities on these Tenements.<br><br>Exploration licence applications ELA 227/09 and ELA 55/10 are contained within the Woomera Protection Area (**WPA**). The WPA has been designated by the Federal Government for the testing of war materials under Part VII of the Defence Force Regulations. In addition to obtaining an exploration licence within the WPA, the holder of an exploration licence must sign a deed of access with the Federal Government and request permission to access the WPA for each exploration activity. The Federal Government also prohibits exploration in some parts of the WPA. These prohibitions may be for short or indefinite periods. The conditions and prohibitions imposed by the Federal Government may constrain or prohibit current or prospective exploration activities by the Company on the Tenements in question. Please refer to section 10 for further details. | 12.2.2 |
| Failure to Satisfy Expenditure Commitments | Each Tenement the Company holds is subject to expenditure and reporting obligations. If these are not met the Company may lose its interest in the Tenements. | 12.2.3 |
| Dilution Risk | On completion of the Offer, there will be 8,500,000 Options on issue. If these Options are converted into Shares there will be a dilution so that the existing Shareholders will hold between 81 % and 83 % of the outstanding issued Shares. However, each Option has an exercise price of $0.25 which means that the Company will receive additional funds of $2,125,000 upon exercise of the Options. | 12.2.4 |

| Risk area | Risks | Further details |
|---|---|---|
| Uranium Mining | Uranium mining in Australia is subject to extensive regulation by Commonwealth, State and Territory Governments. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. Furthermore, such regulation or the introduction of new laws could adversely affect the financial operations of the Company overtime. | 12.2.5 |
| Taxation Risk | Changes to applicable taxation legislation or its interpretation, could affect the value of the investments held by the Company, and the ability to provide returns to Shareholders. | 12.2.6 |
| Aboriginal Heritage | Indigenous Affairs approval may be required before exploration or mining activities can commence on the Tenements. | 12.2.7 |
| Exploration and Development | The Tenements held by the Company as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.<br><br>There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. | 12.2.8 |
| Changes in Government Policy | Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. | 12.2.7 |
| Operating Risks | There are significant operating risks in exploration and development of mining projects. | 12.2.8 |
| Resource Estimates | If any resources are defined on the Tenements in the future, those resource estimates will be subjective, to the extent permitted by the JORC code. | 12.2.9 |
| Commodity Price Volatility and Exchange Rate Risks | The price of minerals fluctuates and is affected by many factors beyond the control of the Company. Income and expenditure of the Company will be in Australian dollars, whilst prices of minerals will be in United States dollars which leaves the Company exposed to fluctuations in exchange rates. | 12.2.10 |
| Environmental Risks | Company's operations will have an impact on the environment and there are inherent risks associated with safety and damage to the environment and the disposal of waste products. | 12.2.11 |
| Capital Requirements | Ability to raise equity and debt to meet future capital requirements. | 12.2.12 |
| Reliance on Key Personnel | The successful day to day management of the Company relies solely on its Key Management Personnel and the Company's ability to retain these personnel. | 12.2.13 |
| General Risks | Economic risks and market conditions. | 12.3 |

Investors should be aware that an investment in the Company involves risks that may be higher than risks associated with an investment in some other companies. Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Shares offered for subscription under this Prospectus. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside the Company's control and cannot be mitigated. Investors should consider the risk factors described above and outlined in more detail in Section 12, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

## Answers to Key Questions

| Topic | Summary | Where to find more information |
|---|---|---|
| Who is Core Exploration Ltd? | Core Exploration was incorporated on 10 September 2010. The Company has entered into agreements to acquire 100% of the shares in Sturt Exploration Pty Ltd (Sturt) and DBL Blues Pty Ltd (**DBL**). Sturt and DBL hold projects comprising five granted exploration licences (all held by Sturt) and three exploration licence applications (two held by Sturt and one held by DBL) covering over 2,000km$^2$ in the prospective Gawler Craton and Curnamona Craton of South Australia and Amadeus Basin in the Northern Territory. | Section 5 |
| What is being offered? | Up to 25 million new fully paid ordinary Shares are being offered by Core Exploration to raise up to $5 million.<br><br>Shares issued under the Offer will represent between approximately 55% (minimum subscription) and 60% (full subscription) of the paid-up capital of Core Exploration following the Offer (on an undiluted basis). | Section 3 |
| What is the Offer Price? | The Offer Price is $0.20 per share. | Section 3 |
| What are the key dates of the Offer? | The key dates of the Offer are detailed on the Key Information page at the front of this Prospectus. | Key Information |
| How do I apply for Shares? | By completing and submitting a valid Application Form attached to or accompanying this Prospectus (including a paper copy of an Application Form issued and distributed with an electronic version of this Prospectus), in accordance with the instructions relating to it. | Application |
| What are the costs of the Offer and who is paying them? | The costs of the Offer (including Broker commissions, expert's fees, legal and accounting costs, ASIC fees and ASX fees) are estimated to total approximately $445,000 (minimum subscription) and $510,000 (maximum subscription) and will be paid by Core Exploration. | Section 13.7 |
| When will I receive dividends? | As Core Exploration is a mineral exploration company and is not mining, generating revenue or making profits, the Directors do not anticipate that Core Exploration will pay dividends in the immediate future. | |
| How can I obtain further information? | • By reading this Prospectus in its entirety.<br>• By speaking to your accountant, stockbroker or other professional adviser.<br>• If you require assistance or additional copies of this Prospectus, please contact the Share Registry on +61 8 9315 2333. | |
| If my Application is accepted, when will I receive confirmation of my allocation? | Statements confirming successful Applicants' allocations under the Offer, are expected to be despatched to Shareholders on or around 17 December 2010. | Section 4 |
| Contact details | For further details, see the Corporate Directory at the beginning of this Prospectus. | Section 1 |

## Directors/Executives

Greg English
*Non-Executive Chairman*

Stephen Biggins
*Managing Director*

Michael Schwarz
*Non-Executive Director*

## Company Secretary

Joshua Ward

## Investigating Accountant and Auditor

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

## Registered Office

Level 15
45 Pirie Street
Adelaide SA 5000

Telephone: (08) 8210 1254
Facsimile: (08) 8210 1234

Email: info@coreexploration.com
Website: www.coreexploration.com.au

## Share Registry*

Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

## Australian Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

## Lead Manager to the Offer

Bligh Capital Securities Pty Ltd
As corporate authorized representative of AFSL: 329340
Level 9, 2 Bulletin Place
Sydney New South Wales 2000

## Independent Technical Expert

Al Maynard & Associates
Suite 9/280 Hay Street,
Subiaco WA 6008

## Corporate Advisor

Ventnor Capital Pty Ltd
Suite 2, 12 Parliament Place
West Perth WA 6005

* This entity has been included for information purposes and was not involved in the preparation of this Prospectus.

## 2. Chairman's Letter

15 November 2010

Dear Investor

On behalf of the Directors of (**Core Exploration** or **Company**), I am delighted to invite you to subscribe for Shares at an issue price of $0.20 each under this Prospectus.

The Company is seeking to raise $5,000,000 through the issue of 25,000,000 Shares at an issue price of $0.20 each. You may apply for Shares using the Application Form attached to this Prospectus.

Core Exploration's strategy is to build the value of its prospective exploration projects located in one of the world's leading copper and uranium mining provinces.

Core's Exploration's copper exploration in South Australia will focus on the Company's flagship Yorke Peninsula Project. The Company's believes that this project is prospective for copper and gold based on exploration targets identified by Core Exploration. The Company is also encouraged by and the recent success of Rex Minerals Limited at the nearby Hillside Project (Inferred Resource of 100 million tonnes at 0.7 % copper and 0.2g/t gold).

Core Exploration is also developing an extensive uranium exploration project portfolio in South Australia, a jurisdiction with two operating uranium mines, a further two mines due to commence production and also host to the world's largest uranium deposit at Olympic Dam.

With a view to increasing the likelihood of exploration success, Core Exploration has selected exploration areas in geological regions and political jurisdictions and regions which host robust copper, gold and uranium mines.

In parallel to this exploration strategy, Core Exploration will implement an active corporate strategy to expose shareholders to significant growth and transactional events.

The Director's of Core Exploration have built substantial experience in their successful careers in the mining industry.

On behalf of the Directors, I commend this investment opportunity to you and look forward to welcoming you as a shareholder.

Yours faithfully,

**Greg English**
**Chairman**

## 3.1 Important Notice

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

## 3.2 Indicative Timetable

| | |
|---|---|
| Lodgement of Prospectus with the ASIC | 15 November 2010 |
| Opening Date | 23 November 2010 |
| Closing Date | 5pm pm WST on 13 December 2010 |
| Despatch of Holding Statements | 17 December 2010 |
| Expected date for listing on ASX | 22 December 2010 |

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## 3.3 Objectives

The strategic objectives of the Company are to:

(a) create Shareholder value through conducting targeted exploration programs on the Company's copper and uranium prospects in South Australia and the Northern Territory;

(b) build the Company's portfolio of mineral assets in the Gawler Craton and Curnamona Craton of South Australia and Amadeus Basin in the Northern Territory; and

(c) assess and if warranted, acquire other mineral projects that have potential to add value to the Company.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

## 3.4 Use of Proceeds

During the first two years following Official Quotation, the Company intends to apply the funds raised under the Offer together with the Company's existing cash resources (approximately $500,000[1]) as follows:

| Project expenditure[2]: | Minimum Subscription ($4m) | Maximum Subscription ($5m) |
|---|---|---|
| Yorke Peninsula Copper | 900,000 | 1,125,000 |
| Honeymoon South | 425,000 | 525,000 |
| Mt Painter | 455,000 | 560,000 |
| Roxby Downs | 150,000 | 150,000 |
| Frome | 130,000 | 150,000 |
| Amadaeus, NT | 190,000 | 190,000 |
| **Other:** | | |
| Costs of the Offer | 445,000 | 510,000 |
| Working Capital[3] | 1,805,000 | 2,290,000 |
| **TOTAL** | **4,500,000** | **5,500,000** |

Notes:

1 See section 5.2.3 of this Prospectus for further details on the Company's planned exploration programs.

2 The Tenements comprising the Roxby Downs and Amadaeus projects are currently applications. The budgeted expenditure in the table above assumes that these Tenement applications are granted. If they are not granted, the funds will be allocated to general working capital.

3 These expenses include wages, bonuses and superannuation of employees and directors, rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, share registry fees, travel expenses and all other items of a general administrative nature.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

## 3.5 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below[1]:

| Shares | Minimum Subscription ($4m) Number | Full Subscription ($5m) Number |
|---|---|---|
| Shares on issue at date of Prospectus | 6,000,000 | 6,000,000 |
| Shares to be issued under the DBL Agreement and Sturt Agreement summarised in Sections 11.1 and 11.2 | 10,500,000 | 10,500,000 |
| Shares now offered | 20,000,000 | 25,000,000 |
| **Total Shares on issue at completion of the Offer** | **36,500,000** | **41,500,000** |

| Options | Number | Number |
|---|---|---|
| Options on issue at date of Prospectus | 4,500,000 | 4,500,000 |
| Options to be issued under the Sturt Agreement summarised in Section 11.2 | 4,000,000 | 4,000,000 |
| Options now offered | - | - |
| **Total Options on issue at completion of the Offer[2]** | 8,500,000 | 8,500,000 |

## 3.5 Capital Structure (continued)

Notes:

[1] See the 8 Financial Information Section (Section 9) for further details. The Shares and Options that are on issue at the date of this Prospectus are held by Directors, advisors and seed capital investors.

[2] There are currently 1,500,000 Options held by Ventnor Capital Pty Ltd (or its nominees) and 3,000,000 Options held by the Directors as at the date of this Prospectus. In addition, 4,000,000 Options are proposed to be issued under the Sturt Agreement summarised in Section 11.2 of this Prospectus. See Section 12.2 for the terms and conditions of the Options.

## 3.6 Restricted securities

Subject to the Company being admitted to the Official List, the Company believes that approximately 33.7% and 38.4% of the Shares on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for varying time periods.

## 4.1 The Offer

Pursuant to the Offer, the Company invites applications for up to 25,000,000 Shares at an issue price of $0.20 each to raise up to $5,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

## 4.2 Applications

Applications for Shares under the Offer must be made using the Application Form.

Payment for the Shares must be made in full at the issue price of $0.20 per Share. Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. Completed Application Forms and accompanying cheques must be delivered to:

Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

or mailed to:

Security Transfers Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Cheques should be made payable to "Core Exploration Ltd – Subscription Account" and crossed "Not Negotiable". Completed Application Forms must reach one of the above addresses by no later than the Closing Date.

The Company reserves the right to close the Offer early.

## 4.3 Allotment

Subject to ASX granting approval for the Company to be admitted to the Official List, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

The Directors reserve the right to allot Shares in full for any application or to allot any lesser number or to decline any application. Where the number of Shares allotted is less than the number applied for, or where no allotment is made, the surplus application monies will be returned by cheque to the applicant within seven (7) days of the allotment date.

## 4.4 Minimum Subscription

The minimum subscription to be raised pursuant to the Offer is $4 million.

If the minimum subscription has not been raised within four (4) months after the date of this Prospectus, all applications will be dealt with in accordance with the Corporations Act.

## 4.5 ASX Listing

The Company will apply to ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares offered under this Prospectus. If the Shares are not admitted to quotation on ASX within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, all applications will be dealt with in accordance with the Corporations Act.

## 4.6 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia.

## 4.6 Applicants outside Australia (continued)

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

## 4.7 Not Underwritten

The Offer is not underwritten.

## 4.8 Lead Manager to the Offer

Bligh Capital Securities Pty Ltd has been appointed as lead manager to the Offer.

The terms of the appointment of Bligh Capital Securities Pty Ltd are summarised in Section 11.5 of this Prospectus.

## 4.9 Commissions Payable

The Company reserves the right to pay a commission of up to 6 % (excluding goods and services tax) of amounts subscribed to any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

## 4.10 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System **(CHESS)**. CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd **(ASTC)**, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, holders of Shares will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

## 4.11 Privacy Statement

If you complete an Application Form, 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 and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including 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 Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

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

## 4.12 Queries

This Prospectus provides information for investors to decide if they wish to invest in the Company and should be read in its entirety. If you have any questions about investing in the Company, please contact your stockbroker, financial planner, accountant, lawyer or independent financial adviser.

## 5.1 Company Profile

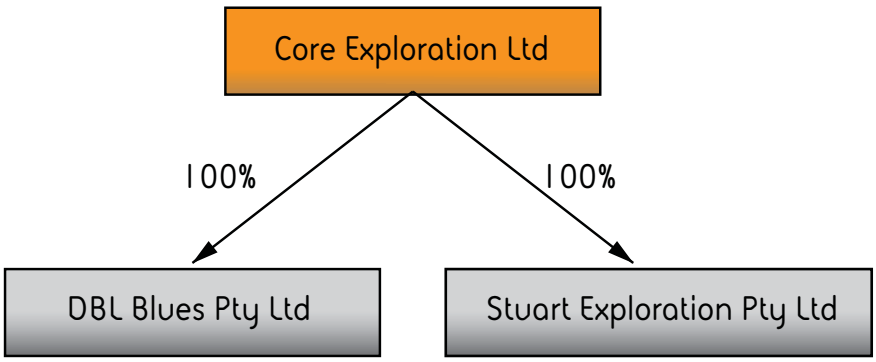
### 5.1.1 Overview of Core Exploration Ltd

Core Exploration Ltd was incorporated on 10 September 2010 with the aim of growing shareholder value through the exploration for and discovery of commercially robust copper and uranium mineralisation deposits in South Australia and the Northern Territory.

The Company has entered into agreements to acquire 100% of the shares in Sturt Exploration Pty Ltd (**Sturt**) and DBL Blues Pty Ltd (**DBL**). Sturt and DBL hold projects comprising five granted exploration licences (all held by Sturt) and three exploration licence applications (two held by Sturt and one held by DBL) covering over 2,000km$^2$ in the prospective Gawler Craton and Curnamona Craton of South Australia and Amadeus Basin in the Northern Territory.

### 5.1.2

An overview of the ownership structure of the Company following completion of the acquisition of Sturt and DBL is shown below.




## 5.2 Projects

### 5.2.1 Projects Overview

Core Exploration's projects are located in geology which hosts world-class copper and uranium mines, and importantly, jurisdictions of South Australia and Northern Territory that actively support mining of both copper and uranium.

Core Exploration's projects are focused on targets within the most prospective geological terrains for copper, gold and uranium in South Australia.

Core Exploration's project portfolio includes tenement areas for copper on the Yorke Peninsula where the Company is targeting exploration to discover "Hillside style" copper mineralisation. In pursuit of this endeavour, the Company has been encouraged by the nearby, recent Iron Oxide Copper Gold Uranium (IOCGU) discovery by Rex Minerals (ASX:RXM) at Hillside which has an inferred resource of 100 million tonnes at 0.7% copper and 0.2g/t gold.

Core Exploration is also developing an extensive uranium exploration project portfolio in South Australia, a jurisdiction with two operating uranium mines, a further two mines due to commence production next year and host to the world's largest uranium deposit at Olympic Dam.

### 5.2.2 Projects Description

Yorke Peninsula Projects

Mineralisation Style

Iron Oxide Copper Gold Uranium (IOCGU)

Project Summary

Core Exploration's flagship Yorke Peninsula Copper Project covers 243km$^2$ of the Olympic Dam Copper-Gold-Uranium Province of the Gawler Craton. The Yorke Peninsula Project is located adjacent to the west of Rex Minerals (ASX:RXM) tenements on the Yorke Peninsula in South Australia.

The Project is considered prospective for the discovery of IOCGU mineralisation; as well as volcanogenic hosted massive sulphide copper-gold mineralisation like that found in the Moonta area.

## 5.2.2 Projects Description (continued)

The Company is encouraged by the recent discovery of the nearby Hillside Copper Project by Rex Minerals Ltd (ASX:RXM), and subsequent definition of an inferred resource of 100 million tonnes at 0.7 % copper and 0.2g/t gold,

Regionally important structures are believed to control the location of IOCGU mineralisation within the region. One of the most obvious structures is the Pine Point Fault which runs in a north-south direction on the eastern side of the Yorke Peninsula. Importantly, a number of south-westerly faults splay off of this feature into the tenements held by The Company.

The region has historically been a very significant producer of copper and gold. Mines operated in the Moonta and Wallaroo areas from 1860 -1923 and from 1986 -1994 with an estimated total production of 6.7 million tonnes @ 5.21 % Cu and 0.5 – 1.0 g/t Au. Numerous prospects are scattered throughout the district and include Cu – Au - (U) - (Mo) - (Co) and Pb - Zn mineralisation.

Interpretation and modelling by the Company of detailed magnetic surveys (Figures 1 and 2) have identified similar fault systems on the Yorke Peninsula Project to that controlling mineralisation at the nearby Hillside Project 15km to the east.

These fault zones will be the focus of exploration on the project.

The coincidence of strongly anomalous copper in association with magnetite and haematite breccias in the region also confirms the Company's view of the highly prospective nature of the project area for iron oxide copper-gold-uranium mineralisation.

At Hillside the best mineralisation occurs below 200m. The opportunities for new discoveries therefore remains significant due to most of the area being obscured by the cover sediment and much of the past exploration being completed prior to modern under cover exploration techniques being developed.

Core Exploration plans to accelerate an active exploration program on the Yorke Peninsula immediately after listing which should lead to drilling of the targets identified on the project within the first year.

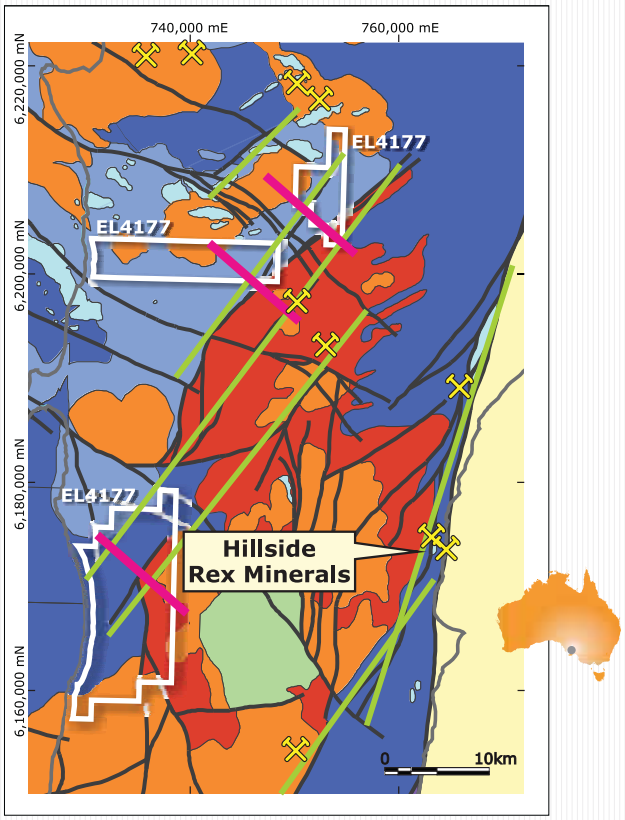



*Figure1. Core Exploration (EL 4177, 3 areas) and Rex Minerals tenure on the Yorke Peninsula S.A. Project Geology, Shear Zones and Copper Deposits.*

## 5.2.2 Projects Description (continued)

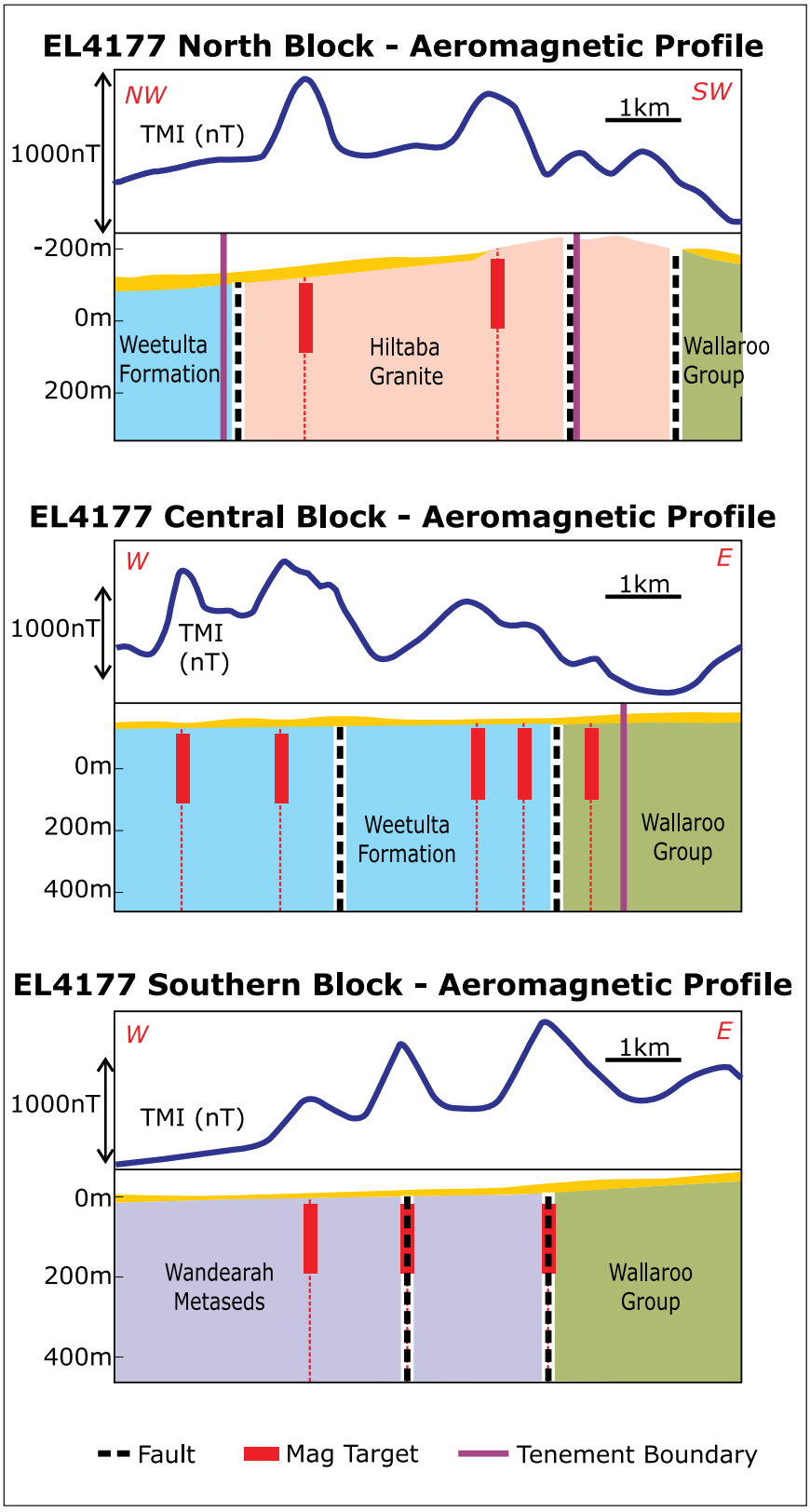



*Figure 2: EL 4177 Aeromagnetic Profile*

## 5.2.2 Projects Description (continued)

### ROXBY DOWNS PROJECT

Mineralisation Style

Iron Oxide Copper Gold Uranium (IOCGU)

Project Summary

The Roxby Downs (ELA 227/09) and Horse Well (ELA 55/10) tenement applications cover approximately 522km$^2$ of the Olympic Dam Copper-Gold-Uranium Province of the Gawler Craton. The tenements are located approximately 30km southwest of the world class Olympic Dam Cu – Au - U mine and within kilometres, and adjacent to, known IOCG(U) mineralisation at the Acropolis, Acropolis West and Aphrodite prospects.

The projects are located on the eastern margin of the Gawler Craton within the Olympic Iron-Oxide-Copper-Gold (IOCG) Province. The Olympic IOCG Province is host to the world class Olympic Dam deposit, Prominent Hill, and recently discovered Carrapateena Prospect.

A number of detailed gravity surveys were undertaken by previous explorers to determine potential targets for IOCGU mineralisation. Initial wide-spaced gravity surveys were completed across most of the tenements. Regions of interest were then covered with detailed gravity surveys to accurately define target for drill testing.

The tenements have a number of anomalies which the Company believes have yet to be adequately drill tested.

The Acropolis West prospect defined by gravity extends into ELA 227/09, although at depths in excess of 800m and with little apparent associated magnetic anomalism. If economic mineralisation is located at the Aphrodite or Horse Well prospects it may extend into ELA 55/10, while more subtle anomalies, which may prove to be due to mineralisation, may merit drill testing in their own right.

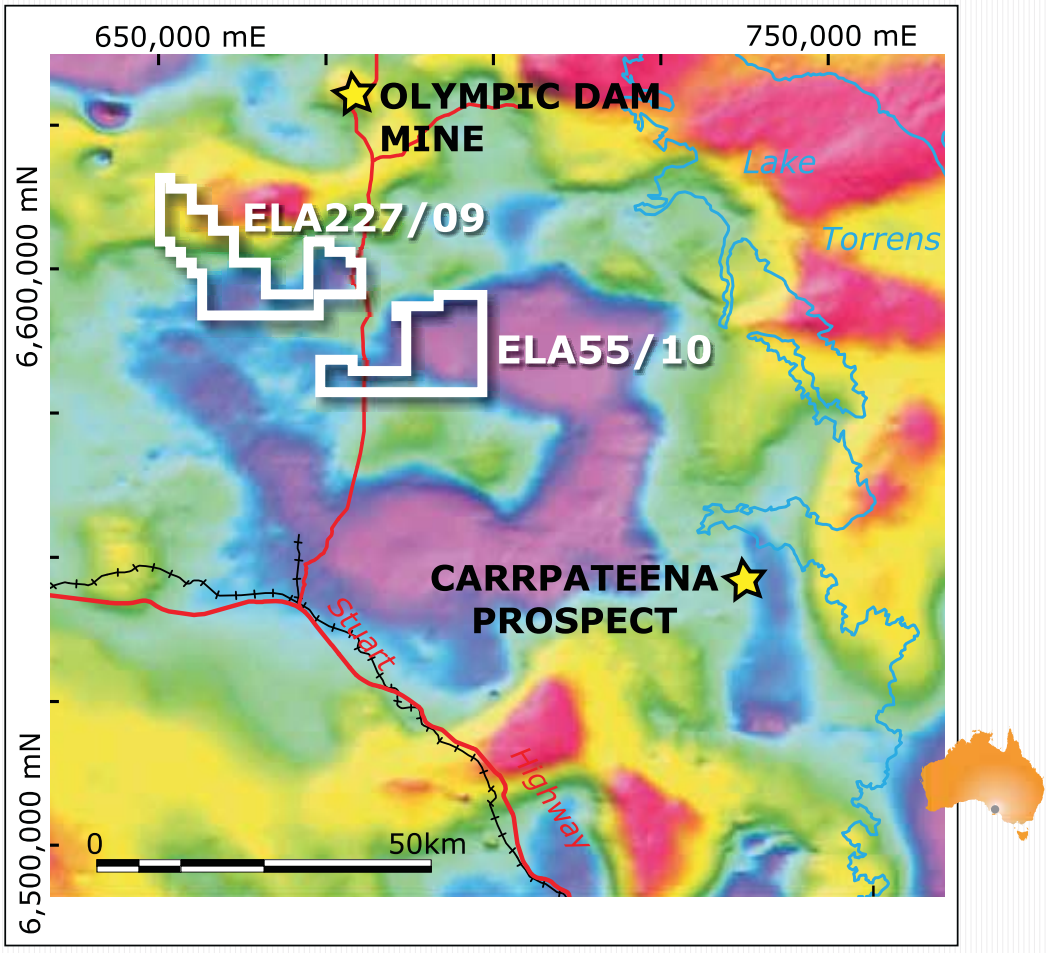



*Figure 3: Roxby Downs and Horse Well Tenements on Bouguer gravity image*

## 5.2.2 Projects Description (continued)

### MT PAINTER PROJECT

Mineralisation Styles

Breccia Complex Mineralisation/IOCGU

Palaeochannel Hosted Rollfront Uranium

Project Summary

The Mt Painter Project comprises one exploration license (EL 4569) covering 106km$^2$ adjacent to the Mt Painter Inlier, host to the large Mt Gee uranium project. Mt Gee is the fifth largest uranium deposit in Australia comprising an Inferred Resource of 47.0 Mt at 607ppm for 28.5Kt $U_3O_8$ and an Indicated Resources of 4.0Mt at 706ppm for 2.8Kt $U_3O_8$ (total resource of 51 Mt @ 615ppm). The region is well known for its numerous breccia complex uranium occurrences within the Mt Painter Inlier.

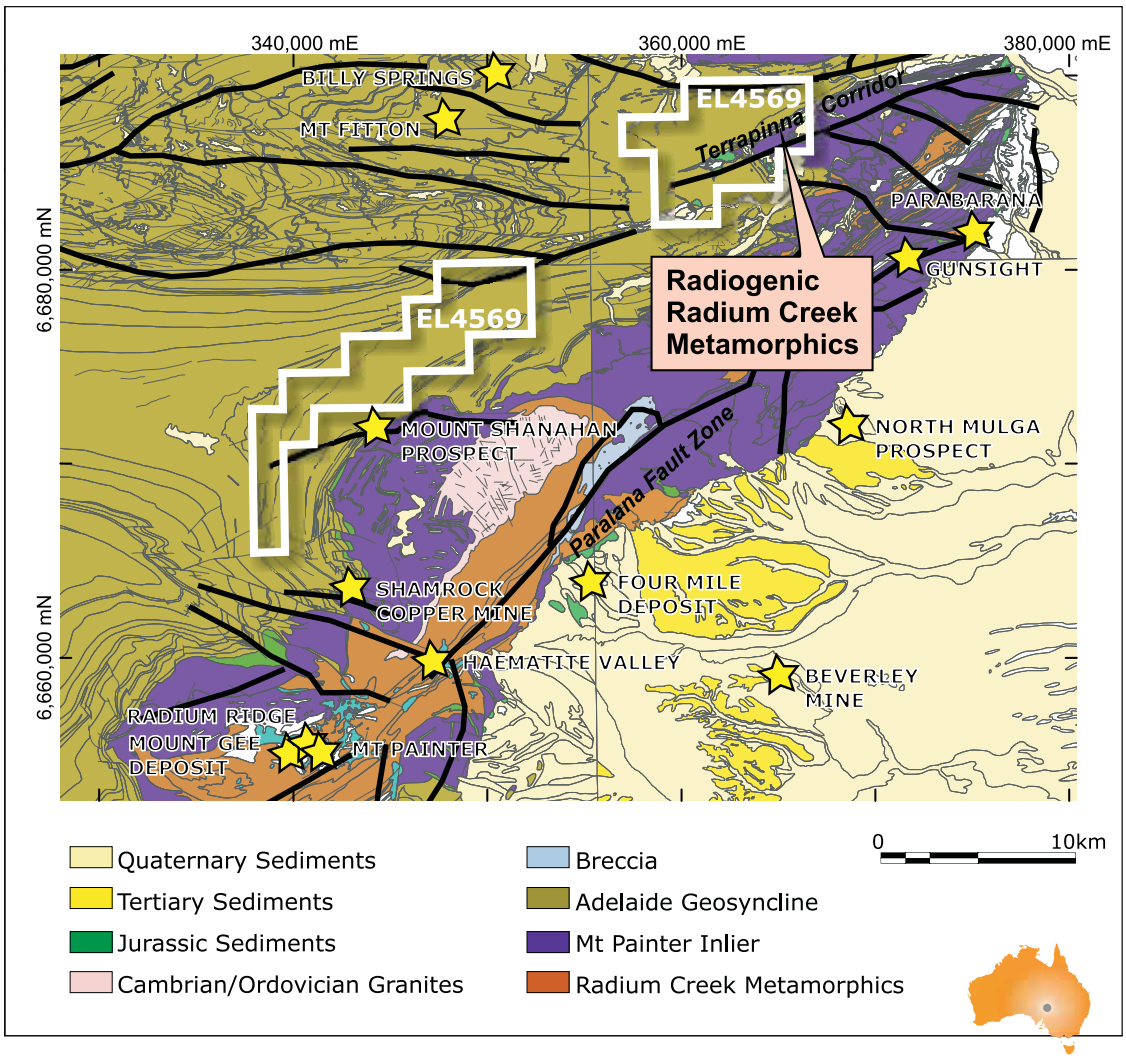



*Figure 4: Mt Painter Project on detailed geology*

The project area is located within 10km of Mt Gee and covers areas of Radium Creek Metamorphics and other prospective host rocks within the Mt Painter Inlier. The Radium Creek package of uranium-rich rocks are a very prospective exploration target for the Company's exploration activities.

The Company interprets that the large channel that drains the western margin of the uranium rich Mt Painter Inlier northward through the project area offers potential for secondary uranium mineralisation. Examples of nearby secondary uranium deposits are Beverley and Beverley 4-mile deposits on the east (Figure 4).

Potential for primary mineralisation is evidenced by anomalous uranium levels identified in by reconnaissance surface rock chips sampled in the northern block of the project. Some samples assayed over 50ppm uranium (Figure 5).

## 5.2.2 Projects Description (continued)

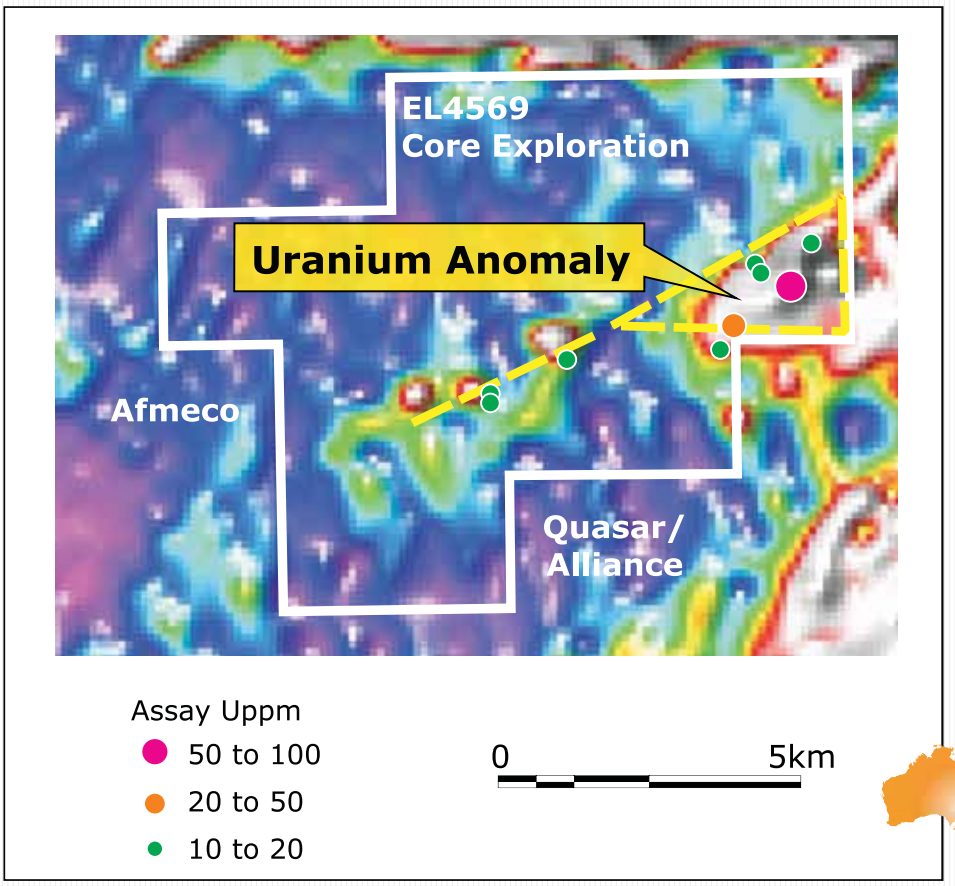



*Figure 5: Highly anomalous uranium levels in surface rock chip sampling, northern block, Mt Painter Project.*

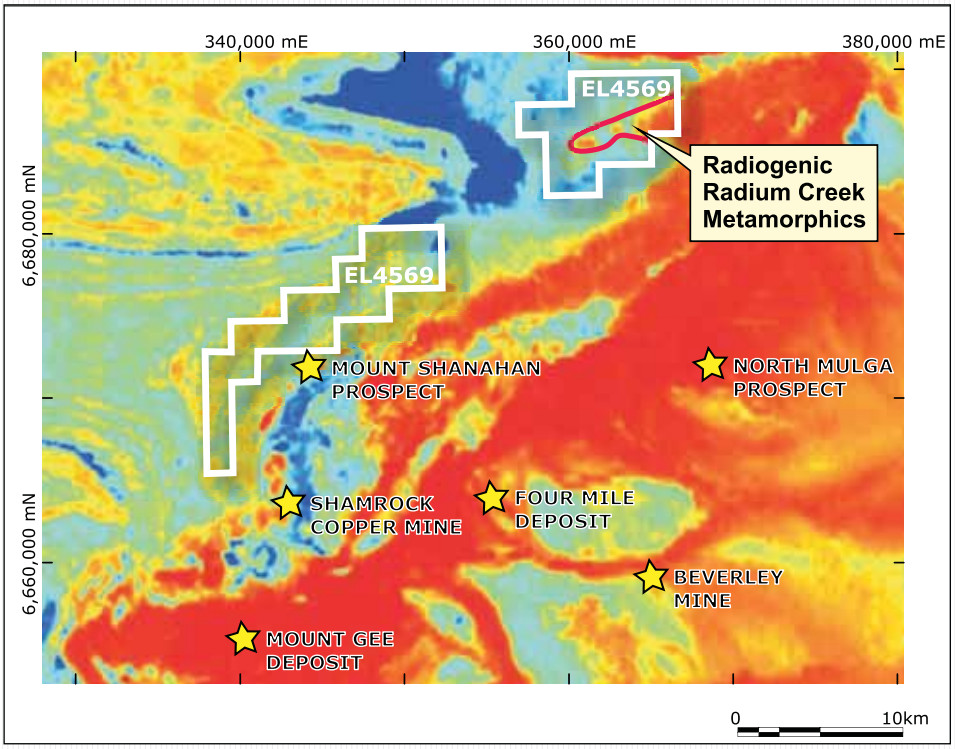



*Figure 6: Mt Painter Project on total count radiometrics*

## 5.2.2 Projects Description (continued)

### HONEYMOON SOUTH PROJECT

Mineralisation Styles

Palaeochannel Hosted Rollfront Uranium

Project Summary

The Honeymoon South Project comprises of two granted exploration licences that (EL 4174 and EL 4568) cover approximately 350 km$^2$ and is located 15km south of Honeymoon ISL uranium mine (owned by Uranium One joint venture with Mitsui) on the uranium rich Curnamona Craton.

Recent exploration has better defined the Yarramba Palaeochannel which hosts the Honeymoon uranium deposit and ISL mine. The Yarramba paleochannel now appears to lead upstream into EL4174 held by Sturt Exploration Pty Ltd (an entity that will be acquired by Core Exploration) (refer Figure 7).

The palaeochannel sediments within the Honeymoon South Project have drained from the same package of uranium-rich source rocks (Willyama Complex eg Radium Hill, Crockers Well) as the nearby Honeymoon deposit.

The Honeymoon South licences are highly prospective for various types of uranium mineralisation both in older basement rocks and in the overlying younger sediment.

The Company's exploration for sedimentary uranium will be directed at the prospective Yarramba palaeochannel and related palaeodrainage channels where it enter licence EL4174. There is also potential to trace known palaeochannels and to locate new channels in the southern area of the exploration licences.

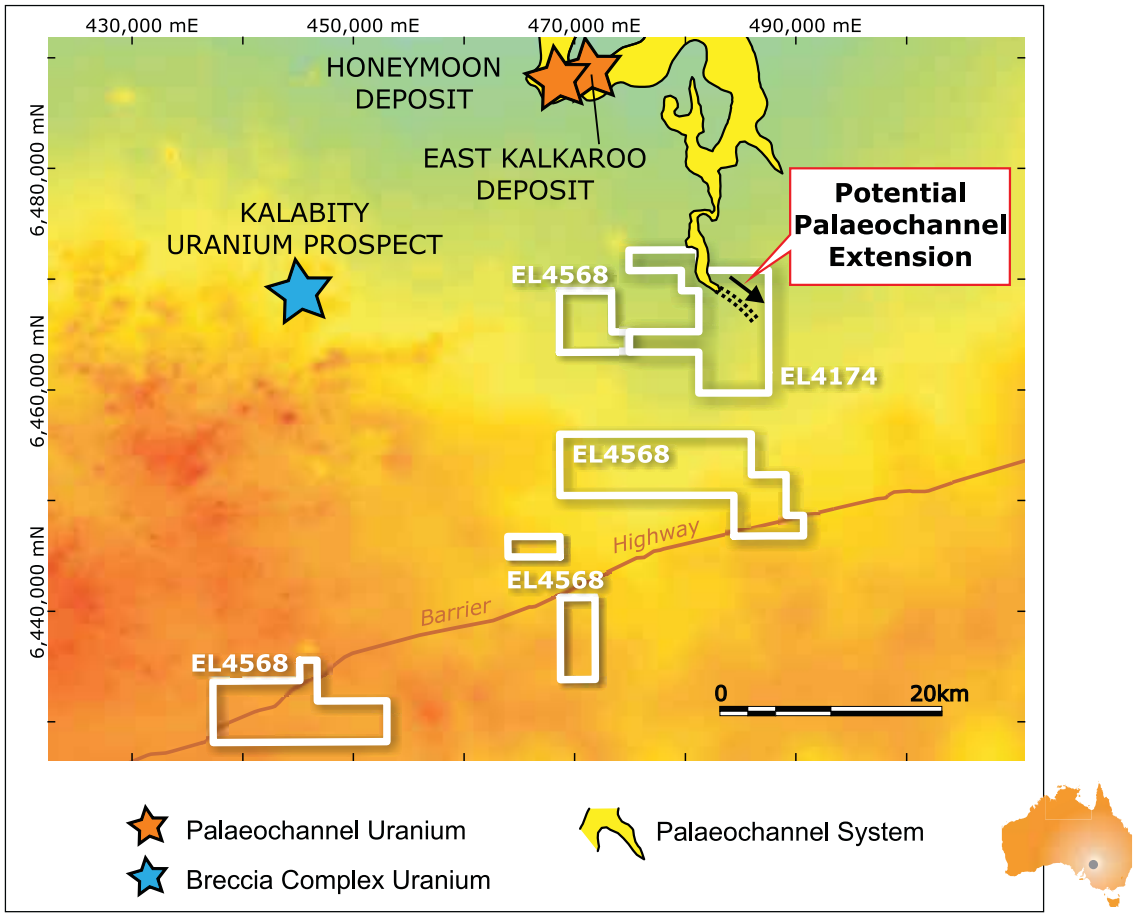



Figure 7: Honeymoon South Project, Honeymoon Mine and Palaeochannel Location, Curnamona Craton, South Australia

## 5.2.2 Projects Description (continued)

### FROME PROJECT

Mineralisation Styles

Palaeochannel Hosted Rollfront Uranium

Breccia Complex Mineralisation/IOCGU

Project Summary

The Frome Project comprises one exploration licence (EL 4379) coverings 331 km$^2$ within the area of the Beverley – Four Mile, Honeymoon, Goulds Dam and Oban roll front uranium mines and projects and is situated in a similar geological setting.

Roll-front uranium deposits are located to the northwest and southeast of the Frome licences and the Company considers it likely that palaeochannels, or even multiple palaochannels on different sedimentary horizons cross the licence area. There is the potential to locate roll-front type uranium mineralisation in these channels.

Exploration will comprise geophysical techniques to look for channels followed by shallow aircore or similar drilling with radiometric logging.

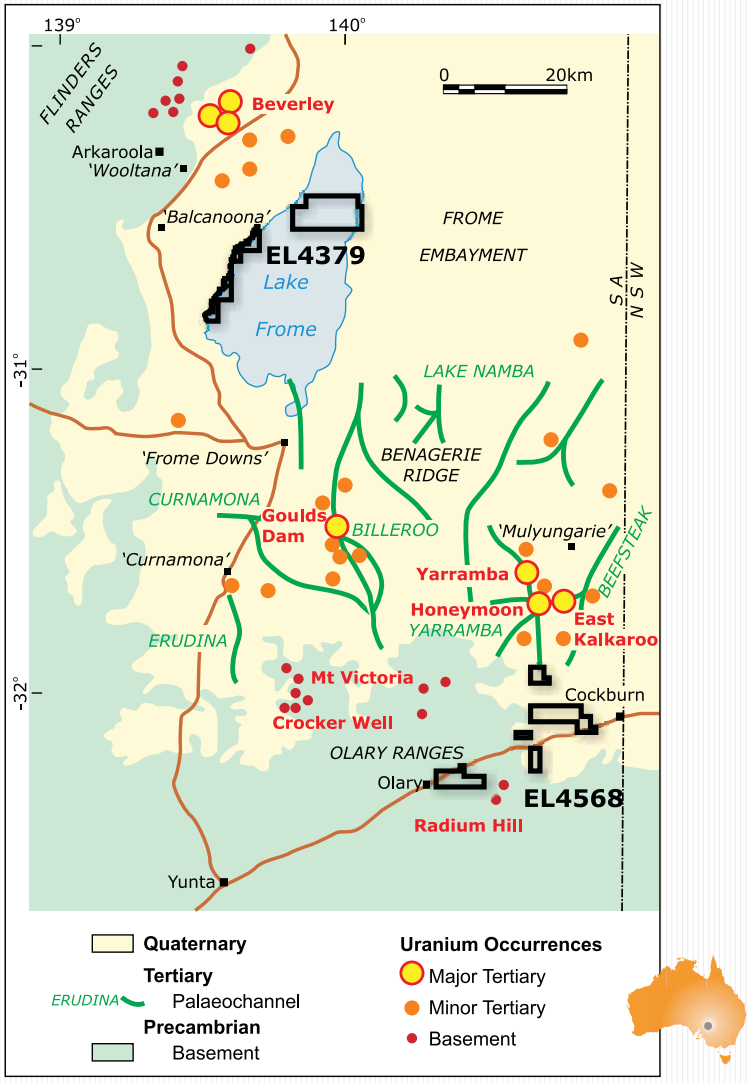



*Figure 8: Frome and Honeymoon South Project Location and Uranium Mines and Projects, Curnamona Craton South Australia*

## 5.2.2 Projects Description (continued)

### AMADEUS PROJECT

Mineralisation Style

Sandstone-hosted Rollfront Uranium

Summary

The Amadeus project comprises an exploration licence application in the Northern Territory within the Amadeus Basin. The Amadeus Basin was the centre of active uranium exploration during the 1970s, with the focus on roll front uranium mineralisation.

A number of significant uranium resources and occurrences were identified within the Amadeus Basin, including the Pamela Angela uranium projects held in joint venture by Cameco and Paladin. The Pamela and Angela uranium projects which are located along the northern basin margin approximately 10km west of the exploration licence application area and around 25km south of Alice Springs.

Past work in the Amadeus Basin has demonstrated the potential of the area to host significant uranium deposits. This coupled with the limited exploration undertaken during the past 20 years and the occurrence of anomalous zones at the Orange Creek Project indicates the potential for further roll front uranium mineralisation within the relatively under-explored southern parts of the basin, covered by the Amadeus Project.

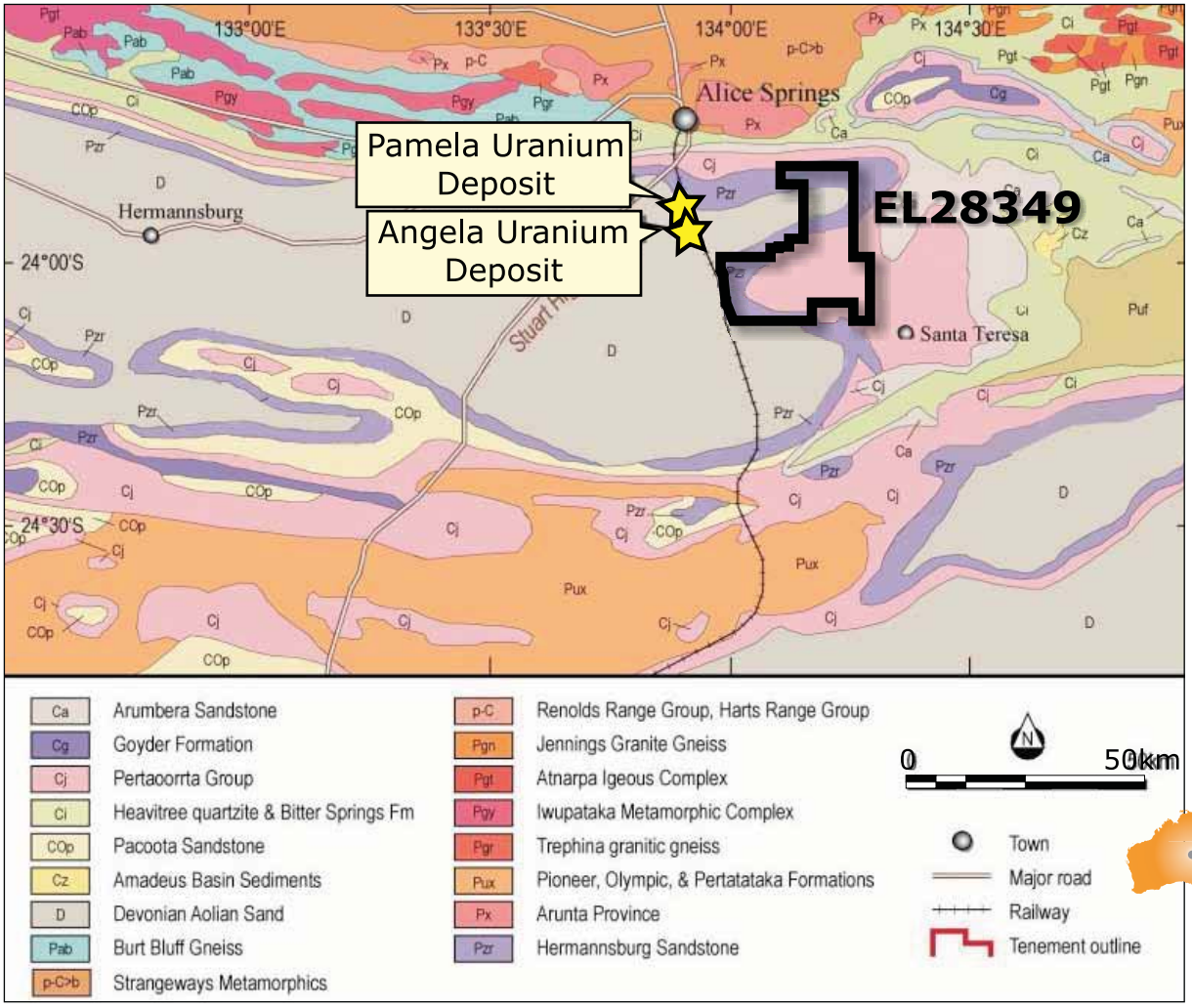



*Figure 9: Amadeus Project and Pamela Angela Uranium Deposit Location, Amadeus Basin, Northern Territory, Australia*

## 5.2.3 Exploration and Pre Feasibility Work Program and Budget

| | Minimum Subscription | | | Maximum Subscription | | |
|---|---|---|---|---|---|---|
| Project Costs | Year 1 | Year 2 | Total | Year 1 | Year 2 | Total |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Yorke Peninsula Copper | 375 | 525 | 900 | 450 | 675 | 1,125 |
| Honeymoon South | 200 | 225 | 425 | 200 | 325 | 525 |
| Mt Painter | 205 | 250 | 455 | 250 | 310 | 560 |
| Roxby Downs | 50 | 100 | 150 | 50 | 100 | 150 |
| Frome | 65 | 65 | 130 | 75 | 75 | 150 |
| Amadaeus, NT | 75 | 115 | 190 | 75 | 115 | 190 |
| Other Costs | | | | | | |
| Costs of the issue | 445 | - | 445 | 510 | - | 510 |
| Working Capital | 805 | 1,000 | 1,805 | 1,040 | 1,250 | 1,790 |
| TOTAL | 2,200 | 2,280 | 4,500 | 2,650 | 2,850 | 5,000 |
| | | | | | | |
| Total Project costs | 970 | 1,280 | | 1,100 | 1,600 | |

## Minimum subscription

| | Year 1 | | Drilling | | Year 2 | | Drilling | |
|---|---|---|---|---|---|---|---|---|
| Project | Geochem | Geophysics | AC/RAB | RC/DD | Geochem | Geophysics | AC/RAB | RC/DD |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Yorke Peninsula Copper | 50 | 75 | 100 | 150 | 50 | 50 | 150 | 275 |
| Honeymoon South | - | 50 | 150 | - | - | 50 | 175 | - |
| Mt Painter | 50 | 30 | - | 125 | 50 | 50 | - | 150 |
| Roxby Downs | - | 50 | - | - | - | 100 | - | - |
| Frome | - | 65 | - | - | - | 65 | - | - |
| Amadaeus, NT | - | 75 | - | - | - | 115 | - | - |

## Maximum subscription

| | Year 1 | | Drilling | | Year 2 | | Drilling | |
|---|---|---|---|---|---|---|---|---|
| Project | Geochem | Geophysics | AC/RAB | RC/DD | Geochem | Geophysics | AC/RAB | RC/DD |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Yorke Copper | 75 | 75 | 100 | 200 | 75 | 100 | 200 | 300 |
| Honeymoon South | - | 50 | 150 | - | - | 75 | 250 | - |
| Mt Painter | 75 | 50 | - | 125 | 75 | 60 | - | 175 |
| Roxby Downs | - | 50 | - | - | - | 100 | - | - |
| Frome | - | 75 | - | - | - | 75 | - | - |
| Amadaeus, NT | - | 75 | - | - | - | 115 | - | - |

Core Exploration's activities in Year 1 will focus on exploration of the Yorke Peninsula Copper Project in South Australia. Detailed geophysics and surface geochemical surveys will be used to define drill targets for drilling in Year 1.

Additional drilling in Year 1 is planned on Mt Painter and Honeymoon South Uranium Projects to follow up target areas identified by geochemical and geochemical surveys.

Regional and detailed geophysical surveys are initially planned on Roxby and Amadeus Projects once tenure has been granted.

## 5.2.4 Competent Person's Statement

The information in this report has been compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as a consultant to Core Exploration and who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. As a Competent Person, he has a minimum of 5 years relevant experience in the style of mineralisation and types of activities being reported and has given written consent to the above report in the form and context in which it appears.

Core Exploration has an experienced and proven team of Directors with excellent skill sets for driving value growth in the mining industry. They have worked together successfully as a team and also separately on a number of IPO's on the ASX including SNU, MOX, MEU, SAU, AXE, & GRL(EXR).

## 6.1 Directors

**Greg English, B.E. (Hons) Mining, LLB,**
**Non- Executive Chairman**

Greg is a qualified Mining Engineer and Lawyer with 20 years experience in multi-commodity projects throughout Australasia. Greg is currently a non-Executive Director of ASX listed Archer Exploration (AXE) and was a director of Gawler Resources (GRL) prior to its merger with Elixir Petroleum (EXR).

As a Mining Engineer Greg worked on numerous underground and open pit mines in Australia and gained a NT and WA First Class Mine Manager's Ticket. During this time Greg worked for many large mining companies (MIM, Shell Coal and Normandy Mining) in various mine production, mine planning, mine management, project management and various commercial and business development roles.

Greg is currently Team Leader of the Corporate and Commercial Team at Norman Waterhouse Lawyers which is one of Adelaide oldest and largest law firms.

**Stephen Biggins, MBA, BSc(Hons)Geol, MAusIMM**
**Managing Director**

Stephen has accumulated broad experience as a geologist and geophysicist in mineral exploration, development and mining throughout Australia and Internationally for 20 years. He has applied his MBA as the founding Managing Director of ASX-listed Southern Gold to the finance and management of exploration and resources projects. Stephen has also been a non-executive Director of uranium spin-out Southern Uranium (ASX:SNU).

Stephen has built prospective portfolios of gold, uranium, base metal and geothermal exploration projects throughout Australia and in SE Asia. These earliest projects provided the foundation for Southern Gold Ltd (ASX:SAU), which Stephen took to market through an Initial Public Offer (IPO) in early 2005.

Stephen, as the founding Managing Director of Southern Gold, raised equity finance to develop the Company's projects whilst attracting prominent major shareholders and a range of retail brokers and institutional investors. In addition, Stephen has negotiated Joint Ventures with corporate and government organisations from Australia, Canada, Japan and China.

Stephen was also a founding Director of ASX listed Southern Uranium Ltd (ASX:SNU) which was "spun-out" of Southern Gold in 2007.

**Michael Schwarz, BSc (Hons) Mining, AIG**
**Non-Executive Director**

Michael is a qualified geologist with 15 years experience in mineral exploration and prospectivity assessment. As the founding Managing Director of Monax Mining Ltd (MOX) he built a portfolio of multi-commodity projects including iron oxide copper-gold (IOCG), uranium, gold and base metals. Michael was also a founding Director of uranium explorer Marmota Energy Ltd (MEU) and managed the heavily oversubscribed IPO process from inception to listing on the ASX.

Michael has over 15 years experience in mineral exploration within industry and government. He has extensive experience on South Australian and Gawler Craton geology and mineralisation styles and has led research projects with the SA Government, Geoscience Australia and various universities.

As the former MD of Monax Mining Ltd (ASX:MOX), Michael has been responsible for building a portfolio of highly prospective tenements with a focus on iron-oxide copper-gold and uranium. From this base the company successfully listed on the ASX in 2005 with an oversubscribed $5 million IPO.

## 6.1 Directors (continued)

During his time with the company he was instrumental in the discovery of both the Punt Hill IOCG project and Waddikee Manganese Project with over $10 million of equity finance raised to develop these projects.

Michael was also a founding Director of Marmota Energy Ltd (ASX:MEU). He built a strong portfolio of prospective uranium tenements and successfully managed the heavily oversubscribed IPO process, raising a total of $15 million in 2007.

## 6.2 Management and Consultants

**Joshua Ward, BCom, CA, SAFin**
**Company Secretary**

Mr Ward is a qualified Chartered Accountant who has worked in various corporate roles in Australia, the UK and USA.

Mr Ward holds a Bachelor of Commerce Degree from the University of Western Australia, is a Senior Associate of the Securities Institute of Australia, and an Associate of the Institute of Chartered Accountants in Australia. After graduating from UWA he started his career at Grant Thornton Chartered Accountants, and once qualified worked with Grant Thornton UK based in Glasgow.

In 2007 Mr Ward joined Ventnor Capital Pty Ltd, a Perth-based corporate advisory firm where he has been involved in a number of company secretarial positions and ASX junior transactions; including the recapitalisation of Matrix Oil NL and reinstatement to the ASX as Emerald Oil & Gas NL, the recapitalisation of Atlantic Limited and the initial public offering of Transit Holdings Ltd and Bathurst Resources Ltd. Mr Ward has been closely involved with the mining and mining services sectors in Western Australia and has a strong commercial and financial reporting background.

Mr Ward is currently company secretary for Azimuth Resources Ltd (ASX: AZH).

## 6.3 Corporate Governance

The Company's main corporate governance policies and practices are outlined in its Corporate Governance Plan. The main objectives and policies included in the plant are outlined below:

### 6.3.1 The Board of Directors

The Company's Board of Directors is responsible for corporate governance of the Company. The Company's corporate governance policies and procedures can be viewed at its website www.coreexploration.com.au. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders; and

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

### 6.3.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

(a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and

### 6.3.2 Composition of the Board (continued)

(b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, however an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, has been committed to by the Board.

### 6.3.3 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### 6.3.4 Remuneration arrangements

The remuneration of an Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors is the subject of a Shareholder resolution in accordance with the Company's 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 limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of $300,000 per annum.

The Board may award additional remuneration to Non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

### 6.3.5 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### 6.3.6 Audit committee

The Company will not have a separate constituted audit committee. The full Board considers all matters for which the Directors are responsible. To assist the Board in fulfilling its responsibilities, the Board has adopted an audit committee charter.

### 6.3.7 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### 6.3.8 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

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# AL MAYNARD & ASSOCIATES Pty Ltd
## Consulting Geologists

www.geological.com.au (ABN 75 120 492 435)

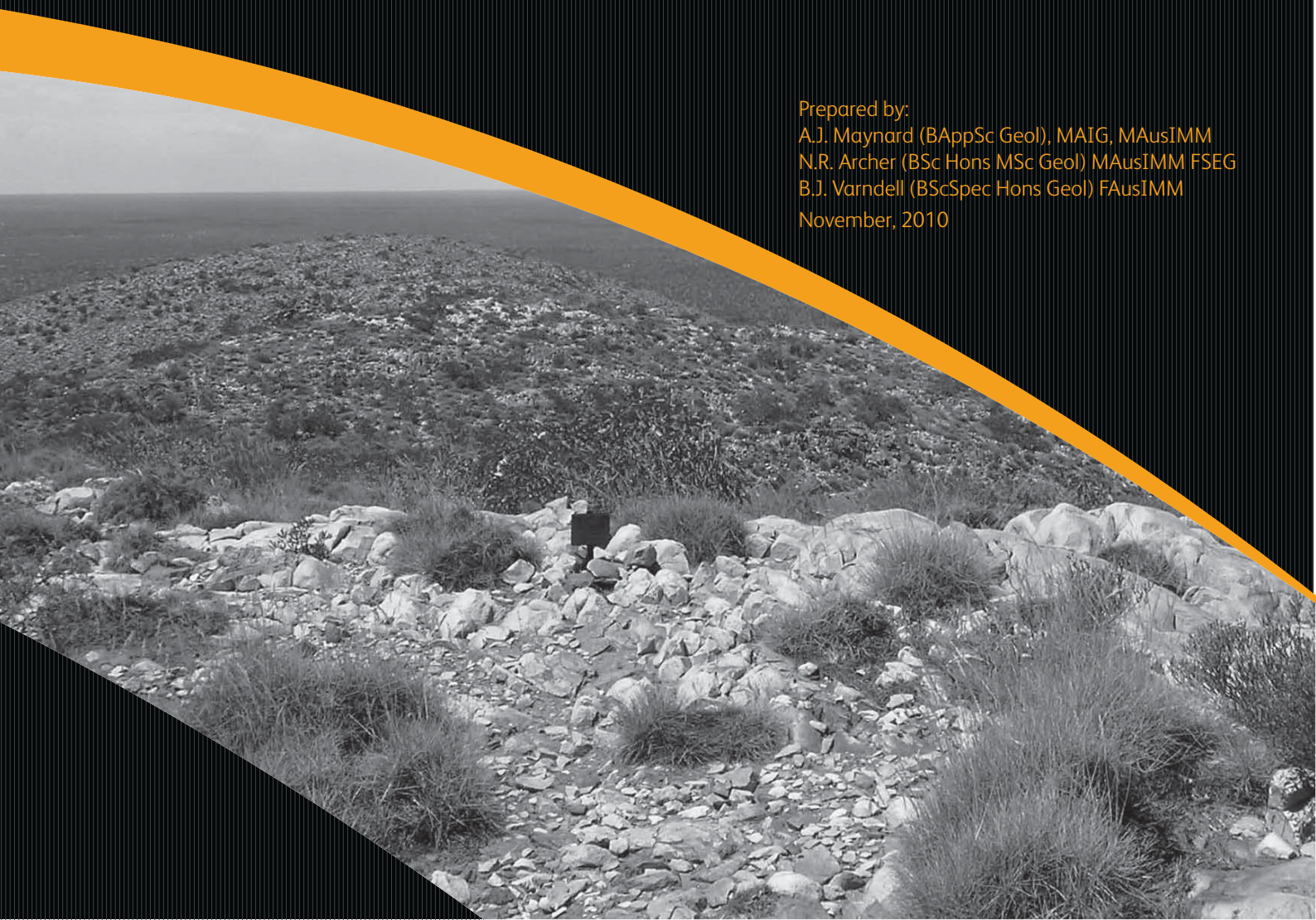
Australian & International Exploration & Evaluation of Mineral Properties

# INDEPENDENT GEOLOGICAL REPORT

Prepared for
CORE EXPLORATION LTD
INITIAL PUBLIC OFFERING

Prepared by:
A.J. Maynard (BAppSc Geol), MAIG, MAusIMM
N.R. Archer (BSc Hons MSc Geol) MAusIMM FSEG
B.J. Varndell (BScSpec Hons Geol) FAusIMM

November, 2010



## Executive Summary

Core Exploration Ltd ("Core") is a public unlisted company that has applied for and holds tenement areas in six regions in Australia and upon listing on the ASX will operate five projects in South Australia and one in the Northern Territory. The company intends to explore the six project areas for iron oxide copper gold uranium deposits (IOCG-U) and for sediment hosted, roll front uranium. The Core tenement portfolio includes five Exploration Licences ("EL") and three Exploration Licence Applications ("ELA") covering a total of 2,132km$^2$ (Fig 1).

## South Australia

The company's South Australian licences consist of the Yorke Peninsula, Honeymoon South, Mount Painter, Roxby Downs and Frome Projects. All have potential for IOCG-U or similar styles of mineralisation potential in basement rocks, although in some areas the depth of cover sediment may be prohibitive. Projects to be explored or evaluated for sedimentary, roll-front uranium include Honeymoon South, Lake Frome and the Yorke Peninsula.

## Northern Territory

Core's Amadeus Project consists of an exploration licence application where Core intends to explore for roll front uranium adjacent to known deposits.

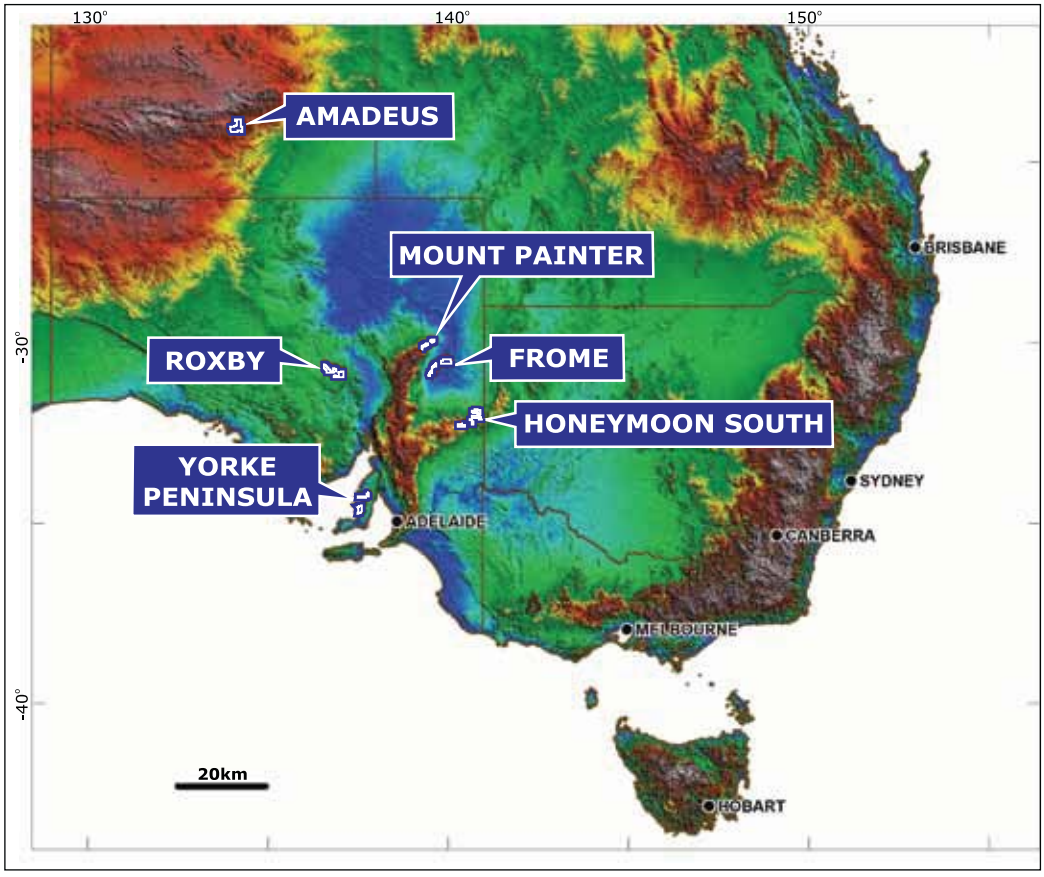



Figure 1: Core Exploration - Project Location Map

**A two year exploration budget of $2.7 million is proposed.**

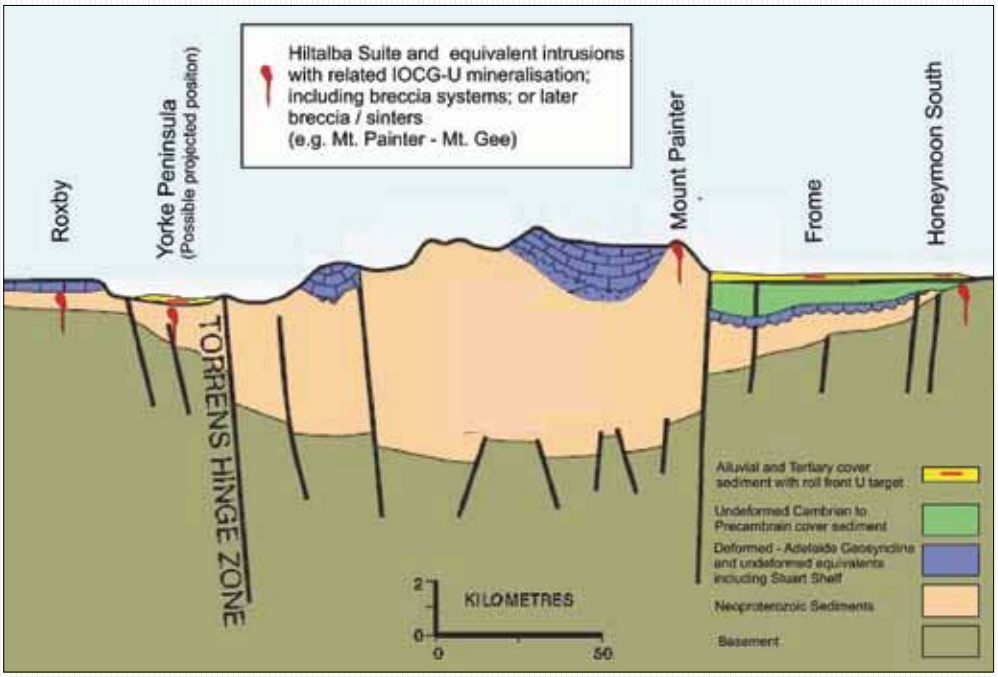



Figure 2: Diagrammatic cross section from Roxby to Honeymoon South.

*The not to scale figure shows the styles of Core projects and targets. The Yorke Peninsula Project's conjectured, relative position is included on the section to compare and characterise the "play". Alluvial and Tertiary cover sediment is shown with even greater vertical exaggeration than the older rocks.* Modified after Zang (2002).

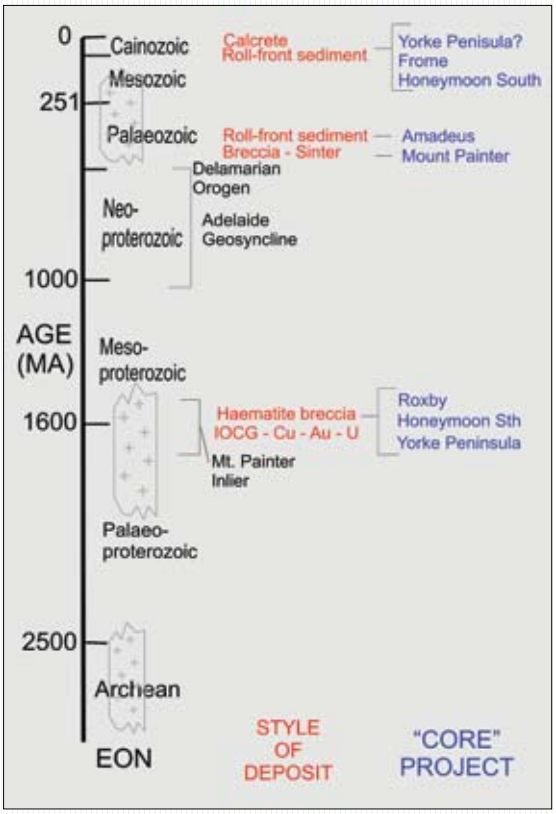



Figure 3: Diagrammatic time scale and Core Projects.

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The Directors,
Core Exploration Ltd,
Level 15, 45 Pirie Street,
Adelaide SA 5000

12th November, 2010

Dear Sirs,

## Preamble

At your request Al Maynard and Associates ("AM&A") have prepared this independent geological report on the mineral assets that Core Resources Ltd ("the Company" or "Core") either owns outright or holds as exploration licence applications. The tenements and applications are located in South Australia and the Northern Territory.

The Independent Geological Report set out in this Prospectus has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports (Valmin Code), the Joint Ore Resources Committee (JORC) Code and Guidelines for reporting on mineral exploration results and ore resources and the rules and guidelines relating to Independent Expert Reports set by the Australian Securities Industry Commission ("ASIC") and the Australian Securities Exchange ("ASX").

Any non-JORC statements given in this report have been reported in accordance with, and are consistent with, the guidance contained in Companies Update No. 11/07, issued on the 5th December, 2007 and Companies Update No. 05/04 dated 25th March 2004.

This report has been prepared for inclusion in a Prospectus to be issued by Core dated on or about 15th November, 2010 offering for subscription up to 25,000,000 Shares at 20 cents each to raise up to $5,000,000.

This report has been prepared by Allen J. Maynard, Noel R. Archer and Brian J. Varndell.

- Allen J. Maynard is the Principal of AM&A, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and a Member of the Australian Institute of Geoscientists ("AIG"). He has had 30 years experience in mineral exploration and evaluation and more than 25 years experience in mineral asset valuation.
- Noel R. Archer is an associate of AM&A, a qualified geologist, a Member of the AusIMM and Fellow of the Society of Economic Geologists. He has more than 30 years experience in mineral exploration, resource and reserve calculation and the evaluation of mineral properties.
- Brian J. Varndell (B.Sc.Spec Hons Geol) is an associate of AM&A, a qualified geologist and a Fellow of the AusIMM. He has more than 38 years experience in mineral exploration, resource and reserve calculation and the evaluation of mineral properties.

None of the writers nor any of their associates nor employees have any material interest either direct, indirect or contingent in Core nor in any of the mineral assets included in this report nor in any other Core asset nor has any such interest existed previously. No commercial relationship has existed between AM&A or its associates and Core prior to their appointment to prepare this Report.

AM&A has had no input into the formulation of any of the mineral tenements under review. This geological report has been prepared by AM&A strictly in the role of an independent consulting geologist. The present status of tenements listed in this report is based on information provided by Core and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development. Core has warranted to AM&A that full disclosure has been made of all material information in its possession or knowledge and that such information is complete, accurate and true. None of the information provided by Core has been specified as being confidential and not to be disclosed in our reports. As recommended by the Valmin Code, Core has indemnified AM&A for any liability that may arise from AM&A's reliance on information provided by Core or not provided by Core.

Fees for the preparation of this report are being charged at normal commercial rates with expenses being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions of these documents, nor on the outcome of the proposed listing of Core.

Site visits have been made to some of the project areas in the recent past for a previous client. Information used in the preparation of this report has been derived from technical information provided by Core and other publicly available data. The writers are generally familiar with the various geological settings and styles of mineralisation and combined with the technical data available are able to make informed comments on the project areas.

For the purpose of Sections 731 to 733 of the Corporations Law, AM&A were involved in the preparation of the Independent Consulting Geologists' Report included in this Prospectus, and have authorised or caused the issue of this part of the Prospectus only. AM&A has given consent in writing to the issue of the Prospectus with this Independent Report included in the form and context it was provided and has not withdrawn that consent before the lodgement of the Prospectus with the Australian Securities and Investments Commission ("ASIC").

We are of the opinion that:

- Core has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the stated objectives of the Company; and
- exploration work (including our compilation and review and interpretation of all available geotechnical data) in the last two years to justify the budgeted exploration and expenditure program.
- Core's exploration programs are included in the report and have been phased over two years, but they may be altered in view of results gained which could revise the emphasis of current priorities.

AM&A observes Section 947B of the Corporations Act 2001 (Cwlth). In accordance with Corporations Regulation 7.6.01(1)(u) and Corporations Amendment Regulations 2003 (No. 7) 2003 No. 202, this Independent Consulting Geologists' Report is not financial product advice but is intended to provide investors with expert opinion on matters relevant to an investment in the Company. Allen J Maynard and AM&A are not operating under an Australian financial services licence and the advice in this Independent Consulting Geologists' Report is an opinion on matters other than financial products and does not include advice on a financial product.

Yours faithfully,

Allen J. Maynard BAppSc (Geol), MAIG, MAusIMM.

# 1.0 Yorke Peninsula Project

## 1.1 Introduction

The Yorke Peninsula Project consists of exploration licence EL4177 which consists of three parts and is located on the central and western side of the Yorke Peninsula near the towns of Port Victoria, Maitland and Arthurton.

## 1.2 Location and Access

The licence covers gently undulating farmland with some sand hills on the Yorke Peninsula of South Australia. Cereal cropping predominates while some of the steeper ranges are non-arable. As the tenement is within an agricultural district agreements from landowners is required in order to complete exploration activities while Native Title has been extinguished. Access is good with sealed roads and farm roads accessing most areas.

## 1.3 Tenure

The Yorke Peninsula Project area comprises EL4177 which covers 243km$^2$ and consists of three parts.

| Tenement Number | Locality | Current Holder | Applied | Status | Area (km$^2$) |
|---|---|---|---|---|---|
| EL4177 | Maitland | Sturt Exploration Pty Ltd | 25/08/08 | Renewal Application Pending | 243 |

Table 1: Tenement Details for the Yorke Peninsula Project.

## 1.4 Geology

### 1.4.1 Regional Geology

The region is part of the Moonta tectonic subdomain situated close to the Torrens Hinge Zone that defines the eastern margin of the Gawler Craton. It comprises the Wallaroo Group, a thick sequence of Palaeo-Proterozoic volcano-sedimentary rocks deposited in an intracratonic basinal setting. The rocks were intruded by the Tickera and Arthurton Granites during the Hiltaba Thermal Event at near 1600-1575Ma.

Metamorphic grade varies from lower amphibolite facies to greenschist facies. Various types of faults are present ranging from brittle to ductile and which have a dominant east-northeast trend while the Torrens Hinge Zone, the major structural lineament that separates the Neo-Proterozoic Adelaide Fold Belt from the Palaeo-Proterozoic Gawler Craton, has a north-northwest trend.

### 1.4.2 Local Geology

Tertiary to recent cover sediment is present at usually more than 25m thickness over the entire area and palaeochannels which cut the uranium enriched basement rocks are known.

Since there is a blanket of cover sediment and limited basement outcrop the geology of the area is not well known and has been interpreted from geophysical data, limited drilling and mine and coastal exposures. Beds are folded and are usually steep and occasionally overturned. Shearing is common and defined by coarse biotite and metasomatic products.

Intense iron rich calc-silicate and red-rock (albite-hematite) metasomatism associated with the Hiltaba Suite intrusive rocks are pervasive throughout the district. Other accompanying alteration minerals include magnetite, biotite, apatite, sulphide, alkali feldspar, kaolin and rare sericite.

## 1.5 Copper–Gold-Uranium Mineralisation

The region has historically been a very significant producer of copper and gold. Mines operated in the Moonta and Wallaroo areas from 1860-1923 and from 1986-1994 with an estimated total production of 6.7Mt at 5.21 % Cu and 0.5–1.0 g/t Au. Numerous prospects are scattered throughout the district and include Cu – Au - (U) - (Mo) - (Co) and Pb - Zn mineralisation. The Hiltaba Thermal Event is the most likely source of fluids that have formed the economically significant mineralisation in the area.

A number of styles of uranium and associated mineralisation are known in the Wallaroo-Moonta region and north of Tickera uranium mineralisation is intimately associated with copper-gold mineralisation and hydrothermal fluids emanating from the Tickera and Arthurton Granites. Uraninite, thucolite and torbernite occur as accessory minerals in the Wallaroo-Moonta Mines and are locally enriched in close proximity to the Tickera Granite in the West Alford prospect.

## 1.6 Previous Copper-Gold-Uranium Exploration

Modern exploration over the current tenement area commenced in 1962 when Western Mining in joint venture with North Broken Hill, Gold Mines of Australia Ltd and Broken Hill South started work. Various other companies have explored as tabulated below while a compilation of previous work by Straits in 2004 highlighted that all of the geochemistry is of suspect value due to the depth of cover, which is interpreted to be at least 10m in most areas, and to probable contamination from mine waste used to make roads. Some of the coincident Au and Cu anomalies that are apparent within the current area of EL4177 from this work may have been discounted for this reason. It was noted that surface geochemistry did not detect known mineralisation, including Tea Tree Glenn where there is 30-40m of cover and Hillview where there is less than 10m of sand cover.

BHP RAB drilling was reinterpreted and it was concluded that even though the holes were only sampled in the 1–2 metre interval of cover directly above basement, areas of interest of limited extent were defined by Au. Basement contour depths were generated using BHP RAB drilling. Straits further concluded that there is good IP coverage over the tenement by previous operators (mainly WMC) and that all strong IP anomalies had been drill tested. Airborne EM is ineffective due to saline groundwater.

Mineralisation overprints an earlier pervasive, variably developed, pink/red feldspar alteration (mainly albite), which is interpreted as a regional event with no relationship to mineralisation. The association of Cu–Ni–Co–Ag–Ce–P–(U) was assessed as unusual and a range of sources for the mineralising fluids were conjectured, including carbonatites and alkali igneous complexes. The Cu-Ni-Co association is often indicative of a mafic or ultramafic source. Although Red Metal subsequently completed exploration targeting this unusual style of mineralisation the work appears to be not comprehensive and potential remains.

| Company | Date | Work Conducted |
|---|---|---|
| Western Mining in joint venture with North Broken Hill, Gold Mines of Australia Ltd and Broken Hill South | 1962 to 1977 | Extensive ground magnetic and IP surveying, auger drilling and diamond drill testing of selected anomalies. |
| Esso Australia Ltd and Pegmin Pty Ltd | 1979 to 1981 | Explored EL00525 for Arnhem Land style uranium, including over the ground now held by Core. The work was not successful in locating a Middle Proterozoic unconformity. This included four, very shallow, less than 5m deep holes, in the two northern blocks of Core EL4177. |
| Dampier Mining Co. Ltd; BHP Minerals Ltd and CRA Exploration Pty Ltd | 1979 to 1986 | Explored the southern block of the Core EL4177. Intensive base metal and limited Permian coal exploration work comprised seismic reflection, ground magnetic, radiometric, gravity, Sirotem, radon gas detection and ground EM surveys, plus rock chip sampling. Ten bedrock geochemical holes were RAB drilled within the area of EL4177. Minor Mississippi Valley type lead-zinc mineralisation (galena, sphalerite, pyrite, chalcopyrite) was encountered. The drilling showed that prominent gravity and magnetic anomalies are caused by shallow, unmineralised, magnetically dense basement lithologies. CRA entered into joint venture with BHP principally to investigate a number of circular magnetic features for possible kimberlite or carbonatite affinity. |
| BHP Minerals Ltd and CRA Exploration Pty Ltd | 1981 to 1987 | Exploration for base metals and uranium. Aerial magnetic and radiometric surveys, ground gravity, ground magnetics, Sirotem and radon gas surveys. Limited rock chip sampling and percussion (or rotary air blast - RAB) drilling included near 60 holes in the Core ELs. A trial geophysical INPUT survey was flown. |

## 1.6 Previous Copper-Gold-Uranium Exploration (continued)

| Company | Date | Work Conducted |
|---|---|---|
| Mount Isa Mines Ltd, Xstrata Pty Ltd and Straits Exploration (Australia) Pty Ltd | 1992 to 2004 | Explored for Moonta / Wallaroo lode style Cu, Olympic Dam hematite associated Cu/Au and magnetite associated Cu/Au Fe-oxide associated Olympic Dam style Cu-U-Au deposits. One of the two gravity surveys they completed, the Weetulta survey, where drill testing was completed to follow up a Sirotem survey generated anomaly and gravity and magnetic anomalies, is near but to the north of EL4177. Geochemistry was completed over the entire licence and depth to basement was interpreted as being less than 30m in the EL4177 area. Subsequent work determined that mine waste, sourced road base had resulted in a number of spurious anomalies. |
| Red Metal Ltd | 2004 | Cu – Ni - Co rare earth element mineralisation exploration over the area now held by Core. The work was focused where historical drilling had encountered this style of mineralisation within sulphide-rich intervals in highly altered metasediment sequences in areas outside of the Core EL. Calcrete soil sampling was conducted over regional magnetic low features. This was followed by aircore traverse drilling across selected high Ce and Co geochemical anomalies. |

Table 2: Summary of Exploration Conducted on EL4177.

## 1.7 Exploration Potential

Potential exists in the district for mainly Iron Oxide/Skarn Cu–Au-U mineralisation, including IOCG-U Style, with lesser potential for Volcanogenic Massive Sulphide and Sediment Hosted Base Metal mineralisation. The recent IOCG Cu/Au discovery by Rex Minerals at Hillside on the eastern side of the peninsula confirms the areas potential and highlights that past exploration, although substantial, has not exhausted all discovery opportunities.

Hillside is located on a major, near north-south lineament while predominantly north-northeast striking splays off this structure may also be controls of mineralisation. Coincident magnetic and gravity highs on structural breaks and particularly intersections of breaks which can be located using magnetic imagery continue to present valid targets. At Hillside the best mineralisation occurs below 200m. The opportunities for new discoveries therefore remains significant due to; most of the area being obscured by the cover sediment; much of the past exploration being completed prior to modern under cover exploration techniques being developed; that at least one geophysical technique (EM) is at best partially effective due to saline ground water; and the fact that relatively few drill holes have tested below 200m depth. In addition effective shallow geochemical drilling to test below regolith coverage is not extensive in many areas and is probably not effective, particularly where there is deeper cover and can be complicated where mine waste has been used as road base causing spurious anomalies. In some places calcrete sampling locates mineralisation due to scavenging and enrichment and there may be potential for secondary type uranium deposits in calcrete, including buried calcrete, and other cover sediment where redox and other conditions are favourable. At least some of the conditions that exist in the Honeymooon and Beverley areas, such as uranium enriched source rocks cut by palaeochannels, are known to be present in the area and redox conditions do not appear to have been assessed fully in existing drilling.

## 1.8 Proposed Exploration Program and Budget.

The depth to Meso-Proterozoic basement and potential mineralisation within the EL4177 area is generally less than 50m with the possibility of a few hundred metres of cover in only the most southern part of the southern sub-block. Almost all of the licence is usually covered by more than 25m of alluvium and sediment and previous drill holes were only drilled to the top of the basement rocks and not completely sampled.

Following further compilation target areas with potential for basement and secondary sediment mineralisation will be selected for more detailed work which can include; detailed ground gravity and magnetic surveys to define bedrock targets; shallow seismic and or radar to look for Tertiary palaeochannels and to map the depth of cover; surface geochemistry; using MMI technology assay; shallow geochemical drilling such as aircore; and analyses of water from new and any existing drill holes looking for dispersion haloes associated with mineralisation.

## 1.8 Proposed Exploration Program and Budget (continued)

Where coincident soil, gravity and magnetic anomalies are identified RC and diamond drill testing will be required. This drilling may initially be less than 200m deep but where some signs of mineralisation are encountered holes will need to be deeper than 200m to fully test targets.

Traverses of shallow air core drill holes will be completed across selected targets together with regional scale traverses at an early stage. These holes will be carefully logged and sampled in order to better understand the nature of cover sediment, the redox conditions of different horizons as well as to look for dispersion anomalies potentially from either sediment or bedrock mineralised sources.

There will be various non direct exploration activities required to support this work including liaison with the various landholders and other community stakeholders.

The proposed work program expenditure for the project is presented below.

| ACTIVITY | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Geological, Mapping, geochemistry | 75 | 75 | 150 |
| Geophysical surveys | 75 | 100 | 175 |
| Drilling- AC / RAB | 100 | 200 | 300 |
| Drilling- RC, Diamond | 200 | 300 | 500 |
| TOTAL | 450 | 675 | 1,125 |

Table 3: Yorke Peninsula Project Proposed Exploration Budget.

# 2.0 Honeymoon South Project

## 2.1 Introduction

The Honeymoon South Project consists of two granted ELs located to the south of the Honeymoon Mine and of the Junction Dam uranium prospect being explored by Marmota Energy Limited. Much of the area is covered and there is potential for locating palaeochannels which host roll-front style uranium. In addition there is some remaining potential to locate IOCG-U style Au–Cu-U deposits in the underlying basement rocks.

## 2.2 Location and Access

The tenements are located in South Australia in an arid area of predominantly flat terrain consisting of shrubland on sheetflow plains and rises. It is approximately 250km west of Broken Hill and the licences straddle the Barrier Highway which joins Adelaide and Port Augusta to Broken Hill. The main trans-Australia railway runs beside the road. There are a few dirt roads into the area while access to most areas can be achieved by four wheel drive vehicle along tracks or across the generally flat lying country. Most of the project area is of low relief and vegetation is sparse, due to the semi-arid climate.

## 2.2 Location and Access (continued)

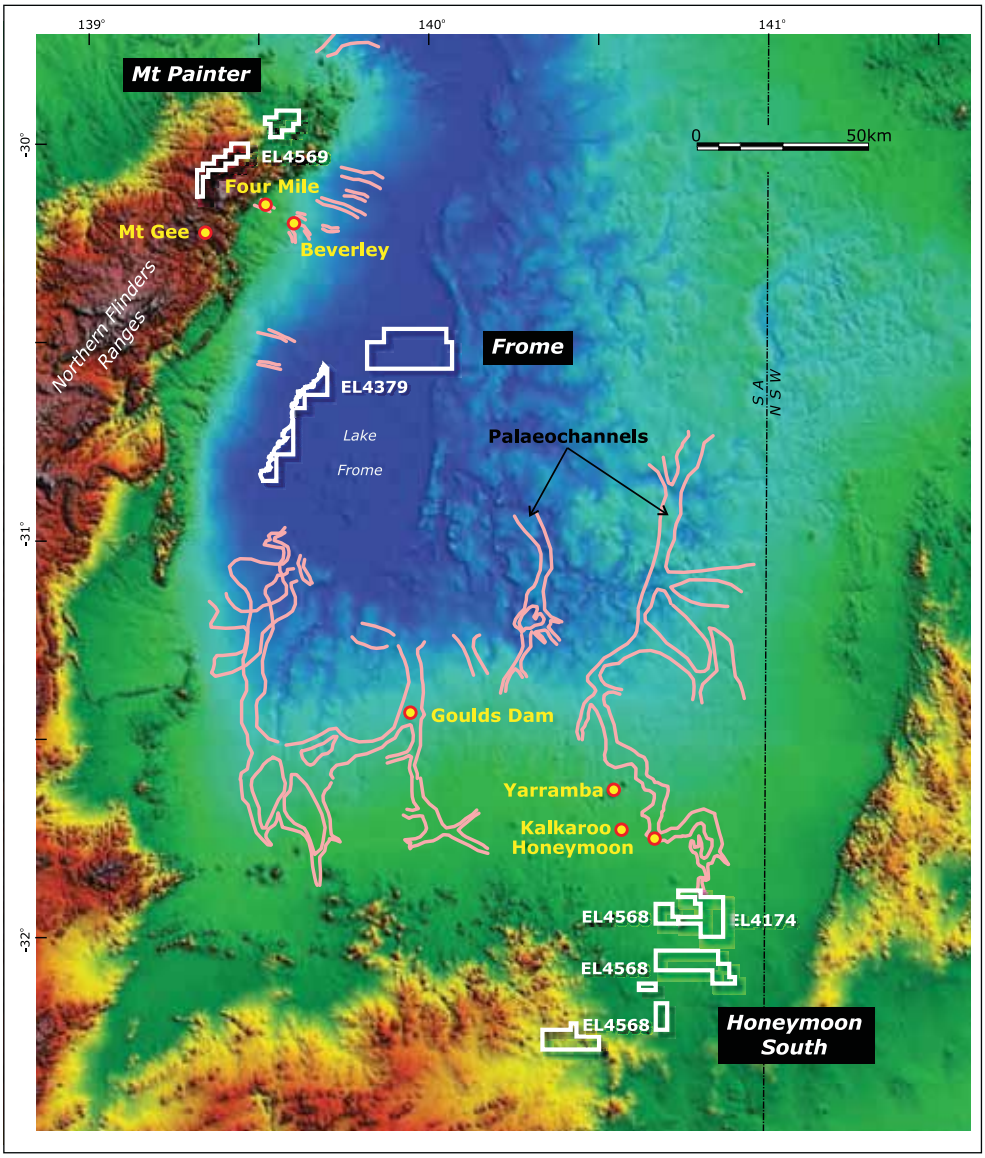


Figure 4: Digital Terrain Model, Core ELs and ELAs.

*Selected Uranium Mines and Prospects (data supplied by Department of Primary Industries and Resources, South Australia) and some Palaeochannels, which can occur on multiple horizons are shown. Mount Painter, From and Honeymoon South Project areas are shown. Modified after Wilson and Fairclough (2009) and Teasdale et al. (2001).*

## 2.3 Tenure

The Project consists of two granted ELs covering 358km$^2$. EL4174 covers 96km$^2$ while EL4568 consists of five parts, including a sub-block which adjoins EL4174, and covers 262km$^2$.

| Tenement Number | Locality | Current Holder | Applied | Status | Area (km$^2$) |
|---|---|---|---|---|---|
| EL4174 | Bundera Well | Sturt Exploration Pty Ltd | 25/08/08 | Renewal Application Pending | 96 |
| EL4568 | Olary | Sturt Exploration Pty Ltd | 20/09/09 | Granted Expiry Date 19/09/2011 | 262 |

Table 4: Honeymoon South Project Tenements.

## 2.4 Geology

### 2.4.1 Regional Geology

The project is located in the Olary Domain of the Willyama Supergroup along the southern boundary of the Curnamona Craton. Basement rocks consist of Early-Proterozoic metamorphic sediments of the Willyama Supergroup intruded by Mesoproterozoic igneous rocks. The Willyama Supergroup rocks are near the same age but older than the Mount Painter Inlier rocks to the north and equivalent in age to Broken Hill Domain rocks to the east but with better developed older, auriferous, oxidised, volcano-sedimentary rocks of the Curnamona Group. The Mesoproterozoic rocks consist of granite intrusions and volcanic and sedimentary rocks of equivalent age to the Olympic Dam related Hiltaba Suite of the Gawler Craton. The basement rocks, with the exception of some Mesoproterozoic rocks, are variably affected by metamorphism and range from lower greenschist facies to granulite.

The basement rocks are overlain by Early Cretaceous and younger sediment, including Neogene alluvial and aeolian and terrigenous sediments which form a blanket ranging in thickness from less than a few metres close to the ranges to over 250m in the northwest.

### 2.4.2 Local Geology

Most of the area of the Honeymoon South exploration licences is covered by flat lying alluvium of varying depth with potential for covered Tertiary aged palaeochannels to be present. The Yarramba Palaoechannel is interpreted to be present in EL4174.

The thick, sulphidic Portia Formation, which hosts epigenetic Cu-Au-Mo mineralisation at the Kalkaroo and Portia prospects, is present in the Mulyungarie Domain located immediately to the north of the exploration licences, while the Bimba Formation within the Olary Domain in the area of the licences is a possible equivalent.

Basement rocks with IOCG-U potential underlie variable depths of cover in the licence areas. In some areas there is little to no cover sediment.

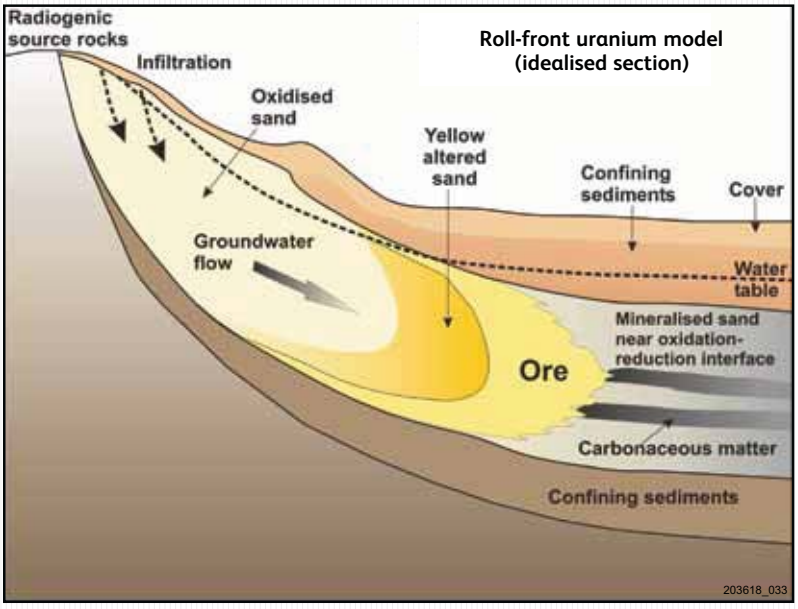


Figure 5: Roll Front Uranium Model from Hou et al (2007).

## 2.4.2 Local Geology (continued)

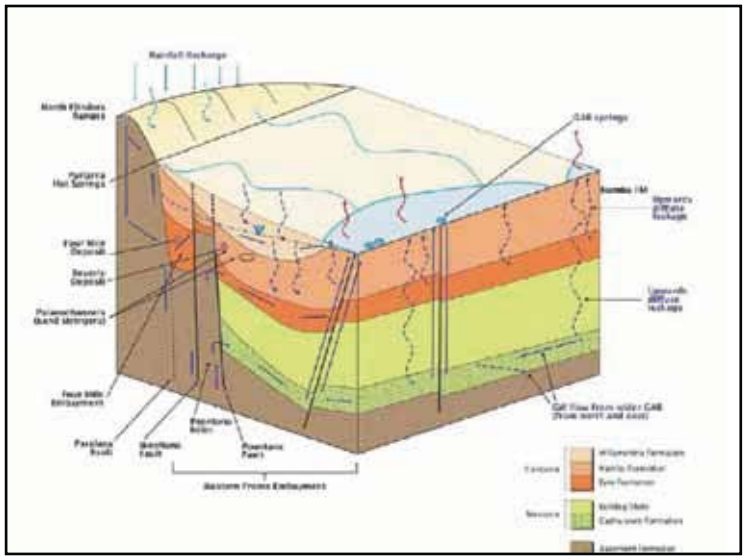

Figure 6: Conceptual diagram of Beverley and Four Mile Uranium Deposits.

As included in Wilson and Fairclough (2009). Strong Vertical exaggeration.
The Honeymoon deposit is, like Four Mile, hosted by the Eyre Formation.

## 2.5 Copper–Gold-Uranium Mineralisation

The Honeymoon South licence area is prospective for various types of uranium deposits in older basement rocks and highly prospective for roll-front uranium in the overlying young sediment.

In the basement rocks Mesoproterozoic granites are enriched in uranium. U, Th and REE mineralisation occurs in veins, shears, stockworks and breccias. For example it is hosted by pegmatite in shear zones at the Radium Hill Mine and granitoid of unusual sodic, leucocratic character at Crocker Well. There is also potential for IOCG-U mineralisation in high-level, possible Palaeozoic hydrothermal breccias of the Olympic Dam style, similar to those at the Mount Painter–Mount Gee deposits.

Uranium mineralisation is also present in the younger sedimentary cover occurring as 'roll front', redox controlled deposits. Multiple palaeochannel horizons at various ages and depths occur. Proven Tertiary aged endowed horizons are the Eocene Eyre Formation and the Miocene Namba Formation alluvial sediments. World-class deposits and prospects include the Beverley, Honeymoon, Gould's Dam, Four Mile and Oban deposits. Mobilised uranium weathered from uranium-rich, peripheral basement has circulated in groundwater through porous strata and precipitated when it reached a reducing environment, such as carbonaceous sandstone.

The Honeymoon Deposit is located on a pronounced bend in the Yarramba Palaeochannel and is hosted by subhorizontal permeable sands of the Eocene Eyre Formation. Geometry of the Yarramba Palaeochannel is strongly controlled by the stratigraphy and structure of the underlying basement. Up to 50m of Eyre Formation sediments occurs as three sand members separated by clay layers which were subsequently overlain by impermeable Miocene clays of the Namba Formation. The Four Mile deposit is in a similar setting while the Beverley Deposit formed within the overlying Namba Formation. The Tertiary sediments of the region have been blanketed by approximately 30m of Quaternary sediments. At Honeymoon mineralisation is situated within 'basal sands' at depths between 100-120m with a length of approximately 1km, maximum widths up to 400m and extending over an area of 0.21km$^2$.

## 2.6 Previous Copper-Gold-Uranium Exploration

Exploration for sedimentary uranium deposits in South Australia commenced in the late 1960s, with an emphasis on Cainozoic sediments adjacent to regions of uranium-enriched Proterozoic igneous rocks in the Gawler Craton and Curnamona Province. Following the discovery of the Beverley Deposit in 1969 there was a rapid increase in uranium exploration, resulting in the further discovery of several small but significant resources of uranium in Cainozoic sediments. In recent years there has been resurgence in uranium exploration activity with the ability to apply modern exploration methods.

Between the Honeymoon deposit and the Core ELs, Marmota Energy, in joint venture with Teck Australia Pty Ltd (Teck), PlatSearch NL and Eaglehawk Geological Consulting Pty Ltd, has better defined the Honeymoon hosting Yarramba Palaeochannel and related drainages and encountered uranium mineralisation at Junction Dam where exploration and definition drilling is currently in progress. It is now interpreted that the channel leads upstream into EL4174 held by Core. Uranium exploration is also being conducted by other, nearby licence holders.

Known mineral occurrences and workings for Cu, Mo, U (and Th), Au, Pb, Zn are widespread in the Willyama Inlier basement rocks. Exploration for various types of base metal and gold mineralisation in basement rocks near and within the Core licences has been completed since the 1960s and earlier by numerous companies, including Mount Isa Mines, Sedimentary Uranium NL, Elcor Aust Pty Ltd, Mines Admin Pty Ltd, Asarco, CRA (Carpentaria Exploration Co. Pty. Ltd.), Shell, Aberfoyle, Mount Isa Mines Ltd, Sundowner Minerals NL, Aust Gold and Uranium Pty Ltd and Esso.

Various types of geochemical and geophysical surveys have been completed in the area with a few drill holes within the current EL areas. Geochemical sampling shown in the SARIG database is relatively sparse, reflecting the presence of cover sediment, with close spaced sampling only shown for one of the EL sub-blocks and consisted of bulk leach grid soil sampling completed by Mount Isa Mines in 2000.

The Cu, Mo White Dam mine currently being developed by Exco Resources Ltd and the Polymetals Group is located close to the three central blocks of EL 4568 and contains a resource of 9.6Mt at 1.05g/t for 325,000oz Au. The reader is cautioned that this nearby resource does not imply Core will outline similar (or any) resources. However, it strengthens our understanding of the prospectivity of the area.

Esso and others explored for vein type uranium from the 1970s focused on geological contacts. Polymetals Australia Pty Ltd as operator, under a PIRSA drilling partnership, in 2006 explored for epithermal iron oxide copper-gold (IOCG) mineralisation near the central group of Core licences. Diamond holes to a maximum depth of 324m were drilled and found distinct IOCG style alteration with associated Cu, Au, Fe, U, Mo and Mn anomalism and red rock alteration. Noranda Pacific Pty Ltd was also involved in exploring nearby licences from 2005 to 2008. An airborne VTEM survey was ineffective due to highly saline groundwater forming a highly conductive cover masking deeper conductors and shallow holes did not locate any mineralisation.

## 2.6 Previous Copper-Gold-Uranium Exploration (continued)

Previous work undertaken is summarised in the following table.

| Companies | Dates | Work Conducted |
|---|---|---|
| Mount Isa Mines Ltd; Asarco (Australia) Pty Ltd | 1968 to 1970 | Regional scale exploration mainly to the north of the Core Els and including the Kalkaroo area comprised an aerial radioactivity survey; radioactivity logging of water bores; orientation geobotanical survey; rotary/percussion holes drilled into Cainozoic sediments which intersected low grade uranium mineralisation. |
| Sundowner Minerals NL | 1973 to 1974 | Mainly mapping in licences near the Core ELs. |
| Mines Administration Pty Ltd; Teton Exploration Drilling Co. Ltd; Carpentaria Exploration Co. Pty Ltd | 1974 to 1976 | A resistivity survey consisting of four E-W profiles and a follow-up rotary drilling program (16 holes, total 1456 m) were conducted in and near the area now covered by EL4174 and the northern block of EL4568 to locate possible sedimentary uranium deposits within inferred southward extensions of the Tertiary Yarramba Palaeochannel system. Four Tertiary palaeochannel arms were delineated nearby, with oxidised basal channel sands but some evidence for a geochemical redox cell. |
| Esso Australia Ltd; Esso Exploration and Production Australia Inc | 1978 to 1983 | Exploration for vein type uranium and base metals in the area of the Core ELs. Some focus on the Bimba Formation with later focus on BIF related Au. Geological mapping, helicopter spectrometry, reconnaissance track etch, a gravity survey and soil and rock chip geochemistry. Grid-based VHEM and pulse EM surveys. Drilling of Co, Cu, Zn prospects near the Core ELs. |
| CRA Exploration Pty Ltd | 1979 to 1980 | The known gold-mineralised Tarcowie Siltstone and Waukaringa Siltstone units mainly to the west of the Core ELs, were examined to assess their potential for hosting gold-bearing stratabound quartz veins. |
| Amax Australia (Gold) Pty Ltd | 1983 to 1984 | Exploration for Telfer - type Proterozoic stratabound gold included an aerial photographic survey of known occurrences and helicopter-assisted reconnaissance geochemical sampling of Adelaidean outcrops. |
| Olary Gold Pty Ltd; Shell Co. of Australia Ltd | 1984 to 1985 | Exploration for gold included stream sediment, rock chip, soil, mine dump, and drill bedrock sampling and resampling. |
| Shell Co. of Australia Ltd | 1984 to 1985 | Gold exploration in BIF. Aeromagnetic interpretation and ground magnetics. Bedrock RAB and auger drilling downgraded the potential for finding near-surface economic mineralization |
| Mount Isa Mines Ltd; CRA Exploration Pty Ltd | 1984 to 1996 | Mainly base metal exploration with some diamond exploration. Regional ironstone lag sampling, BLEG stream sediment and geochemical sampling. RAB and RC drilling. Aerial magnetic/EM surveys and numerous ground magnetics, IP, SIROTEM and gravity surveys. RAB drilling along variably spaced traverses. Structural, petrological and lead isotope studies. Trials of magnetometric resistivity (RRMIP) and soil gas survey methods with the SA Department of Mines. Prospects (not within the Core licences) were drilled. Most work was not completed within the Core ELs. |
| Bedrock Mining Pty Ltd; Indian Ocean Resources Ltd; Menzies Gold NL | 1987 to 1989 | Gold exploration. |
| Helix Resources NL | 1989 | Redox front uranium and platinum group metals in the area of the northern Core ELs consisted of Geological reconnaissance and ground radiometric traverses. |
| Mount Isa Mines Ltd; Tarcoola Gold Ltd | 1986 to 2000 | Detailed exploration for base metals, mainly Zn with Au, including prospect evaluation near but not within Core ELs. |

## 2.6 Previous Copper-Gold-Uranium Exploration (continued)

| | | |
|---|---|---|
| Aberfoyle Resources Ltd; Poseidon Minerals Ltd | 1990 to 1991 | Gold-copper exploration with testing of geochemical and magnetic targets in Adelaidean cover sediments. |
| Aztec Mining Co. Ltd; Oxford Resources Pty Ltd | 1990 to 1991 | Sediment-hosted, 'disseminated' style gold deposit exploration in an area mainly to the south of the most southern Core EL. |
| Aberfoyle Resources Ltd; Normandy Minerals Ltd; Mount Isa Mines Ltd; Western Metals Copper Ltd; Polymetals Australia Pty Ltd; Newmont Minerals Pty Ltd; Exco Resources NL; Noranda Pacific Pty Ltd; Bimba Mining Pty Ltd; Mindaco Pty Ltd | 1995 to 2008 | Exploration for Kalkaroo or Portia style copper-gold deposits, and for Broken Hill type stratiform lead-zinc-silver deposits. Full range of exploration techniques applied, including drilling, but not within the area of the Core ELs. |
| Petroleum Securities Mining Co. Pty Ltd; Climax Mining Ltd; Oxford Resources Pty Ltd | 1996 to 2001 | Exploration for sheeted vein, Telfer-style, and BIF hosted gold and base metal sulphide deposits in Adelaidean metasediments included interpretation of aeromagnetic data, calcrete sampling by shallow auger drilling, MMI soil sampling, rock chip and magnetic lag sampling, with detailed geological mapping. |
| Mount Isa Mines Exploration Pty Ltd; CRA Exploration Pty Ltd; Minex (SA) Pty Ltd, a subsidiary of Minotaur Gold NL | 1996 to 2002 | A detailed airborne Questem EM survey was completed. Most targets tested. |
| Mount Isa Mines Ltd; Aberfoyle Resources Ltd; Normandy Mining Ltd; Polymetals Mining Services Pty Ltd; Exco Resources NL | 1994 to 2004 | Exploration for epigenetic Au-Cu-Mo deposits within Palaeoproterozoic metasediments focused near White Dam comprised BLEG soil geochemical sampling and follow-up aircore drilling of anomalies. |
| Platsearch NL; Eaglehawk Geological Consulting Pty Ltd; Inco Ltd | 2000 to 2005 | Base metal and gold exploration comprised detailed ground magnetics with auger drilling rhizome calcrete sampling program across the three magnetic anomalies identified. |
| Minex (Aust.) Pty Ltd; Japanese Oil, Gas and Metals National Corp. | 2005 to 2006 | Compilation of previous work and drill testing of conductors. |
| Polymetals Australia Pty Ltd; Exco Resources NL; Bimba Mining Pty Ltd; Noranda Pacific Pty Ltd | 2005 to 2006 | Regional base metal exploration including for IOCG included airphoto interpretation with most targets defined under cover. IP and gravity further defined targets. Time domain 100m loop dipole-dipole IP, and 801 gravity stations read on 100-200m spaced lines, were completed over seven prospects.<br><br>In the PACE-funded drill project, 7 RC/DD holes were drilled on four discrete targets including one hole in the Core EL4568 central block with no significant mineralisation encountered. |
| Noranda Pacific Pty Ltd; Exco Operations (SA) Ltd | 2003 to 2008 | IOCG style mineralisation targeted. After an initial photogeological interpretation an inaugural airborne VTEM survey was conducted. No significant late-time bedrock conductors were able to be discerned, mainly due to signal masking by the effects of highly conductive cover (containing saline groundwater). Later, shallow drill testing of a magnetic anomaly not within the Core ELs failed to find any Cu-Au. |
| Cullen Exploration Pty Ltd | 2007 to 2008 | Exploration near and over the most western Core EL comprised field reconnaissance and spectrometric surveying of radiometric anomalies associated with unconformities at the margins of Willyama gneissic pegmatoid bodies failed to find any indications of uranium mineralisation. |

## 2.6 Previous Copper-Gold-Uranium Exploration (continued)

| | | |
|---|---|---|
| Helix Resources Ltd | 2009 | Exploration for economic porphyry - related copper-gold mineralisation in the area of the western Core ELs comprised reconnaissance geological mapping plus limited regional minus 40 mesh auger soil sampling of calcrete and rock chip sampling. |

**Table 5: Exploration Conducted in the Honeymoon South Area.**

## 2.7 Exploration Potential

Potential remains for discovery of further roll-front uranium deposits as modern exploration techniques are applied to map out palaeochannels and the redox conditions within channels.

Potential also remains for various styles of bedrock mineralisation located below the cover sediment and alluvium including IOCG-U style. Although there has been a considerable amount of previous exploration including the testing of the more pronounced coincident magnetic and gravity anomalies the difficulties of exploring under conductive cover means that potential remains.

## 2.9 Proposed Exploration Program and Budget.

Highest priority exploration for sedimentary uranium will be directed at the prospective Yarramba palaeochannel and related palaeodrainage channels where they enter licence EL4174. There is also potential to trace known palaeochannels and to locate new channels in the more southerly exploration licences, as generally the channels are deeply incised into basement rocks which are mainly obscured by around 30m of Quaternary sediments, mainly clay, which blanket the region. Palaeochannels may be able to be located though applying remote sensing techniques as well as seismic or radar combined with rotary mud or air core drilling. Holes would be radiometrically logged and consideration given to assaying for ground water geochemistry.

Exploration for basement IOCG-U style mineralisation will involve continued compilation of existing work, targeting using magnetics and gravity with drill testing of best targets. Some of the shallow drilling to explore for roll front uranium would also be potentially deepened, sampled and assessed for bedrock sources.

Core proposes to spend $200,000 in year one and $325,000 in year two on the Honeymoon South Project which is consistent with the prospectivity of the project.

The proposed expenditure for the area is presented below.

| ACTIVITY | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Geophysical surveys | 50 | 75 | 125 |
| Drilling- AC / RAB | 150 | 250 | 400 |
| TOTAL | 200 | 325 | 525 |

Table 6: Honeymoon South Project Proposed Exploration Budget.

# 3.0 Mount Painter Project

## 3.1 Introduction

The Mount Painter project is comprised of a single EL covering the Adelaide Geosyncline and Mount Painter Inlier rocks in the North Flinders Ranges area of South Australia. The licence is adjacent to known uranium mineralisation in the Mount Painter Inlier.

## 3.2 Location and Access

The Mount Painter project licence is located approximately 130km northeast of Leigh Creek. The area is at the northern extremity of the Adelaide Geosyncline approximately 530km north of Adelaide. Within the tenement the topography is mainly arid, well-excised, poorly vegetated, hilly terrain. The main access is via the Strzelecki Track dirt road which skirts the northern side of the range and which links in the north to roads that access the Beverley and Four Mile uranium mines to the east of the fault scarp at the eastern margin of the Mount Painter Inlier. The rugged terrain means that most access is by foot with river valleys providing the initial way into the project area.

## 3.3 Tenure

The Mount Fitton licence (EL4569) covers 107km$^2$ and consists of two parts. A south-western part and a north-eastern part which are separated by the licences that host the Mount Fitton talc mines.

| Tenement Number | Locality | Current Holder | Granted | Status Expires | Area (km2) |
|---|---|---|---|---|---|
| EL4569 | Mount Fitton | Sturt Exploration Pty Ltd | 20/09/2009 | 19/09/2011 | 107 |

Table 7: Mount Painter Project Tenement Details.

## 3.4 Geology

### 3.4.1 Regional Geology

The principal geological elements in the area are the Mt Painter Inlier, Mt Babbage Inlier and Adelaidean metasediments. The inliers are a relatively small exposure on the north-western portion of the Curnamona Province. The older metasediments and granites making up the inliers are of Mesoproterozoic age. The inliers are unconformably flanked by late Proterozoc Adelaidean metasediments to the west and south and by Mesozoic and younger sediments to the east. The basement has been affected by two Proterozoic deformation events and the younger Cambro-Ordovician Delamerian Orogeny.

The Mt Painter Inlier is comprised predominantly of the arenaceous Palaeoproterozoic Radium Creek Metamorphics intruded by various granites of the 'Older Granite Suite' and granites, granodiorites, leucogranites and pegmatites of the 'Younger Granite Suite'. The Radium Creek Metamorphics consist of a sequence of metapelites, schists, calcsilicates and quartzites with interpreted U-Pb isotopic data from detrital zircons indicating a depositional age in the range 1590-1580Ma. During the Delamarian Orogeny (~500Ma), the inlier rocks were deformed and differentially rotated, with metamorphism reaching lower amphibolite facies. Cambro-Ordovician granitoids were intruded towards the end of Delamarian deformation.

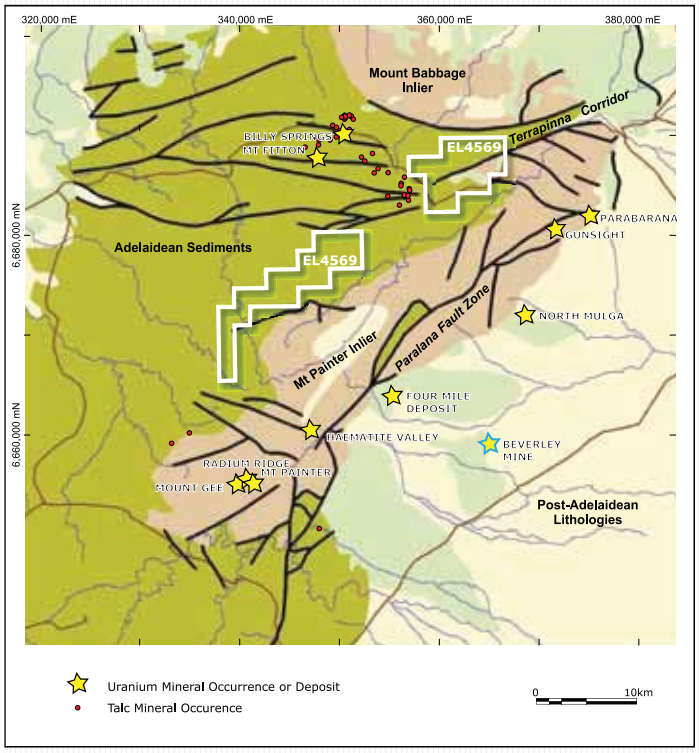


Figure 7: Mt Painter Project.
*The Paralana Fault Zone controls much of the known basement mineralisation while the fault that controls the southern side of the Terrapinna Corridor has a similar orientation.*
*Modified after Hore et.al. (2005).*

### 3.4.2 Local Geology

In the southern Mt Painter Inlier, large areas of the crystalline basement have been brecciated (termed the Radium Ridge Breccias), with potash metasomatism affecting the basement prior to and during this brecciation. The large volumes of massive granitic breccia of this Younger Granite Suite resulted in pervasive fracturing of the crystalline basement by high pressure fluids along a broad, wedge-shaped, north-easterly trending zone from Radium Ridge to Hematite Valley, a distance of 20km. The main phase of hydrothermal activity and brecciation was followed by primary uranium mineralising fluids and a final epithermal event to produce the quartz–hematite Mt Gee Sinter. These types of rocks occur within the northern part of the licence while the southern portion is predominantly covered by folded Adelaidean metasediments.

## 3.5 Previous Copper–Gold-Uranium Exploration

The mineral exploration of the inliers, and the immediately adjacent, overlying Adelaidean rocks, commenced near 1860 with the discovery of copper in Adelaidean sediments on the western side of the Mount Painter Inlier. Between 1860 and the 1920s, many small mines and prospects were opened up on secondary lead and zinc deposits to the west of the Mount Painter basement inlier. During 1910-1912 and 1923-1937, activity was centred on the uranium deposits near Mount Painter as a source of radium for medicinal purposes. Exploration for and mining of talc followed near Mount Fitton to the west of EL4569 where a Ag, Pb, Zn and Cu prospect is located within the talc mining area at Billy Springs.

The Core licence area has not been a focus of the previous uranium exploration, despite the obvious fault control in the area. Most previous exploration has focused on the Mount Painter–Mt Gee areas, the talc mining, including a base metal anomalous area near Mount Fitton, the roll-front uranium discovery areas near the Beverley and Four Mile Mines and a northeast copper anomalous trend to the north west of Mount Painter. There are a few other scattered prospects mainly to the east of EL4569, many of which are probably controlled by the Paralana and sub-parallel fault zones. Companies who have explored in the area include Exoil NL; North Flinders Mines Ltd; Marathon Petroleum; CRA Exploration; Australian Anglo American Ltd; Aquitaine Australia Minerals Pty Ltd; Western Mining Corp. Ltd; Quasar Resources Pty Ltd; Alliance Craton Explorer Pty Ltd; Goldstream Mining NL; Bonanza Gold Pty Ltd; Sipa-Gaia; Steetley Industries Ltd; Commercial Minerals Ltd; Mount Rose Mines Pty Ltd; Anaconda Australia Inc. and Pan Australia NL.

Numerous geophysical studies had been undertaken over prospective areas adjacent to and within EL4569. This includes airborne and ground surveys comprising gravity, magnetic, radiometric, electrical and electromagnetic techniques. Significant geochemical surveys including stream sediment reconnaissance and detailed prospect grid surveys have also been completed by these companies near EL4569.

A rock chip sample recorded in the SARIG geochemical database of deformed porphyry collected by M.J. Sheard in 1991 assayed 56ppm U and was also anomalous in V at 290ppm and with 1.6ppm Ag. It was not anomalous in As and not assayed for Au. The sample is in the northern part of the EL 4569 licence and is one of only 12 rock chips within the northern part of the licence. The base metal stream mentioned above has no apparent base metal anomalism in the area. This area has higher total count radiometrics and is within the wedge of older inlier rocks. It is also worth noting that it is located on the fault that truncates the inlier rocks on the southern edge of the Terrapinna Corridor.

The area near the talc mines at Mount Fitton have been explored since 1945 for talc and most recently has included interpretation using remote sensing techniques, including Aster imagery and hyperspectral mapping. These techniques were not focused on exploring for uranium but may provide useful information to assist with interpreting the local geology and in identifying exploration targets. A stream sediment sampling program for anomalous Au or base metal mineralisation was undertaken in late 1990 at Mount Fitton, due to observed sparse occurrences of galena, cerussite and scheelite in the Balcanoona Formation, and historic records of minor Au, Ag and Cu-Pb-Zn finds within Amberoona Formation hornfelsic rocks near Billy Springs. Only one base metal anomaly of note was disclosed, which corresponds to downstream tailings dispersion from the abandoned Billy Springs mine (Cornish et al, 2000).

## 3.5 Previous Copper–Gold-Uranium Exploration (continued)

| Companies | Dates | Work Conducted |
|---|---|---|
| Anaconda Australia Inc | Prior to 1970 | Completed sampling for base metals within the area of EL4569 prior to 1970 but did not assay for Au or U. They found no significant Cu, Pb or Zn anomalism within the EL area. |
| Mount Rose Mines Pty Ltd | Early 1970s | Completed stream geochemistry including within the area of current licence EL 4569. Samples were only assayed for base metals (Cu, Pb and Zn). |
| Eastern Prospectors Pty Ltd; Mid-East Minerals NL | 1970 | Completed geochemical sampling for base metals near EL4569. |
| North Flinders Mines Ltd | Early 1970s | Explored in the Mount Painter area. They interpreted previous sampling results, particularly those of Anaconda and collected additional samples, including assaying a few rock samples within the area of EL4569 and additional stream sampling to that completed by Anaconda. Once again most stream samples were only assayed for the Cu, Pb, Zn base metal suite. |
| BP Australia Gold Pty Ltd | 1989 | Completed regional BLEG and stream silt sampling with follow-up BLEG and rock chip sampling within and adjacent to the area of EL4569 targeting Au. Minor Au values were disclosed in the Wooltana Volcanics, and moderate background assays reflect scapolitic metamorphism adjacent to the Mount Painter Inlier. No significant assays were encountered within the area of EL 4569 but samples were relatively widely spaced and were only assayed for Au, As and Fe. (This data appears to not be included in the SARIG geochemistry database). |
| Goldstream Mining NL and Bonanza gold Pty Ltd | 1997 to 2000 | Completed drainage sampling within and adjacent to the area of EL4569. A total of 24 two kilogram (-2mm) samples were collected at a density of near 1 sample per $km^2$ and were analysed for Au, Cu and Ag using BLEG. Approximately 100g of -80 mesh material for 17 samples were collected at the same sites as the bulk leach sites and submitted for Au, Cu, Zn, As, Ag, Te, Pb and Bi using conventional aqua regia digest/AAS for gold and ICP mass spectrometry of the other elements. Rock chip sampling was followed up at Mt. Fitton outside of EL 4569. |
| Sipa-Gaia NL | 2002 to 2004 | Completed rock chip sampling and reprocessing of magnetic and radiometric data, including over the EL 4569 area, to explore for hydrothermal Au and base metals. Native Title issues prevented the completion of a planned stream geochemical sampling program. The rock chip assays included a highly Zn anomalous sample from the Billy Springs Mine area (outside of EL4569). Five of these rock chip samples (370219, 220, 221, 213 and 214) are however from within or near EL4569. None of these samples were highly anomalous in U or base metals but sample 370214 located in the north-eastern part of EL 4569 returned 504ppm As while most other rocks contained less than 50ppm. No other highly anomalous values occur, although samples 370219 and 220, located in or near the southern part of EL4569, returned 1,803 and 1,482ppm Ba respectively, which is more than twice background. |

Table 8: Exploration Conducted in the Honeymoon South Area.

## 3.6 Exploration Potential

Historical uranium workings occur in two main groups – the Mount Painter group, including Mount Gee, to the west of Mount Painter and the East Painter group to the east of Mount Painter. In the Mount Painter-Mount Gee area, the Radium Ridge Breccias developed along an 11km distance in a north-easterly alignment, along partly coincident fault systems including the Paralana Fault Zone. Surface expressions of individual breccias vary from a few hundred $m^2$ to $3km^2$ for the Radium Ridge-Mount Gee-Mount Gee East body. The matrix of the granitic breccia has, in places, been infused with or replaced by uraniferous hematite and chlorite to form distinct layers of hematitic and chloritic breccia. The granitic, hematitic and chloritic breccias, along with minor diamictite, are collectively termed the Radium Ridge Breccias. The Mount Gee Sinter occurs as two main cappings on Mount Gee (20-50m thick) and Mount Painter (200m). An epithermal (hydrothermal explosive) origin was determined for the Late Ordovician at 440Ma Radium Ridge Breccias. The breccias host significant uranium resources with the Armchair, Streitberg, Mount Gee and Hodgkinson Prospects containing 3.8Mt averaging 0.1 % $U_3O_8$. Several million tonnes of low-grade uranium mineralisation occur at the East Painter Prospect, with host rocks also containing anomalous levels of REE, Cu and Au.

The age of the uraniferous breccias and associated intrusive rocks are younger than the Adelaidean Geosyncline rocks and the known occurrences occur within the Inliers of older, Proterozoic aged rocks.

The Mount Painter Inlier rocks have been correlated with similar but slightly older rocks that host the Broken Hill lode. The Inlier is also prospective for IOCG-U Olympic Dam style mineralisation, with known probable variants including the Parabana copper prospect and the younger hematitic breccias of Mount Gee and Mount Painter. The Adelaidean sequences bordering the Mount Painter Inlier have historically been a minor source of base metals, principally Cu, and some Pb–Ag. Bi has been recorded from a number of localities near the western contact with the Mount Painter Inlier. The Cu occurs predominantly as small, high-grade secondary bodies consisting of malachite, azurite, cuprite and some chalcopyrite. Mines are predominantly sited on shears and faults or adjacent to faults, with mineralisation mainly occurring within carbonate-rich rocks. Numerous explorers, including CRA in the 1990s, have explored for Au with the most interesting find located on the Paralana Fault Zone at Lively's Find.

The area to the east and north of EL4569 is currently held and being explored by Quasar Resources Pty Ltd and Alliance Craton Explorer Pty Ltd whose main focus is roll front uranium to the east including the area of the Four Mile discovery.

AFMECO Mining and Exploration Pty Ltd, a subsidiary of Areva Australia Pty Ltd holds the exploration licence in the Mount Fitton area to the west of the northern block of EL4569.

## 3.7 Proposed Exploration Program and Budget

The project area is located within 10km of Mount Gee and covers areas of Radium Creek Metamorphics and other prospective host rocks within the Mt Painter Inlier. These are the rocks that host the Mount Gee and other nearby mineralisation. In addition a northeast striking fault terminates the southern edge of the Terrapinna Corridor and the northern edge of the inlier in this area. This fault has a similar orientation to the Paralana Fault Zone which is located to the south and which is known to control uranium and other mineralisation in a zone extending from Mount Painter to the Gunsight and Parabarana prospects.

As can be seen from the rock chip sampling which returned 50ppm U, conventional methods such as further rock chip sampling, stream and soil geochemistry can be employed by Core in the inlier area, while further detailed compilation and assessment of previous work will be of value. The usefulness of the work already completed such as hyperspectral airborne visible-infrared scanning studies and Aster imagery will be checked. Following this work, ground geophysical surveys will be essential in locating what will be most likely non-exposed mineralisation.

In terms of the age of the Younger Granite Suite and breccia intrusions there appears to be no reason why they could not be intruded into the Adelaidean Geosyncline rocks, including within the area of EL4569 covered by these rocks. However the excellent exposure and drainage in this and nearby areas would suggest that this is unlikely as conventional prospecting should have located examples of this type of material or some associated base metal anomalism. The area of older inliers is therefore the most prospective part of the licence and contains known fissures which provided conduits for fluids. It appears that there have been no comprehensive geochemical sampling program for uranium over the Adelaidean Geosyncline rocks and there are a few weak leads in the work that has been completed as is reported above. Such a multi-element stream geochemical sampling program might locate mineralisation while gravity and magnetic data can be assessed for possibly buried granite which may have associated breccia.

The proposed exploration budgets of $250,000 in year one and $310,000 in year two are considered adequate to complete the type of work discussed above and allows for drill testing of geophysical or other anomalies in each year.

## 3.7 Proposed Exploration Program and Budget (continued)

The proposed work program expenditure for the area is presented below.

| ACTIVITY | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Geological, mapping, geochemistry | 75 | 75 | 150 |
| Geophysical surveys | 50 | 60 | 110 |
| Drilling- RC, Diamond | 125 | 175 | 300 |
| **TOTAL** | **250** | **310** | **560** |

Table 9: Mount Painter Project Proposed Exploration Budget.

# 4.0 Roxby Project

## 4.1 Introduction

The Roxby Downs ELA227/09 and Horse Well ELA 55/10 tenement applications cover approximately 522km$^2$ of the Olympic Copper-Gold Province of the Gawler Craton. The tenements are located approximately 30km southwest of the world class Olympic Dam Cu–Au-U mine and within kilometres, and adjacent to, known IOCG-U mineralisation at the Acropolis, Acropolis West and Aphrodite prospects.

## 4.2 Location and Access

The project is located in flat, sand-dune dominated terrain to the west of the Olympic Dam Mine and can be accessed via the mine access road and then dirt roads and tracks established into the area, initially by WMC and then by later explorers, some of whom continue to explore in the area. More than 50 % of the licence area is within the Woomera Prohibited area with access permits required in order to complete exploration. Exploration targets are beneath more than 500m of cover sediment in most locations and projects defined first by geophysics require diamond drill testing.

## 4.3 Tenure

The project area comprises two major ELAs.

| Tenement Number | Locality | Current Holder | Applied | Status | Area (km$^2$) |
|---|---|---|---|---|---|
| ELA55/10 | Sandy Point | Sturt Exploration Pty Ltd | 26/02/2010 | Pending | 236 |
| ELA227/09 | Roxby Downs | Sturt Exploration Pty Ltd | 22/07/2009 | Pending | 286 |

Table 10: Roxby Project Tenement Details.

## 4.4 Geology

### 4.4.1 Regional Geology

The projects are located on the eastern margin of the Gawler Craton within the Olympic Iron-Oxide-Copper-Gold (IOCG) Province. The Olympic IOCG Province is host to the world class Olympic Dam deposit, Prominent Hill, and the recently discovered Carrapateena Prospect.

These IOCGU deposits occur within the Olympic Domain which is an arcuate zone of variably deformed Archaean to Mesoproterozoic metasedimentary, ultramafic-mafic and granitic rocks of the north-eastern to eastern edge of the Gawler Craton. Numerous mafic to felsic intrusives of the Gawler Range Volcanics are intruded by the Mesoproterozoic Hiltaba Granite Suite which is believed to have a common spatial and possible genetic relationship with mineralisation. The youngest Mesoproterozoic rocks in the Olympic Domain are the relatively undeformed fluvial red beds of the Pandurra Formation. These consist of feldspathic sandstone and shale with thin but widespread conglomerate. The Pandurra Formation is now mainly preserved in local depressions below the level of the irregular erosion surface on which the Neoproterozoic and Phanerozoic Stuart Shelf sediments were deposited 700Ma later.

Overlying the basement rocks are the flat-lying, undeformed, sedimentary Proterozoic and Cambrian marine platform sedimentary rocks of the Stuart Shelf geological province. These Neoproterozoic Adelaidean rocks occur in graben-like features containing thickened sequences including the Nuccaleena Formation, Tent Hill Formation and Yarloo Shale. Outcrop of Neoproterozoic rocks occur from about 10km south of Roxby Downs and throughout the southern Stuart Shelf.

Each of the main IOCG-U deposits within the Olympic Cu-Au Province is associated with a series of regional north-west to north-northwest structural zones or faults. Subsidiary cross cutting faults in a north-easterly direction appear to control the formation of these deposits on a local scale.

## 4.4.2 Local Geology

The following simplified summary of the description by Wilson and Fairclough (2009) assists in understanding the nature of the exploration target.

*The Olympic Dam ore body is hosted within a large body of hydrothermal breccias, named the Olympic Dam Breccia Complex (ODBC), which occurs entirely within the Roxby Downs Granite. This granite is part of a Hiltaba Suite batholith and subcrops over an area of approximately 50 to 35km. The batholith ranges from syenogranite to quartz monzodiorite in composition. Intrusive ages for the Roxby Downs Granite, and other plutons within the Burgoyne Batholith, are constrained by U-Pb zircon ages ranging from 1598± 2 to 1588±4 Ma. The Roxby Downs Granite is a pink to red-coloured, undeformed, unmetamorphosed, coarse-medium grained, quartz-poor syenogranite. Olympic Dam, situated at the intersection of the major north-northwest trending G2 and west-northwest trending G9C gravity lineaments, and is associated with one of numerous coincident magnetic-gravity anomalies on the Stuart Shelf. Drilling of these coincident anomalies has revealed a significant number are caused by hydrothermal iron-oxide alteration in the basement, spatially associated with Hiltaba Suite granitoids.*

*The ODBC primarily consists of a funnel-shaped, barren, hematite-quartz breccia 'core' surrounded by an irregular array of variably mineralised and broadly zoned hematite-granite breccia bodies. Discrete ore zones within the ODBC account for only a small fraction of total volume of breccia, however, weak Cu-U-Au-Ag-REE mineralisation is widespread, at background levels throughout the ODBC. A general correlation exists between higher grade Cu-U mineralisation and intensity of hematite alteration, however, the central hematite-quartz breccia zone is essentially barren of mineralisation.*

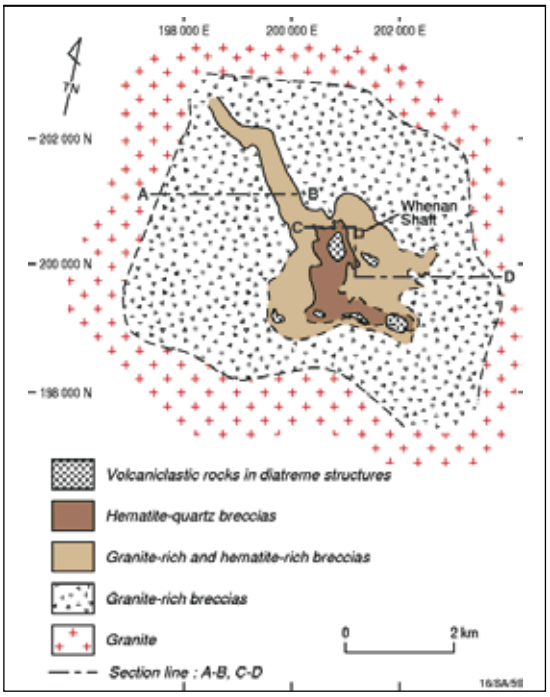


Figure 8: Simplified Plan of the Olympic Dam Breccia.

*Modified after Reeve et al (1990) and McKay and Miezitis (2001) to show the potential target size and complexity.*

## 4.5 Previous Copper-Gold-Uranium Exploration

Western Mining Corporation (WMC) completed exploration in the area on various exploration licences covering the area of the Core applications from 1974 to 1985. This included the Chances Swamp and Heaton Hill geophysical surveys within ELA227/09. They also drilled two diamond holes within this licence area (HHD1 and HHD 2). Part of the Coorlay Ridge geophysical survey extended from the west into the area of ELA227/09 and also into the top part of ELA55/10. The northern part of the Horse Well survey extended into the southern part of ELA55/10 while the Mirage Lagoon geophysical survey on-lapped onto the southern part of ELA55/10 while the Cocky Swamp geophysical survey was just to the south of the southern corner of ELA55/10. Drill hole HWD 1 to test the Horse Well prospect was drilled just to the south of ELA55/10.

Ground magnetics and ground gravity geophysical surveys were routinely carried out by WMC on grids established over discrete magnetic and / or gravity anomalies located from the available government data. As the depth to basement is mostly in excess of 300m ground magnetic surveys offered little improvement compared to aeromagnetic data. Complex resistivity and other electrical methods were trialled over some grids, including at Heaton Hill.

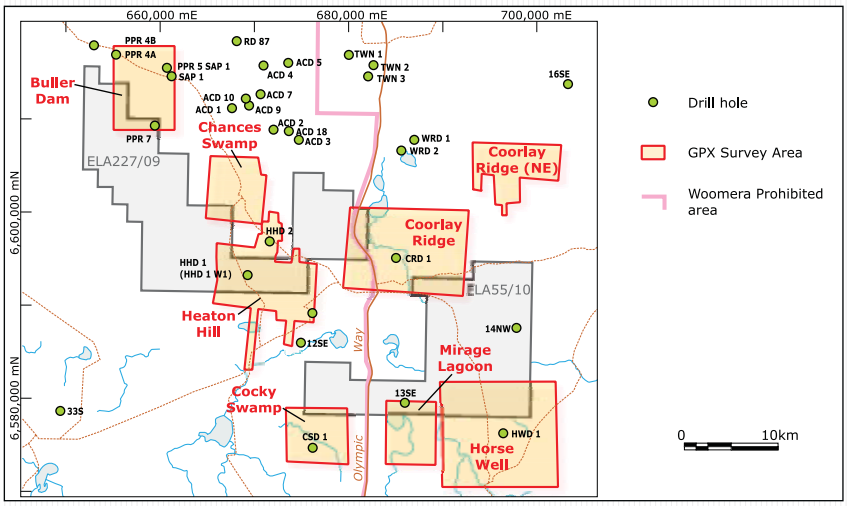


Figure 9: Roxby Project Area - Summary Map of early exploration.

*(Shows location of exploration licence applications, survey grids and drill holes mentioned in the text. Note holes 13SE and 14NW did not reach mineralised basement).*

Down hole geophysical logging was completed and included temperature, gamma and electrical properties readings. Drill samples were subjected to detailed petrological and petrophysical assessments. WMC's drilling in the Olympic Dam area encountered many occurrences of Cu, Ag, Au and rare earth mineralisation in metamorphosed, often dyke-cut, brecciated and recrystallised basement rocks. The basement geology is complex, and lithologies intersected included granite gneiss, metasediments, iron formation, felsic volcanics, volcanogenic sediments and granitoids. Several of these lithologies show skarn - type alteration.

The "Andamooka" detailed aeromagnetic survey including radiometrics was flown by WMC at a line spacing of 400m and altitude of 100m in October 1979. It was a regional scale survey covering nearly 10,500km$^2$ and included the eastern parts of the Core ELAs. A government survey (TEiSA D3) covers part of the applications not covered by the WMC survey, while the Andamooka–Torrens government survey flown by PIRSA/GA covers all of the application areas.

Three regional gravity surveys were completed by WMC in the early 1980s but did not cover the ELA areas.

## 4.5 Previous Copper-Gold-Uranium Exploration (continued)

At Chances Swamp a small circular magnetic anomaly was interpreted to have a depth of 1,300-1,400m and depth to basement rocks was interpreted to be of the same order. At Cocky Swamp, to the south of the Core's applications drill hole CSD 1 encountered skarn-like altered sediments and volcanics with some Cu and Au but at 865m depth. At Heaton Hill, located within ELA227/09, an L-shaped aeromagnetic feature connects Chances Swamp and Coorlay Ridge and a "vague" gravity field is described as a "shelf-like" feature. Drill hole HHD1 confirmed estimated basement depth of near 1,133m and intersected barren, altered gneissic granites. No magnetic rocks were intersected. Complex Resistivity in the area of the grid did not define any electrical targets with features in the cover sediment complicating electrical and magnetic surveys. Drill hole HHD 2 was percussion drilled to 364m on a shallow magnetic high but failed to intersect any magnetic source in the cover sequence sediments. (A 40m hole shown on the government database at the eastern edge of the Heaton Hill grid is not named).

At Coorlay Ridge, mainly to the east of ELA227/09, an oval shaped magnetic anomaly is associated with a weak coincident gravity high. Interpretation suggests a depth to source of 1,500-1,600m and that the source is similar to that seen in drilling at Heaton Hill. A pre-collar hole (CRD 1) was drilled in the middle of the anomaly to 118m depth but was not deepened.

At Horse Well a magnetic anomaly was defined and modelled at near 1,000m depth. Hole HWD 1, approximately 1,500m to the south of ELA 55/10 intersected basement at 861m comprised breccias with black hematite and cherty volcanics in sericite-quartz-brown hematite matrix overlying massive felsic volcanics with zones of brecciation strongly veined by platy hematite with associated chalcocite, bornite, chalcopyrite and pyrite. The volcanics continue to the end of the hole at 1,097m but do not explain the magnetic anomaly.

At Mirage Lagoon an east-northeast tending magnetic anomaly has no associated gravity disturbance with basement interpreted to be at near 900m, consistent with nearby holes. The anomaly is interpreted to have a similar source to either Horse Well or Cocky Swamp and was not drilled by WMC.

From 1979-1983 Australian Selection (Pty) Ltd, Seltrust Mining Corp Pty Ltd; Mount Isa Mines Ltd; Australian Selection (Pty) Ltd; Carpentaria Exploration Co. Pty Ltd and Geopeko Ltd drilled percussion holes to 400m to the north of the Core ELA's but did not reach basement. Exploration included a ground magnetic and gravity survey over the Buller Dam target which continues into the northern part of ELA227/09. The Buller grid lies on the flank of both magnetic and gravity regional anomalies. Percussion hole PPR5 which was deepened by diamond drilling in SAP1 at Buller Dam was terminated in interpreted Pandurra Formation of the Stuart Shelf cover sediments at 1,369m. Magnetic susceptibility and density were determined on core samples of the various stratigraphic units intersected. Percussion hole PPR 7, which is within ELA227/09, ended in the overlying Stuart Shelf sediments at 334m.

From 2002 Minotaur Resources Ltd completed gravity surveys, including near the Core ELAs and a further regional gravity survey in 2008. The acquired data was processed and interpreted, together with aeromagnetic data, to produce targets, including at Acropolis West and Wirrda Well South subsequently renamed Aphrodite, which are adjacent to and extending into ELA227/09. The Wirrda South anomalous gravity trend, linking WMC's Heaton Hill and Coorlay Ridge grid areas, has an associated weak magnetic response, while the Acropolis West gravity anomalies, to the northeast of WMC's Chances Swamp grid area, have no associated magnetic anomaly.

In February 2008 Minotaur Exploration Limited announced that drilling in hole AS07D01 at the Westopolis Prospect (previously named the Acropolis West Prospect, located just to the east of ELA227/09 intersected hydrothermal hematite breccias within hematite-altered Gawler Range Volcanics. Basement was intersected at 1,461.8m and the hole drilled to total depth of 1,559m, intersecting felsic Gawler Range Volcanics displaying varying degrees of hematite alteration including four zones of hematite breccia development with minor, trace chalcopyrite within the zone of intense hematite alteration. Associated Ba and the rare earth elements La and Ce are highly anomalous and consistent with typical concentrations for Mesoproterozoic IOCG deposits such as Prominent Hill. Minotaur concluded that the presence of volcanic strata displaying varying degrees of hematite alteration and hematite breccia development along with anomalous copper and uranium are highly encouraging and suggests proximity to a major mineralising system. The hole also intersected narrow zones of uranium-bearing sandstone within the Pandurra Formation cover sequence.

In 2009, Minotaur reported drilling a single drill hole AS09D01 at the Aphrodite gravity anomaly (previously named Wirrda Well South) to a depth of 804m. Basement was intersected at 671m. This prospect is located between the two Core ELAs. The hole intersected basement granitic rocks displaying moderate red-rock alteration due to dispersed sub-microscopic hematite grains and widespread sericitic alteration, especially near a number of thin brecciated shear zones. More significantly, the granitic bedrock is cut by a number of thin, brecciated hematite veins as well as late-stage calcite-

## 4.5 Previous Copper-Gold-Uranium Exploration (continued)

dolomite veins. Minor copper mineralisation is present within hematite veins as chalcopyrite and within calcite-dolomite veins as bornite. Assay values were low for a 0.2m wide bornite-bearing carbonate vein at 758.8m quoted. As the rock types intersected in hole AS09D03 are not sufficiently dense to adequately explain the Aphrodite gravity anomaly, a more detailed gravity survey was undertaken. The peak of the gravity anomaly shifted approximately 500m to the south with hole AS09D03 being located on the anomaly's northern flank rather than near the centre of the residual gravity anomaly. Another drill hole is planned to test this target in 2010.

In 2009 Uranium Exploration Australia Ltd; Archer Exploration Ltd; RIL (Australia) Pty Ltd reported on licence EL3428 which covered most of ELA227/09. They proposed but did not drill a hole and collected some surface scintillometer readings and some ground-based gravity within their licence area. Their work and the work of some other companies who have held exploration licences in the area did not significantly alter the prospectivity of Core's application areas.

| Companies | Dates | Work Conducted |
|---|---|---|
| Western Mining Corporation Ltd | 1974 to 1985 | Exploration using various techniques leading to and following the discovery of the Olympic Dam ore body. Exploration through drill testing beneath Stuart Shelf cover sediment of coincident magnetic and gravity anomalies with ground geophysical surveys on grids designed to improve the resolution provided by regional datasets. Included regional aeromagnetic and gravity surveys. A number of grids were established in the Core ELA area and are discussed in the text. |
| Australian Selection (Pty) Ltd, Seltrust Mining Corp Pty Ltd; Mount Isa Mines Ltd; Australian Selection (Pty) Ltd; Carpentaria Exploration Co. Pty Ltd and Geopeko Ltd | 1979 to 1983 | Buller Dam and drilling to north of Core ELA's. |
| Minotaur Resources Ltd | From 2002 | Detailed ground gravity surveys and drilling. |
| Uranium Exploration Australia Ltd; Archer Exploration Ltd; RIL (Australia) Pty Ltd | 2009 | Proposed a hole but did not drill in their licence which covered much of ELA227/09. Collected some surface scintillometer readings and some ground-based gravity. |

Table 11: Exploration Conducted in the Roxby Project Area.

## 4.6 Exploration Potential

The Roxby Downs applications are situated in the same geological environment as the Carrapateena Prospect, Olympic Dam and Prominent Hill which is highly prospective for Cu-Au-U mineralisation.

The Acropolis West prospect, defined by gravity, extends into ELA227/09, although at depths in excess of 800m and with little apparent associated magnetic anomalism. If economic mineralisation is located at the Aphrodite or Horse Well prospects to the south it may extend into ELA55/10, while more subtle anomalies, which could be defined by detailed geophysical surveys may be due to mineralisation and would need to be drill tested.

## 4.6 Exploration Potential (continued)

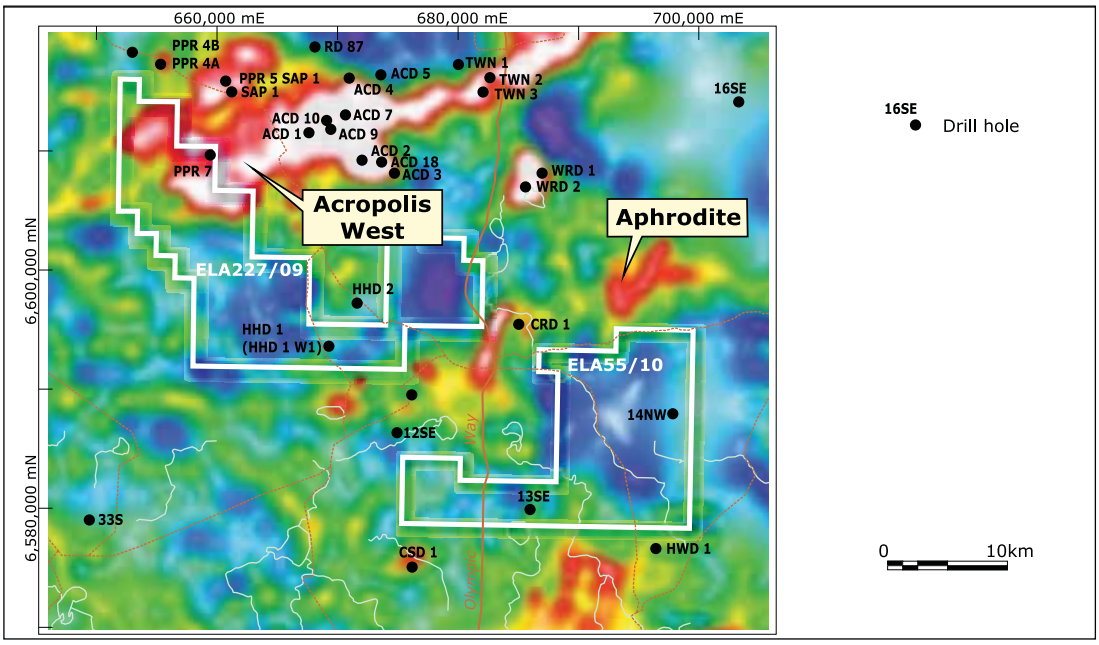


Figure 10: Core ELs with Gravity and Prospects.

*The Wirrda Well South prospect has been renamed Aphrodite. Note the extension of the Acropolis West Prospect onto ELA 227/09. (Gravity after Minotaur ASX reports).*

## 4.7 Proposed Exploration Program and Budget

The proposed budget of $150,000 over the two year period is considered adequate to complete ground geophysical surveys which will help to define drilling targets. The proposed work program expenditure for the project is presented below.

| ACTIVITY | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Geophysical surveys | 50 | 100 | 150 |
| TOTAL | 50 | 100 | 150 |

Table 12: Roxby Project Proposed Exploration Budget.

# 5.0 Frome Project

## 5.1 Introduction

The Frome Project consists of one EL which covers 331 km$^2$ of Lake Frome, a salt lake with a surface dominated by halite that stands about 12m above sea level. The area is within the region defined by the Beverley, Four Mile, Honeymoon, Gould's Dam and Oban roll front uranium mines and projects and is situated in a similar geological setting.

## 5.2 Location and Access

The topography of the Curnamona Province can be categorised broadly into low relief Quaternary plains that include longitudinal dune-fields, expansive clay-pan areas and evaporitic playas which are dominated by Lakes Frome and Callabonna in the northwest. The plains are bordered by low ranges to the east and south, and low to high ranges to the west. The terrain generally has less than 100m relief.

The project area is located on the Lake Frome Salt Lake to the east of the Beverley and Four Mile uranium mines. Access is via the roads that service those mines and then by bush track and by driving across flat desert country to the shore of

## 5.2 Location and Access (continued)

Lake Frome. Access on to the lake surface is usually via various types of all-terrain vehicles and is dependent on surface conditions which vary depending on the water lying on the lake. At the time of writing the exceptionally wet year will have resulted in the lake carrying standing water and it will take some time to dry out. Some types of access can be easier in wet conditions but each salt lake has a range of different surface conditions which results in variable surface conditions and accessibility.

## 5.3 Tenure

Exploration licence EL4379 is located on salt lake abutting the western shore of Lake Frome and covers 331 km$^2$

| Tenement Number | Locality | Current Holders | Granted | Expires | Area (km$^2$) |
|---|---|---|---|---|---|
| EL4379 | Lake Frome | Sturt Exploration Pty Ltd | 12/11/2009 | 11/11/2010 | 331 |

Table 13: Frome Project Tenement Details.

## 5.4 Geology

### 5.4.1 Regional Geology

In the Lake Frome area and extending from the Mount Painter Inlier in the northwest to the Olary Domain in the southeast, flat-lying, undeformed Cambrian sediments overly Palaeo to Mesoproterozoic, deformed and possibly mineralised basement rocks and together form the Curnamona Province. The Cambrian sediments make up the Arrowie Basin which consists of the Moorowie and Yalkalpo Sub-basins which are separated by the Benagerie Ridge. Neoproterozoic to Early Cambrian marine sediments, dominated by meta-siltstone, sandstone and meta-glaciogene sediments (referred to as 'Adelaidean rocks') – exceed 2,000m in thickness in parts of the Moorowie Sub-basin which underlies Lake Frome. To the east Adelaidean sediments form a thin veneer over parts of the Benagerie Ridge and there is quite a lot of variation in the depth to basement. Broadly spaced seismic coverage completed to assess the area's petroleum potential can be used to map this old land surface. Deformation and low to moderate grade metamorphism during the Delamerian Orogeny has imparted a fabric of variable intensity on both Adelaidean and Cambrian rocks in the south, but does not affect equivalent units in the central Curnamona Province.

A marine incursion in the Early Cretaceous resulted in sediment deposition extending over the Province's central and northern portion of the Eromanga Basin. Widespread deposition of terrigenous sediments across much of the Curnamona Province followed in the Palaeogene to form the Lake Eyre Basin. Together with Neogene alluvial and aeolian sediments, these form a sediment blanket ranging in thickness from less than a few metres close to the ranges to over 250m in the northwest.

### 5.4.2 Local Geology

The Namba and Eyre Formations are interpreted to extend throughout the area under shallow depths of recent cover and salt lake mud. The Namba Formation is typically between 50-100m thick and the Eyre Formation is 20-40 m thick. The depth to basement rocks is variable and needs to be more precisely defined using seismic data but is probably more than 600m.

## 5.5 Copper-Gold-Uranium Mineralisation

Roll-front uranium deposits are located to the northwest and southeast of the Frome licences and it is likely that palaeochannels, or even multiple palaochannels on different sedimentary horizons cross the licence area. There is the potential to locate roll-front type uranium deposits in these channels. Potentially mineralised basement rocks under various aged cover sediments underlie the area but at depth. Targets within basement highs may be at drillable depths but further interpretation of seismic data is required. On current information it is likely that the basement is too deep under Core's Frome EL but further evaluation will be of value as there is quite a lot of relief in the underlying basement.

## 5.6 Previous Copper–Gold–Uranium Exploration

Modern exploration in the area commenced in the 1970s with companies targeting roll-front uranium, buried Olympic Dam style IOCG-U; $NaCO_3$ rich brines forming fossil crystalline trona bed style Tertiary deposits; heavy minerals sands and strontium-bearing sulphate mineral celestite within lacustrine chemical sediments.

## 5.6 Previous Copper–Gold–Uranium Exploration (continued)

| Companies | Dates | Work Conducted |
|---|---|---|
| Oilmin NL; Exoil NL, Petromin NL; Transoil NL; BP Minerals Australia Pty Ltd, Kimberley Minerals Holdings Ltd and Mines Administration Pty Ltd | 1970s | Explored for Tertiary sedimentary uranium, mainly to the north-west of Lake Frome. |
| Western Mining Corp. | 1977 to 1978 | Searched for buried Olympic Dam - type base metal deposits and attempted to test an isolated but sharply defined aeromagnetic anomaly between Lake Frome and Lake Callabonna. Hole WKD1 ended in Cretaceous sediments at TD 253m. No anomalous geochemical results were obtained from drill sample assays. Seismic data which became available immediately after the time of drilling showed that the magnetic basement was far deeper (at ~ 600 m) than expected. |
| Commonwealth Aluminium Corp. Ltd | 1978 to 1980 | Explored on Lake Frome for continental salt lake occurrences of $NaCO_3$ rich brines and of fossil crystalline trona bed style Tertiary deposits through drilling into the Miocene playa lake sediments in the eastern Lake Frome area. |
| Seltrust Mining Corp.; Oilmin NL; Transoil NL; Petromin NL; Mines Administration Pty Ltd; Teton Exploration Drilling Co. Ltd | 1979 to 1982 | Explored for roll front uranium in an area to the west of Lake Frome. |
| Santos Ltd | 1981 to 1982 | Explored for roll front uranium in an area to the east of Lake Frome. |
| Aberfoyle Resources Ltd | 1988 to 1989 | Targeted heavy mineral sands adjacent to the shores of Lake Frome and completed shallow auger drilling. |
| Wakefield Mining and Metals NL; Churchill Exploration NL | 1990 to 1994 | Explored for the rare strontium-bearing sulphate mineral celestite within lacustrine chemical sediments deposited along the western and southern margins of Lakes Frome, Callabonna and Blanche. Celestite was seen to occur quite widely but no economic concentrations were found. |
| BHP Minerals | 1993 | Revisited the possibility of locating buried Olympic Dam style mineralisation but concluded after modelling geophysical datasets that possible targets were below 1,500m depth. |
| Signature Resources NL; Paladin Resources Ltd; and Brightstar Power Corp. Pty Ltd | 1997 to 2000 | Native Title initially restricted access to the area with subsequent work consisting of drilling located well to the east of Lake Frome and was restricted to compilation of existing work, including producing Eyre Formation isopachs, in the licences on either side of Lake Frome. |
| Anglo American Exploration (Australia) Pty Ltd | 2004 | Considered IOCG–Olympic Dam targets to the east of Lake Frome but after collation with ground gravity and magnetic surveys concluded that the target was in excess of 400m and did not drill test. |
| Heathgate Resources Pty Ltd and Giralia Resources Pty Ltd | 2002 to 2004 | Considered the prospectivity of an area adjoining the north-eastern part of Lake Frome for Tertiary palaeochannel uranium but completed no drilling. |
| Platsearch NL; Quasar Resources Pty Ltd; Paladin Energy Minerals NL; John Ernest Risinger; Heathgate Resources Pty Ltd; James Fraser Allender; Aurelius Resources Pty Ltd; Anthony John Hosking; Robert Michael Kennedy; Joseph Frederick Houldsworth; Telezon Ltd and Red Metal Ltd | 2006 | Reported in 2006 results of a PACE approved project to explore for roll-front type sedimentary uranium mineralisation in Quaternary fluvial channels that drain the northern and eastern margins of the uranium-enriched Mount Painter and Mount Babbage basement inliers. The area assessed included the northern part of Lake Frome now held within EL4379 but no drilling was completed in that area. |

Table 14: Frome Project Proposed Exploration Budget.

## 5.6 Previous Copper–Gold–Uranium Exploration (continued)

Petroleum companies have assessed the potential of the Arrowie Basin through geological compilations, broadly-spaced seismic traverses, including across Lake Frome and a few wells. Well Moorowie 1 drilled in 1984 by Delhi Petroleum Pty Ltd to a total depth of 720m is located near the south-western edge of Lake Frome approximately 18km from the edge of the southernmost sub-block of EL4379. It recorded 99m of Namba Formation from 104-137m and 11m Eyre Formation from 137-148m. The Cretaceous extends to 237m with underlying Cambrian rocks to 2,228m and flat lying Pre-Cambrian rocks continuing to the end of hole at 3,246 m, interpreted to be just above crystalline basement rocks which are likely to be equivalent to those that elsewhere host the Mesoproterozoic Hiltaba Granite Suite and its equivalents.

Well Bumbarlow 1 was drilled in 1977 to a total depth of 720m by the Department of Mines and Energy, Geological Survey Fossil Fuels Division and aimed to test the lithology and petroleum potential of the Cambrian section in the central part of the eastern Arrowie Basin. It was located just to the east of Lake Frome and near 2km from the northern sub-block of EL4379. Tertiary and Recent sediments are 192m thick and overlie 209m of Mesozoic which in turn overlies a flat lying, conformable sequence of sediments and lavas encountered at 401m depth that are interpreted as Proterozoic in age and dated at 1360 +- 140 Ma. These rocks are younger than the Olympic Dam hematite breccia ages of 1590–1550 Ma but older than Mount Painter breccias. The Cambrian rocks have been removed by erosion due to basement uplift similar to at the Benagerie Ridge, while Hiltaba Suite hosting Mesoproterozoic rocks will potentially exist below the end of hole.

Recently geothermal energy explorer Deep Energy Ltd has drilled holes to the west of the lake but has not released details of cover sediment or basement depths.

Heathgate Resources Ltd operates the Beverley insitu leach uranium mine to the northeast of Lake Frome and explores the area between the mine and Lake Frome in joint venture with Giralia Resources NL. Marmota Energy Ltd holds the licences around the northern sub-block of EL4379, including on the lake, while Cauldron Energy holds licences to the east of the lake and the southern EL4379 sub-block and have recently announced a joint venture with Uranium Equities to explore the area. South East Energy Ltd holds the ground to the east, including on Lake Frome, which they are exploring for lithium hosted in salt lake brines and sediments and will initially focus on targets where lithium of up to 250ppm was identified in the earlier Comalco (Commonwealth Aluminium Corp. Ltd) trona exploration with sandstone-hosted uranium in palaeochannels and sedimentary basins as a secondary target.

## 5.7 Proposed Exploration Program and Budget

Current wet conditions on the central Australian salt lake systems will make progress challenging. Geophysical techniques, such as seismic, to look for palaeochannels, may be able to be applied initially while shallow aircore or similar drilling to follow-up targets is likely to be completed when the lakes dry.

IOCG-U mineralisation is likely to be present in underlying basement rocks but is probably too deep to be tested, although re-evaluation of available seismic data will be worthwhile as petroleum evaluation work has shown that there are large variations in cover depths. Magnetic or gravity features or disturbances in the Adelaidean aged rocks will not be discounted due to the relatively young age of the Mt. Painter Breccia.

Expenditure of $75,000 in both years one and two on geophysical surveys is consistent with the early stage nature of the project, while lake access may force expenditure to commence later than hoped.

The proposed work program expenditure for the area is presented below.

| ACTIVITY | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Geophysical surveys | 75 | 75 | 150 |
| TOTAL | 75 | 75 | 150 |

**Table 15: Frome Project Proposed Exploration Budget.**

# 6.0 Amadeus Project

## 6.1 Introduction

The Amadeus project consists of a single ELA located approximately 30km southeast of Alice Springs in the Santa Teresa region, an arid part of central Australia located in the Northern Territory. The project is to the east of known roll-front, uranium mineralisation.

## 6.2 Location and Access

The project area adjoins the Santa Teresa aboriginal community and is close to the main north south road and railway that joins Adelaide with Alice Springs with Darwin. The area is well serviced by other dirt roads which cross the folded rocks in this arid region of central Australia.

## 6.3 Tenure

The Amadeus Project consists of one ELA.

| Tenement Number | Locality | Current Holders | Application Date | Status | Area (km$^2$) |
|---|---|---|---|---|---|
| EL28349 | Alice Springs | DBL Blues Pty Ltd | 14/10/2010 | Application | 571 |

Table 16: Amadeus Project Tenement Details.

## 6.4 Geology

### 6.4.1 Regional Geology

The Amadeus Basin is a large east west trending intra-cratonic basin of Late Proterozoic to Carboniferous age consisting of marine and continental sediments. These sediments were derived from the surrounding early to mid Proterozoic granites and metamorphic rocks of the Arunta Block to the north and Musgrave Block to the south.

### 6.4.2 Local Geology

The Core ELA is located in the Ooraminna area on the northern edge of the Amadeus Basin where folded sedimentary rocks of the basin are exposed at surface. The licence area mainly covers the Ooraminna anticline and extends to the north over an adjoining syncline. The stratigraphically lowest unit, which is in the core of the anticline is the Pertaoorrta Group sediments that are overlain by the Mereenie Sandstone and in turn by the Pertnjara Group. The uppermost member of the Pertnejara Group is the Brewer Conglomerate which is closely associated with the Angela and Pamela uranium deposits located approximately 10km to the west. The Pertnjara Group consists of a thick sequence of terrigenous sediments which are of Late Devonian to Early Carboniferous age.

Geological mapping and correlation of units is difficult as the sandstones appear very similar, particularly in outcrop and even in shallow drill holes. Sandstone is typically comprised of fine to coarse-grained lithic sandstones and medium to coarse-grained lithic arkose interbedded with thin mudstone units. Inconsistencies of the relative positions of the Hermanannsburg Sandstone, the Brewer Conglomerate, Undandita Member, Ooraminna Sandstone and Meereenie Sandstone are apparent when various reports are compared. This includes mapping and water bores as part of a recent (2004) hydrological study in the area. This work points out that individual units are difficult to distinguish and it is likely that they interfinger with units being missing in some places and thicker in others. They point out that some different rock characteristics than expected, mainly porosity and permeability relevant for aquifers, were encountered. The sediments are generally oxidised while locating zones of reduced sandstone that may be preserved within the sequence is an important requirement for uranium trap sites as changed redox conditions are important controls of mineralisation. These conditions are known to occur to the east, within the Pertnjara Group, at or near contacts with the Brewer Conglomerate.

## 6.5 Uranium Mineralisation

The Amadeus Basin was the centre of active uranium exploration during the 1970s, with the focus on roll front uranium mineralisation. A number of significant uranium deposits and occurrences were identified including the Pamela and Angela uranium deposits which are located along the northern basin margin approximately 10km west of the Core ELA area and around 25km south of Alice Springs. The deposits are described as being within medium to coarse-grained lithic sandstones of the Undandita Member of the Pertnjara Group. These sandstones are in the broad regional east–west trending Missionary Syncline. The redox boundary defines the extent of the reduced sandstones within the Undandita Member. The uranium deposits are located along the upper redox boundary which is remarkably persistent down-plunge. It has been the focus of exploration in the area. Uranium mineralisation was transported by an oxidising uranium-rich groundwater system and deposited along the regional redox boundary.

## 6.5 Uranium Mineralisation (continued)

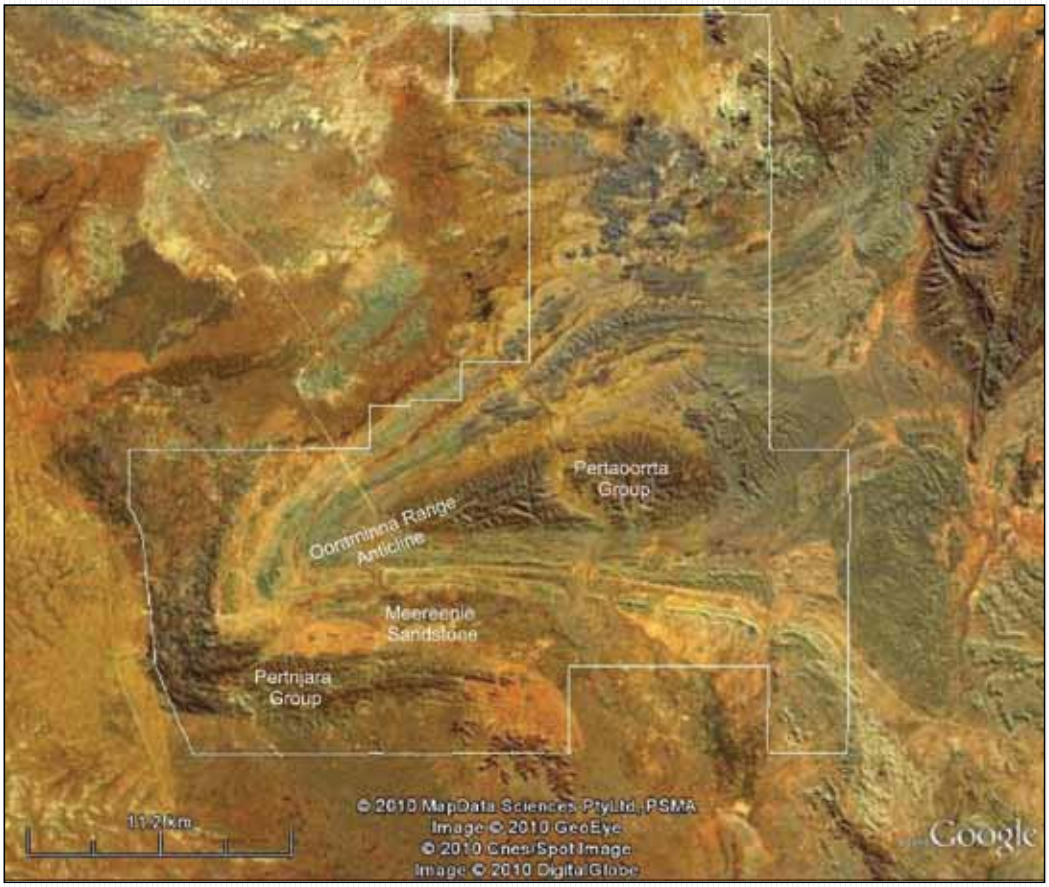


Figure 11: Google Earth Image of the Amadeus Licence Area.
*Shows the Ooraminna anticline which forms the Ooraminna Range and the location of the Pertnjara Group. Folded sedimentary units are clearly visible over most of the area.*

Most potential exists at the known mineralised horizon which is a contact with the Brewer conglomerate. Water bores located to the west of the application area record this conglomerate in the gently plunging Rocky Hill Syncline. Other stratigraphic horizons may also potentially host mineralisation if favourable redox conditions exist.

## 6.6 Previous Copper– Gold–Uranium Exploration

Uranerz Australia Pty Ltd commenced exploration for sandstone uranium deposits in the Amadeus Basin, Northern Territory, in 1972 and located the Angela and Pamela Deposits as well as a number of smaller zones of mineralisation.

Most of the rock chips, stream samples, soil samples and drill holes located in and near ELA28349 were completed by Uranerz and / or the Carpentaria Exploration Company ("Carpentaria"). Not all samples were assayed for uranium as some of the exploration was focused on locating base metals. For example most of the stream samples collected within the ELA collected by Carpentaria were focused on finding zinc in carbonate and were not assayed for uranium. Some RAB holes by Carpentaria within the application area did not traverse probable contact stratigraphy as they were part of the base metal search, while Uranerz completed a few vacuum holes to sample bedrock on the southern edge of the licence.

Recently part of the application area was held by Cauldron Energy Ltd who completed drilling within their Amadeus project at the Orange Creek Uranium Prospect that is located to the south of Angela and Pamela. They show the zone of reduced Undandita Group sandstones as being located to the west of application the application. Their 2010 annual report does not mention any testing of the relinquished area that is now within the Core ELA.

Other companies who have explored or evaluated the area for uranium, base metals, gold or phosphate include, Magellan Petroleum, CRA Exploration, Santos, BHP, Gutnick Resources and Globe Resources. Petroleum well Ooraminna 1 was drilled by Magellan Petroleum in 1963 to 1,861m in the core of the Ooraminna anticline and near the middle of the licence application area.

## 6.6 Previous Copper– Gold–Uranium Exploration (continued)

The Angela-Pamela Project was placed on care and maintenance in 1983, following the introduction of the Three Mines Policy. In February 2008, the Northern Territory Government advised that a 50:50 Joint Venture between Paladin and Cameco Australia Pty Ltd (manager) had been chosen as the successful applicant for an EL covering the Angela and Pamela uranium deposits. Historical work indicates a potential resource of between 26-28Mlb of $U_3O_8$. Drilling commenced in May 2009 and an exploration agreement covering arrangements with Native Title holders was executed with the Central Land Council in August 2009. Discussions and negotiations continue in order to allow for the mines to be developed.

| Companies | Dates | Work Conducted |
|---|---|---|
| Uranerz Australia Pty Ltd and Carpentaria Exploration Company Ltd | 1972 to 1979 | Commenced exploration for sandstone uranium deposits initially by using reconnaissance airborne spectrometry and ground surveys which identified several anomalies south of Alice Springs. Drilling of these anomalies during 1973-1974 led to the discovery of the Angela and Pamela deposits. From the mid 1970s onwards the project was a JV between Uranerz and Carpentaria. Further drilling and mapping showed that the uranium mineralisation occurred along a redox boundary of the Brewer Conglomerate. From 1975-1979 the Angela and Pamela deposits were delineated by detailed percussion and diamond drilling. A number of smaller zones of mineralisation associated with the Angela deposit were also drilled. |

Table 17: Amadeus Project Proposed Exploration Budget.

## 6.7 Proposed Exploration Program and Budget

Most of the ELA covers the core of the Ooraminna Sandstone and rocks that are older and below the Pertnjara Group. Favourable contact may be present in the northern part of the licence where Tertiary cover sediment is present, even though Uranerz drilling to map out the favourable contact zone did not extend that far to the east and Cauldron Energy Ltd's map shows it to the west. It is possible that other stratigraphic positions may host uranium mineralisation if favourable redox conditions can be located. The recent ground water study that included water bores, encountered some different than expected rock characteristics and provides encouragement for revisiting assumptions of the controls to mineralisation and evaluating alternative models of mineralisation.

Although some previous soil, stream and rock chip sampling has been completed not all work was targeted at uranium and these early stage exploration methods can be considered in addition to detailed geological mapping and traversing, mainly in the northern part of the application area where favourable contacts may be present. Carbonate rich rocks in the Pertaorrta Group within the licence are potential sites for base metal mineralisation.

Core intends to use geophysics to test the area as a first step and the proposed budget in the first year of $75,000 with $115,000 in year 2 will be adequate to fund this initial work.

The proposed work program expenditure for the area is presented below.

| ACTIVITY | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Geophysical surveys | 75 | 115 | 190 |
| **TOTAL** | **75** | **115** | **190** |

Table 18: Amadeus Project Proposed Exploration Budget.

## 7.0 Conclusions

The Core group of projects all have merit since they are situated over ground that has not yet been fully subjected to best systematic, modern day exploration methodology. Seismic surveys, for example, designed to focus on shallow cover sediment can potentially map cover depth and "see" layers in that sediment which will enable palaeochannels to be located. The redox conditions of the channels can then be assessed cost effectively, by focused shallow drilling. This and other recently developed exploration techniques can be applied in the roll-front sedimentary uranium projects at Honeymoon South, Frome and Yorke Peninsula.

## 7.0 Conclusions (continued)

Previous exploration for IOCG-U and other basement mineralisation at Yorke Peninsula, Honeymoon South, Mount Painter and Roxby has tested most obvious coincident magnetic and gravity anomalies which characterise this style of deposit. The recent discovery at Hillside by Rex Minerals highlights that the previous work was not exhaustive and that deeper testing than has usually been completed is required in order to make a discovery. At the Yorke Peninsula features in the geology of the basement explain the coincident gravity and magnetic anomalies tested by some drilling but highlights that mineralisation is likely to form less prominent features in that geological environment. Similar logic can be applied to the other project areas in assessing the effectiveness of previous work. At Mount Painter a sub-parallel fault to the known mineralisation controlling fault structure appears to have not been the focus of previous exploration and may prove to be a conduit for mineralising fluids. In the Northern Territory assumptions of the controls of roll-front mineralisation can be re-assessed with the potential to locate alternative mineralisation sites.

Initially most exploration completed by Core will consist of geophysical surveys and shallow geochemical drilling with follow-up deeper RC and diamond drilling of best targets. Project proposed expenditures are summarised below.

| PROJECT | YEAR ONE $000s | YEAR TWO $000s | TOTAL $000s |
|---|---|---|---|
| Yorke Peninsular | 450 | 675 | 1125 |
| Honeymoon South | 200 | 325 | 525 |
| Mount Painter | 250 | 310 | 560 |
| Roxby | 50 | 100 | 150 |
| Frome | 75 | 75 | 150 |
| Amadeus | 75 | 115 | 190 |
| **TOTAL** | **1,100** | **1,600** | **2,700** |

Table 19: Combined Project Proposed Exploration Budget.

Yours faithfully,

Allen J. Maynard

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## 9.0 Glossary of Technical Terms and Abbreviations

| | |
|---|---|
| Aeromagnetic Survey | A survey made from the air for the purpose of recording magnetic characteristics of rocks. |
| Alluvial | Transported and deposited by water. |
| Anomaly | Value higher or lower than the expected or norm. |
| Base metal | Generally a metal inferior in value to the precious metals, eg. copper, lead, zinc, nickel. |
| Basement Rocks | Usually older metamorphosed and granite intruded rocks with potential for IOCG-U style of mineralisation. |
| BIF | Banded Iron Formation. |
| Complex | An assemblage of rocks or minerals intricately mixed or folded together. |
| Conformable | Beds deposited upon one another in uninterrupted sequence. |
| Conglomerate | Sedimentary rock formed by the cementing together of rounded water- worn pebbles, distinct from breccia. |
| Diamond drill | Rotary drilling using diamond impregnated bits, to produce a solid continuous core sample of the rock. |
| Dip | The angle at which a rock layer, fault of any other planar structure is inclined from the horizontal. |
| Dyke | A tabular intrusive body of igneous rock that cuts across bedding at a high angle. |
| Fault | A fracture in rocks on which there has been movement on one of the sides relative to the other, parallel to the fracture. |
| Felsic | Descriptive of an igneous rock which is predominantly of light coloured minerals (antonym: of mafic). |
| Fine Ounce | Equal to 31.1035 grams of gold. |

## 9.0 Glossary of Technical Terms and Abbreviations (continued)

| | |
|---|---|
| Footwall | Rocks underlying mineralisation. |
| Geochemistry | Study of variation of chemical elements in rocks or soils. |
| Geochemical Survey | The systematic study of the variation of chemical elements in rocks survey and soil. |
| Granite | A coarse grained igneous rock consisting essentially of quartz and more alkali feldspar than plagioclase. |
| Intercept | The length of rock or mineralisation traversed by a drillhole. |
| JORC | Joint Ore Reserves Committee- Australasian Code for Reporting of Identified Resources and Ore Reserves. |
| JV | Joint Venture. |
| Laterite | A red, residual soil, cemented in place, containing iron and aluminium oxides but leached of quartz. |
| Magnetic Survey | Systematic collection of readings of the earth's magnetic field. |
| Mineralisation | In economic geology, the introduction of valuable elements into a rock body. |
| Ore | A mixture of minerals, host rock and waste material which is expected to be mineable at a profit. |
| Outcrop | The surface expression of a rock layer (verb: to crop out). |
| Palaeochannel | A drainage channel of the geological past which may be buried. |
| Palaeozoic | A time period from approximately 590 to 225 million years ago. |
| Porphyry | A rock with conspicuous crystals in a fine-grained ground mass. |
| Primary | Mineralisation which has not been affected by near surface mineralisation oxidising process. |
| Proterozoic | The geological age after Archaean, approximately 570 to 2400 million years ago. |
| Quartz | A very common mineral composed of silicon dioxide-SiO2. |
| Quaternary | A division of geological time ranging between 1.8 million years and the present. |
| RAB | Rotary Air Blast (as related to drilling)—A drilling technique in which the sample is returned to the surface outside the rod string by compressed air. |
| RC | Reverse Circulation (as relating to drilling)—A drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination. |
| Recent | Geological age from about 20,000 years ago to present (synonym: Holocene). |
| Reconnaissance | A general examination or survey of a region with reference to its main features, usually as a preliminary to a more detailed survey. |
| Remote Sensing Imagery | Geophysical data obtained by satellites processed and presented Imagery as photographic images in real or false colour combinations. |
| Reserve | In-situ mineral occurrence which has had mining parameters applied to it, from which valuable or useful minerals may be recovered. |
| Resource | In-situ mineral occurrence from which valuable or useful minerals may be recovered, but from which only a broad knowledge of the geological character of the deposit is based on relatively few samples or measurements. |
| Sandstone | A cemented or otherwise compacted detrital sediment composed predominantly of quartz grains. |
| Shear (zone) | A zone in which shearing has occurred on a large scale so that the rock is crushed and brecciated. |

## 9.0 Glossary of Technical Terms and Abbreviations (continued)

| | |
|---|---|
| Stratigraphy | The succession of superimposition of rock strata. Composition, sequence and correlation of stratified rock in the earth's crust. |
| Strike | The direction or bearing of the outcrop of an inclined bed or structure on a level surface. |
| Stringer | A narrow vein or irregular filament of mineral traversing a rock mass. |
| Subcrop | The surface expression of a mostly concealed rock layer. |
| Syncline | A fold where the rock strata dip inwards towards the axis (antonym: anticline). |
| Ultramafic | Synonymous with ultrabasic. |
| Unconformable | Descriptive of rocks on either side of an unconformity. |
| Unconformity | Lack of parallelism between rock strata in sequential contact, caused by a time break in sedimentation. |
| Vein | A narrow intrusive mineral body. |
| Volcanic | Relating to the eruption of a volcano. |
| Volcanic | Describes clastic fragments of volcanic origin. |

### CHEMICAL SYMBOLS

| | | | |
|---|---|---|---|
| Ag | Silver | As | Arsenic |
| Au | Gold | Ba | Barium |
| Bi | Bismuth | Cu | Copper |
| Mn | Manganese | Mo | Molybdenum |
| Ni | Nickel | Pb | Lead |
| U | Uranium | Zn | Zinc |

### ABBREVIATIONS

| | | | |
|---|---|---|---|
| cm | centimetre | g | gram |
| g/t | gram per tonne | ha | hectare |
| kg | kilogram | km | kilometre |
| km2 | square kilometre | m | metre |
| m2 | square metre | m3 | cubic metre |
| mm | millimetre | M | million |
| t | tonne | oz | troy ounce, equivalent to 31.10348g. |

### UNITS OF CONCENTRATION

| | |
|---|---|
| ppb | parts per billion |
| ppm | parts per million |

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The Board of Directors
Core Exploration Ltd
Level 15
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ADELAIDE SA 5000

12 November 2010

Dear Sirs

## Investigating Accountant's Report On Reviewed Historical Financial Information

## Introduction

Grant Thornton Audit Pty Ltd ("Grant Thornton") has been engaged by the directors of Core Exploration Ltd ("Core Exploration" or "the Company") to prepare an Investigating Accountant's Report on Historical Financial Information for inclusion in a Prospectus. The Prospectus will be dated on or about 15 November 2010 and relates to the issue of 25,000,000 Shares in the Company at an issue price of $0.20 per Share to raise $5,000,000 ("Maximum subscription") subject to a minimum subscription of 20,000,000 Shares ($4,000,000).

All amounts are payable in full on application.

Expressions referred to in the Prospectus have the same meaning in this report.

## Background

The Company was incorporated in South Australia on 10 September 2010 as an unlisted Australian public company limited by shares. The Company was established to identify and acquire the right to explore for gold, copper and uranium in South Australia.

## Financial information

Grant Thornton Audit Pty Ltd has been requested to prepare a report covering the historical financial information and pro forma historical financial information (together referred to as "the historical financial information") as described below and disclosed in the Financial Information Section of this Prospectus.

## Historical Financial Information

The historical financial information of the Company comprises the statement of comprehensive income and statement of changes in equity for the period from incorporation to 10 November 2010, the statement of financial position as at 10 November 2010 and the associated notes.

The Directors of the Company are responsible for the preparation and presentation of the historical financial information. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the historical financial information. The historical financial information has been prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS").

The historical financial information in this Prospectus is presented in an abbreviated form in so far as it does not include all the disclosures required under AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

## Pro forma Historical Financial Information

The pro forma historical financial information of the Company comprises the statement of changes in equity for the period from incorporation to 10 November 2010 and the pro forma statement of financial position as at 10 November 2010 which assumes the pro forma transactions as set out in Note 2 of the Financial Information Section had occurred as at 10 November 2010.

The Directors of the Company are responsible for the preparation and presentation of the pro forma historical financial information.

The pro forma historical financial information as at 10 November 2010 has been prepared in accordance with AIFRS, but is presented in an abbreviated form insofar as it does not include all the disclosures required by AIFRS applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

## Scope

The directors of the Company have requested Grant Thornton Audit Pty Ltd prepare a report covering the following information:

a The historical performance of the Company for the period from incorporation to 10 November 2010;

b The historical statement of financial position as at 10 November 2010 and the pro forma statement of financial position as at 10 November 2010, which assumes completion of the contemplated transactions disclosed in Note 2 of the Financial Information Section; and

c The historical statement of changes in equity for the period from incorporation to 10 November 2010 and the pro forma statement of changes in equity which assumes completion of the contemplated transactions as noted above.

We have reviewed the pro forma historical financial information in order to report whether anything has come to our attention, which causes us to believe that the pro forma historical financial information of the Company does not present fairly the pro forma historical statement of financial position of the Company as at 10 November 2010 on the basis of the pro forma transactions and adjustments described in the Financial Information Section of this Prospectus, and in accordance with the recognition and measurement principles prescribed in AIFRS and other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company.

We have conducted our review of the financial information including the pro forma adjustments in accordance with Standard on Review Engagements ASRE 2405 "Review of Historical Information Other than a Financial Report". We have made such enquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- Analytical procedures on the historical financial information for the relevant historical period;
- A review of work papers, accounting records and other documents;
- A review of the basis of preparation and adjustments used to compile the historical financial information;
- A review of the adjustments made to the pro forma statement of financial position and pro forma statement of changes in equity of the Company as at 10 November 2010;
- A Comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Company; and

## Scope (continued)

- Enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

## Review Statement of Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention, which causes us to believe that the pro forma historical financial information of the Company, does not present fairly the pro forma statement of financial position of the Company as at 10 November 2010 on the basis of the pro forma transactions and/or adjustments described in Note 2 in the Financial Information Section, and in accordance with the recognition and measurement principles prescribed in AIFRS and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company.

## Subsequent Events

Since the 10 November 2010 and to the date of this report the Company incurred costs associated with the production of this prospectus and managing of the Company's assets.

Apart from the matters dealt with in this report and having regard to the scope of our review, to the best of our knowledge and belief, no additional material transactions or events outside the ordinary business of the Company have come to our attention that require comment on or adjustment to the information referred to in our report or that would cause such information to be misleading or deceptive.

## Responsibility

Grant Thornton Audit Pty Ltd has consented to the inclusion of this Independent Accountant's Report in the Prospectus in the form and context in which it is included, but has not authorised the issue of the Prospectus. Accordingly, Grant Thornton Audit Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, this Prospectus.

## Independence

Grant Thornton Audit Pty Ltd does not have any interest in the outcome of the Offer other than in connection with the preparation of this report, participation in limited due diligence procedures and acting as statutory auditor for the Company for which normal professional fees will be received.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Director – Audit & Assurance

## Reviewed Statement Of Comprehensive Income
## For the Period from Incorporation to 10 November 2010

| | Reviewed Period Ended 10 November 2010 $ |
|---|---|
| Revenue | |
| Interest income | - |
| **Total Revenue** | **-** |
| **Expenses** | |
| Bank charges | 57 |
| Filing fees | 68 |
| Write-off tax deferred assets associated with seed capital costs | 9,000 |
| **Profit/(Loss) from ordinary activities before income tax expense** | **(9,125)** |
| Income tax expense | |
| **Profit/(Loss) from ordinary activities after income tax expense** | **(9,125)** |
| Other comprehensive income | - |
| **Total comprehensive income** | **(9,125)** |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## Reviewed Statement of Financial Position And Reviewed Pro Forma Statement of Financial Position as at 10 November 2010

| | Note | Reviewed<br>10 November 2010<br>$ | Un-audited Pro Forma Minimum Subscription<br>10 November 2010<br>$ | Un-audited Pro Forma Maximum Subscription<br>10 November 2010<br>$ |
|---|---|---|---|---|
| **CURRENT ASSETS** | | | | |
| Cash & cash equivalents | 3 | 513,395 | 4,079,110 | 5,014,110 |
| Trade & other receivables | 4 | 4,000 | 4,000 | 4,000 |
| Other assets | 5 | 10,315 | - | - |
| **TOTAL CURRENT ASSETS** | | **527,710** | **4,083,110** | **5,018,110** |
| **NON CURRENT ASSETS** | | | | |
| Exploration expenditure | 6 | - | 3,195,124 | 3,195,124 |
| **TOTAL NON CURRENT ASSETS** | | **-** | 3,195,124 | 3,195,124 |
| **TOTAL ASSETS** | | **527,710** | **7,278,234** | **8,213,324** |
| **CURRENT LIABILITIES** | | | | |
| Trade & other payables | 7 | 32,835 | 32,835 | 32,835 |
| **TOTAL CURRENT LIABILITIES** | | **32,835** | **32,835** | **32,835** |
| **NON CURRENT LIABILITIES** | | | | |
| Deferred tax liability | | - | 957,524 | 957,524 |
| **TOTAL NON CURRENT LIABILITIES** | | - | **957,524** | **957,524** |
| **TOTAL LIABILITIES** | | **32,835** | **990,359** | **990,359** |
| **NET ASSETS** | | **494,875** | **6,287,875** | **7,222,875** |
| **SHAREHOLDERS EQUITY** | | | | |
| Issued capital | 8 | 504,000 | 6,201,447 | 7,154,518 |
| Reserves | | - | 394,350 | 394,350 |
| Retained earnings | | (9,125) | (307,922) | (325,993) |
| **TOTAL SHAREHOLDERS EQUITY** | | **494,875** | **6,287,875** | **7,222,875** |

The above statement of financial position and pro forma statement of financial positions should be read in conjunction with the accompanying notes.

## Reviewed Statement of Changes in Equity and Pro Forma Statement of Changes in Equity For Period from Incorporation to 10 November 2010

| | Ordinary Shares | Share Option Reserve | Retained Earnings |
|---|---|---|---|
| Issued on Incorporation | 25,000 | - | - |
| Profit for the period | - | - | (9,125) |
| Shares issued during the period | 500,000 | - | - |
| Costs associated with seed capital | (21,000) | | |
| **Balance at 10 November 2010** | **504,000** | - | **(9,125)** |
| **Pro forma transactions** | | | |
| Issue of 2,500,000 Shares as consideration for 100 % of the share capital of DBL Blues Pty Ltd | 500,000 | - | - |
| Issue of 8,000,000 Shares and 4,000,000 unlisted options as consideration for 100 % of the share capital of Sturt Exploration Pty Ltd | 1,600,000 | 138,000 | - |
| Issue of 20,000,000 Shares pursuant to this Prospectus (Minimum Subscription) | 4,000,000 | - | - |
| Expenses of the offer | (356,718) | - | (88,282) |
| Deferred tax assets associated with the expenses of the offer written off | 107,015 | - | (107,015) |
| Issue of 3,000,000 unlisted options to the Directors of the Company | - | 103,500 | (103,500) |
| Issue of 1,500,000 unlisted options to the financial advisor of the Company | (152,850) | 152,850 | - |
| **Pro forma transactions at 10 November 2010 Minimum Subscription** | **6,201,447** | **394,350** | **(307,922)** |
| Issue of an additional 5,000,000 Shares pursuant to this Prospectus (Maximum subscription) | 1,000,000 | - | - |
| Additional expenses of the offer | (67,041) | - | 2,041 |
| Deferred tax assets associated with the expenses of the offer written off | 20,112 | - | (20,112) |
| **Pro forma transactions at 10 November 2010 Maximum Subscription** | **7,154,518** | **394,350** | **(325,993)** |

The above statement of changes in equity and pro forma statement of changes in equity should be read in conjunction with the accompanying notes.

## Notes To The Financial Statements
## For the Period from Incorporation to 10 November 2010

### Note 1 - Statement of Significant Accounting Policies

The financial information has been prepared in accordance with the measurement but not all of the disclosure requirements of Australian Accounting Standards and Urgent Issues Group Consensus Views. In the view of the Directors of Core Exploration Ltd ("Core" or "the Company"), the omitted disclosures would provide no further relevant information to potential investors.

**(a) Basis of Preparation**

The company has prepared financial statements in accordance with the Australian Equivalents to International Financial Reporting Standards (IFRS).

*Reporting Basis and Conventions*

The historical financial information has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**(b) Principles of Consolidation**

Controlled entities are all those entities over which Core has the power to govern the financial and operating policies so as to obtain benefits from its activities.

All inter-company balances and transactions between entities, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included/ excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

**(c) Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(d) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area of interest are written off in full against profit in the year in which the decision to abandon the area of interest is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extend of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months, less any bank overdrafts.

**(f) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(g) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(h) Equity-settled compensation**

The cost of equity-settled transactions is measured by the fair value at the date at which the equity instruments are granted. The fair value is determined using the Black-Scholes pricing model. The cost is recognised as an expense in the statement of comprehensive income with a corresponding increase in the share option reserve or issued capital when the options or shares are issued.

Where the grant date and the vesting date are different, the total expenditure will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the terms and conditions.

**(h) Critical accounting estimates and judgments**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Company.

**Exploration and Evaluation Expenditure**

The Company's policy for exploration and evaluation is discussed in Note 1(d). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the statement of comprehensive income.

**(i) Business Combinations**

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities under common control. The acquisition method requires that for each business combination one of the combining entitles must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date when control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the costs of the investment in the separate financial statements. Consideration may comprise the sum of assets transferred to the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent arrangement. Any obligation incurred relating to the contingent consideration is classified as either a financial liability or equity instrument, depending on the nature of the arrangement. Rights to refunds of consideration classified as equity is not remeasured and its subsequent settlement is accounted for in equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

## Notes To The Financial Statements
## For the Period from Incorporation to 10 November 2010

### Note 2 – Basis of Preparation of the Pro Forma Historical Financial Information

The pro forma historical financial information has been prepared from the reviewed statement of financial position and statement of changes in equity as at and for the period from incorporation to 10 November 2010 respectively, adjusted for the following transactions as if they had taken place on 10 November 2010:

**2.1 Assuming Minimum Subscription**

The issue of 2,500,000 Shares at $0.20 per share as consideration for 100% of the share capital of DBL Blues Pty Ltd;

The issue of 8,000,000 Shares at $0.20 per share and 4,000,000 unlisted options as consideration for 100% of the share capital of Sturt Exploration Pty Ltd. The options have an exercise price of $0.25 per option, are exercisable at any time until 30 June 2014 and have a fair value of $138,000;

The issue of 20,000,000 Shares at an issue price of $0.20 per share to raise $4,000,000;

Expenses associated with the Offer (including advisory, legal, accounting, listing and administrative fees as well as printing, travel and other expenses) which are estimated to be $445,000, of which $356,718 has been directly off set against share capital ($249,703 net of tax) and $88,282 has been recognised through the statement of comprehensive income;

The issue of 1,500,000 unlisted options to the Company's financial advisor. These options have an exercise price of $0.25, are exercisable at any time up to 31 October 2014 and have a fair value of $152,850; and

The issue of 3,000,000 unlisted options to the Directors of the Company. These options have an exercise price of $0.25, are exercisable at any time up to 30 June 2014 and have a fair value of $103,500.

**2.2 Assuming Maximum Subscription**

The issue of a further 5,000,000 Shares at an issue price of $0.20 per share to raise an additional $1,000,000; and

Additional expenses associated with the Offer (including advisory, legal, accounting, listing and administrative fees as well as printing, travel and other expenses) which are estimated to be $67,041 has been directly offset against share capital ($46,929 net of tax) and $2,041 recognised through the statement of comprehensive income.

## Notes to the Financial Statements
## For the Period from Incorporation to 10 November 2010

| | Reviewed<br>10 November 2010<br>$ | Un-audited Pro Forma Minimum Subscription<br>10 November 2010<br>$ | Un-audited Pro Forma Maximum Subscription<br>10 November 2010<br>$ |
|---|---|---|---|
| **Note 3 – Cash & cash equivalents** | | | |
| Cash and cash equivalents | 513,395 | 4,079,110 | 5,014,110 |
| **Note 4 – Trade & other receivables** | | | |
| GST receivable | 4,000 | 4,000 | 4,000 |
| **Note 5 – Other assets** | | | |
| Prepaid IPO costs | 10,315 | - | - |
| **Note 6 – Exploration expenditure** | | | |
| Capitalised exploration expenditure | - | 3,195,124 | 3,195,124 |
| **Note 7 – Trade & other payables** | | | |
| Trade creditors | 315 | 315 | 315 |
| Refundable seed applications | 32,520 | 32,520 | 32,520 |
| | **32,835** | **32,835** | **32,835** |

| | Number of shares issued | $ |
|---|---|---|
| **Note 8 – Issued capital** | | |
| **Paid up capital** | | |
| Issued on incorporation | 1,000,000 | 25,000 |
| Shares issued during the period | 5,000,000 | 500,000 |
| Less seed capital raising costs (net of tax effect) | - | (21,000) |
| **At 10 November 2010** | **6,000,000** | **504,000** |
| Shares issued as consideration for the acquisition of DBL Blues Pty Ltd | 2,500,000 | 500,000 |
| Shares issued as consideration for the acquisition of Sturt Exploration Pty Ltd | 8,000,000 | 1,600,000 |
| Shares issued pursuant to this Prospectus – Minimum Subscription | 20,000,000 | 4,000,000 |
| Less capital raising costs (net of tax effect) | - | (402,553) |
| **At Minimum Subscription** | **36,500,000** | **6,201,447** |
| Additional shares issued pursuant to this Prospectus – Maximum Subscription | 5,000,000 | 1,000,000 |
| Less additional capital raising costs (net of tax effect) | - | (46,929) |
| **At Maximum Subscription** | 41,500,000 | 7,154,518 |

## Notes to the Financial Statements
## For the Period from Incorporation to 10 November 2010
## Note 9 – Share based remuneration

Subsequent to 10 November 2010 the Company has, or will, enter the following share based payment transactions:

- Pursuant to a Share Sale Agreement dated 10 November 2010, the Company will issue 2,500,000 Shares at $0.20 to the existing vendors of DBL Blues Pty Ltd as consideration for 100 % of the share capital of that entity. The fair value of the shares is $500,000;
- Pursuant to a Share Sale Agreement dated 10 November 2010, the Company will issue 8,000,000 Shares and 4,000,000 unlisted options to the existing vendors of Sturt Exploration Pty Ltd as consideration for 100 % of the share capital of that entity. The shares have a fair value of $1,600,000 and the options (exercise price of $0.25 per option, exercisable at any time until 30 June 2014) have a fair value of $138,000;
- At the General Meeting on 10 November 2010 it was resolved to issue the following options to the Company's Directors:

| | |
|---|---|
| Stephen Biggins | 1,000,000 |
| Greg English | 1,000,000 |
| Michael Schwartz | 1,000,000 |
| **Total director options** | **3,000,000** |

The above options are unlisted, have an exercise price of $0.25 and are exercisable at any time up to 30 June 2014. The options have a total fair value of $103,500; and

- At the General Meeting on 10 November 2010 it was resolved that the Company issue 1,500,000 unlisted options to the Company's financial advisor, assuming minimum subscription is achieved. These options have an exercise price of $0.25, are exercisable at any time up to 31 October 2014 and have a fair value of $152,850.

The table below outlines the inputs used in the Black-Scholes fair value option calculation:

| | Director & Vendor options | Financial advisor options |
|---|---|---|
| Exercise price | $0.25 | $0.25 |
| Option life | 3.6 years | 3.6 years |
| Underlying share price [1 & 2] | $0.10 | $0.20 |
| Expected share price volatility [3] | 75 % | 75 % |
| Risk free interest rate | 4.75 % | 4.75 % |

[1] - The lack of trading activity of Core Exploration Ltd shares for the period from incorporation to 14 October 2010 makes the determination of the underlying share price problematic. In the absence of other applicable information we have deemed the most recent share issue price of $0.10 as an appropriate proxy for the underlying share price for the Director and Vendor options.

[2] - As the options issued to the financial advisor are contingent upon achieving minimum subscription, we have deemed the subscription price associated with this IPO of $0.20 as an appropriate proxy for the underlying share price for the financial advisor options.

[3] - As Core Exploration Ltd has no share trading history, the expected volatility has been based on the historical volatility of comparable companies listed on the ASX. It has been assumed this historical proxy will be indicative of future trends, however it should be noted that this outcome may not eventuate and the actual volatility may vary significantly.

## Notes to the Financial Statements
## For the Period from Incorporation to 10 November 2010
## Note 10 - Expenditure commitments

### Service Agreement with Managing Director

Mr Stephen Biggins, the Company's Managing Director has a consultancy agreement which outlines an annual remuneration of $216,000. The consultancy agreement has an initial term of 12 months, however can be extended by mutual agreement of both parties and may be terminated by either party upon the provision of 3 months written notice, or may be terminated by the Company if Mr Biggins breaches the express terms of this agreement.

### Exploration Expenditure

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure. It will be necessary for the company to incur expenditure in order to retain present interests in exploration licences. The timing and amounts of exploration expenditure commitments of the Company may vary significantly from the forecast based upon the results of work performed by the Company.

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12 November 2010

Core Exploration Ltd
C/- Norman Waterhouse Lawyers
Level 15
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Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the issue of up to 25,000,000 shares in the capital of Core Exploration Ltd (**Company**) at an issue price of $0.20 cents per share to raise $5,000,000 (**Prospectus**).

## 1. Scope

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

The Tenements are located in South Australia and the Northern Territory. Details of the Tenements are set out in Part I of the attached Schedule, which forms part of this Report.

## 2. Searches

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows:

we have obtained searches of the Tenements from the registers maintained by:

(i) the South Australian Department of Primary Industries and Resources (**SA Department**). The searches were conducted on 30 September 2010 and 10 November 2010. Key details on the status of the South Australian Tenements are set out in Part I of the Schedule; and

(ii) the Northern Territory Department of Resources (**NT Department**). These searches were conducted on 30 September 2010 and 5 November 2010. Key details on the status of the Northern Territory Tenement are set out in Part I of the Schedule;

## 2. Searches (continued)

(b) we have obtained extracts of registered native title claims and native title determinations that apply to the Tenements, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 4 October 2010 and 5 November 2010. Details of native title claims and determinations are set out in Section 7 of this Report and Part II of the Schedule; and

(c) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the SA Department and NT Department searches and have summarised the material terms (details of which are set out in Section 11 of the Prospectus) (**Agreements**).

On the basis of the searches conducted and our review of the Agreements, subject to the enforceability of such Agreements, we consider that this report (and the Schedule) provides an accurate statement as to the status of the Tenements as at the date the relevant searches were obtained.

## 3. Opinion

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant searches:

(a) (**Company's Interest**): this Report provides an accurate statement as to the Company's interest in the Tenements;

(b) (**Good Standing**): this Report provides an accurate statement as to the validity and good standing of the Tenements; and

(c) (**Third party interests**): this Report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

## 4. Executive summary

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

(a) (**Company's Interest**): The Company is not the registered holder of any of the Tenements contained within Part I of the Schedule. The Company is in the process of acquiring Sturt Exploration Pty Ltd (**Sturt**) and DBL Blues Pty Ltd (**DBL**), who are the registered holders of, or applicants for, the Tenements contained within Part I of the Schedule. Please refer to Section 11 of the Prospectus for summaries of the material contracts involving Sturt and DBL.

(b) (**Applicants and holders of the Tenements**): Sturt is the registered holder of five exploration licences (being EL 4174, EL 4379, EL 4568, EL 4569 and EL 4177) and is the applicant for two exploration licence applications (ELA 227/09 and ELA 55/10) (together, the SA Tenements). DBL is the applicant for one exploration licence application (EL 28349) (the NT Tenement).

(c) (**Rent/Expenditure**): There are currently no material issues with regards to rent or expenditure requirements affecting the Tenements.

(d) (**Applications for Forfeiture**): There are currently no applications for forfeiture affecting the Tenements.

(e) (**Third Party Interests**): There are currently no third party interests (aside from the native title claims listed below) affecting the Tenements.

(f) (**Bonds**): There are currently no bonds affecting the Tenements.

(g) (**Caveats**): There are currently no caveats lodged against the Tenements.

(h) (**Renewal Applications**): Exploration licences EL 4174, EL 4177 and EL 4379 are subject to pending renewal applications. If the renewals are not granted the Company will not retain title to the Tenements and it will be precluded from undertaking any exploration activities on the Tenements. In respect of these exploration licences, valid renewal applications have been lodged with the SA Department. Unless the tenement holder is in breach of licence conditions, the holder has a right to a renewal of the term up to an aggregate of 5 years. We are not aware of any reason why a renewal of these tenements would not be granted for at least an additional 12 month term, in due course. Provided that a valid renewal application has been lodged, an expiring exploration licence continues to be a valid grant pending processing of the renewal.

## 4. Executive summary (continued)

(i) (**Native Title**): There are currently registered native title claims over exploration licences EL 4174, EL 4379, EL 4568, EL 4569 and exploration licence application ELA 227/09. In addition to these registered native title claims, the following Indigenous Land Use Agreements (**ILUA**) exist over:

(i) EL 4177 (ILUA number SI2003/004 between the State of South Australia, District Council of Yorke Peninsula, District Council of Copper Coast, Wakefield Regional Council, District Council of Barunga West, Aboriginal Legal Rights Movement Inc and the Narungga Local Government claim group); and

(ii) EL 28349 (ILUA number DI2007/007 between the Central Land Council and Central Petroleum Limited).

(j) (**Woomera Protection Area**): Exploration licence applications ELA 227/09 and ELA 55/10 are contained within the Woomera Protection Area (**WPA**). The WPA has been designated by the Federal Government for the testing of war materials under Part VII of the Defence Force Regulations. In addition to obtaining an exploration licence within the WPA, the holder of an exploration licence must sign a deed of access with the Federal Government and request permission to access the WPA for each exploration activity. The Federal Government also prohibits exploration in some parts of the WPA. These prohibitions may be for short or indefinite periods. The conditions and prohibitions imposed by the Federal Government may constrain or prohibit current or prospective exploration activities by the Company on the Tenements in question.

## 5. Tenements

## 5.1 South Australian Tenements

The SA Tenements comprise exploration licences and exploration licence applications under the Mining Act 1971 (SA) (**SA Mining Act**).

An exploration licence may be granted for an initial term not exceeding 5 years, which term may be extended at the discretion of the responsible Minister but not such that the aggregate term of the licence exceeds 5 years. If the licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced.

The area of an exploration licence must not exceed 1,000 square kilometres unless the Minister considers there are justifiable reasons to allow a larger area.

An exploration licence may be granted subject to such conditions as the Minister determines. Exploration licences are also issued subject to a standard schedule of general exclusions and conditions under the SA Mining Act including environmental conditions, payment of rent, compliance with minimum expenditure and reporting requirements.

An exploration licence may not be assigned, or otherwise dealt with either directly or indirectly, without the written consent of the Minister.

Exploration licences EL 4174, EL 4177 and EL 4379 are subject to pending renewal applications. If the renewals are not granted the Company will not retain title to the Tenements and it will be precluded from undertaking any exploration activities on the Tenements. In respect of these exploration licences, valid renewal applications have been lodged with the SA Department. Unless the tenement holder is in breach of licence conditions, the holder has a right to a renewal of the term up to an aggregate of 5 years. We are not aware of any reason why a renewal of these tenements would not be granted for at least an additional 12 month term, in due course.

Provided that a valid renewal application has been lodged, an expiring exploration licence continues to be a valid grant pending processing of the renewal. Where application for a substituted tenement is made at the end of the 5 year term, the tenement is reissued as an ELA and rights are suspended until a fresh grant is made.

The SA Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation.

Currently, all of the exploration licences held by Sturt contain provision for the mining of uranium. Section 10A of the SA Mining Act sets out special conditions for the mining of radioactive minerals. Under section 6 of the SA Mining Act the definition of "radioactive mineral" includes uranium. Section 10A of the SA Mining Act provides the following:

(a) no person shall carry out mining operations (other than exploratory operations) for the recovery of any radioactive mineral unless they hold a mining lease or retention lease upon which the Minister has endorsed an authorisation to carry out mining operations for that purpose;

(b) an authorisation to carry out mining operations for the recovery of a radioactive mineral may be granted upon such conditions as the Minister thinks fit and may be revoked upon breach of any condition;

## 5.1 South Australian Tenements (continued)

(c) section 10A does not prevent the recovery of any radioactive mineral in the course of mining operations carried out for the recovery of other minerals provided that the radioactive mineral:

(i) is stockpiled in accordance with conditions stipulated by the Minister; or

(ii) is of such low concentration that it may, in the opinion of the Minister, be safely discarded as waste and is in fact discarded as waste; and

(d) notwithstanding any other provision of SA Mining Act, the property in any radioactive mineral:

(i) stockpiled in pursuance of conditions imposed by the Minister; or

(ii) stockpiled in pursuance of subsection (3)(a) of the SA Mining Act,

does not pass from the Crown unless and until the Minister, by instrument in writing, authorises the person by whom the radioactive mineral was mined to sell and dispose of the mineral.

Whilst no mining operations are currently being undertaken by the Company it is necessary to note that if the Company does proceed to mining operations on the current exploration tenements, section 10A of the SA Mining Act will be required to be adhered to in relation to the mining of uranium.

## 5.2 Northern Territory Tenements

The NT Tenement is an exploration licence application applied for under the Mining Act 1980 (NT) (**NT Mining Act**).

If granted, the holder of an exploration licence is authorised to conduct exploration activity on the Tenement with any equipment as may be necessary for the purpose of exploring for minerals.

An exploration licence may be granted for a term not exceeding 6 years and may be renewed for 2 further periods of 2 years at the Minister's discretion.

The area of land in respect of which an exploration licence may be granted must be contained in a single licence area and must not exceed 500 blocks. Under the NT Mining Act, the area of an exploration licence must be reduced by 50% after two years from the date of the grant of the exploration licence, and for each year after that, a further 50% of the remaining area must be relinquished, subject to the discretion of the Minister.

An exploration licence is granted subject to certain standard conditions under the NT Mining Act and includes obligations relating to rehabilitation, payment of rent, minimum expenditure and reporting requirements.

Under the Mining Management Act 2001 (NT), any activity on tenure (other than for exploration that does not involve substantial disturbance) requires the Minister to grant ministerial authorisation before that activity can commence. Any such activity would need to be undertaken in accordance with a mining management plan, which is integral with the Ministerial authorisation and must deal with safety, health and environmental issues.

Pursuant to the Atomic Energy Act 1953 (Cth) and the Northern Territory (Self-Government) Regulations 1978 (Cth) the Commonwealth has reserved its powers on uranium mining in the Northern Territory. The NT Mining Act requires that the Northern Territory Minister for Mines must consult with the Commonwealth Minister for Industry, Tourism and Resources before granting a mining title that relates to uranium, and must act in accordance with any advice that the Commonwealth Minister provides.

The Mineral Royalty Act 1982 (NT) levies a royalty at a rate of 18 per cent of the net value of mineral commodities sold or removed from a mine, regardless of the type of mineral commodity or whether the mine is situated on Crown, freehold, leasehold or Aboriginal land.

Outlined below is a summary of the key provisions of the NT Mining Act that relate to exploration licences within the Northern Territory:

(a) **Rights**: The holder of an exploration licence is authorised to conduct exploration activity on the tenement with any equipment as may be necessary for the purpose of exploring for minerals.

(b) **Term:** An exploration licence may be granted for a term not exceeding six years and may be renewed for two further periods of two years at the Minister's discretion.

## 5.2 Northern Territory Tenements (continued)

(c) **Area:** The area of land in respect of which an exploration licence may be granted must be contained in a single licence area and must not exceed 500 blocks. Under the NT Mining Act, the area of an exploration licence must be reduced by 50 % after two years from the date of the grant of the exploration licence, and for each year after that, a further 50 % of the remaining area must be relinquished, subject to the discretion of the Minister.

(d) **General Conditions**: An exploration licence is granted subject to certain standard conditions under the NT Mining Act and includes obligations relating to rehabilitation, payment of rent, minimum expenditure and reporting requirements.

(e) **Rent:** The prescribed rent for an exploration licence in the Northern Territory, for the purposes of the NT Mining Act, are set out in Section 7 of the Mining Regulations (NT) (**NT Regulations**). Section 7 states that rent, after the date of grant of the exploration licence, shall be:

(i) $10 for each block in the first year and second year;

(ii) $20 for each block in the third year;

(iii) $40 for each block in the fourth year;

(iv) $80 for each block in the fifth year;

(v) $160 for each block in the sixth year; and

(vi) $320 for each block per year in the period of renewal.

Pursuant to Section 171 of the NT Mining Act, the Minister may cancel an exploration licence where the holder of the licence fails to comply with a provision of rent required by the NT Regulations.

(f) **Expenditure:** In accordance with Section 24 of the NT Mining Act, every exploration licence shall, unless expressly waived, varied or suspended in writing by the Minister, be granted subject to the conditions imposed by or under Section 166 of the NT Mining Act and to the condition that the licensee will expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area.

The holder of an exploration licence may apply in writing to the Minister for a waiver, variation or suspension of, or exemption from the need to comply with, a condition of his exploration licence.

Pursuant to Section 171 of the NT Mining Act, the Minister may cancel an exploration licence where the holder of the licence fails to comply with a provision of rent required by the NT Regulations.

(g) **Ministerial Consent:** Under the Mining Management Act 2009 (NT), any activity on tenure (other than for exploration that does not involve substantial disturbance) requires the Minister to grant ministerial authorisation before that activity can commence. Any such activity would need to be undertaken in accordance with a mining management plan and risk management plan under the Workplace Health and Safety Act 2007 (NT), which is integral with the Ministerial Authorisation and must deal with safety, health and environmental issues.

(h) **Transfer:** Section 173 of the NT Mining Act precludes the registration of an interest in respect of an application for a tenement until the relevant tenement is granted. Accordingly, an application for a tenement is not capable of being transferred until the relevant tenement is granted.

## 6. Aboriginal Heritage

There are areas or objects of Aboriginal heritage located on the Tenements.

We have undertaken searches with the SA Department and NT Department. Those searches indicate that some of the Tenements contain Aboriginal heritage sites. Details of the Aboriginal heritage sites are contained within Part I of the Schedule below.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

## 6.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

## 6.2 South Australian Tenements

The Aboriginal Heritage Act 1988 (SA) (**SA Heritage Act**) applies to the SA Tenements and makes it an offence to damage, disturb, remove or interfere with sites or objects of significance to Aboriginal tradition, archaeology, anthropology or history or Aboriginal remains.

Aboriginal sites may be registered under the SA Heritage Act, however all registered and unregistered sites are protected. The SA Heritage Act imposes obligations on the holder to report to the relevant Minister discovered Aboriginal sites, objects or remains.

## 6.3 NT Legislation

It is an offence under Sections 33, 34 and 39 of the Heritage Conservation Act 1991 (NT) (**NT Heritage Act**) to carry out work on or damage a heritage place or heritage object, or place or object subject to an interim conservation order including archaeological places and objects (collectively refer to as "archaeological sites"), without consent.

"Heritage places" and "heritage objects" are places and objects that have been declared to be such pursuant to Section 26 of the NT Heritage Act. Broadly, an "archaeological place" includes a place pertaining to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists (Section 4 NT Heritage Act). An "archaeological object" generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory (Section 4, NT Heritage Act).

*The Northern Territory Aboriginal Sacred Sites Act (NT)* (**NT Sacred Sites Act**) also applies to the NT Tenements. It is an offence under Part IV of the NT Sacred Sites Act to enter onto, work on or desecrate a sacred site other than in accordance with the NT Sacred Sites Act.

The Company should conduct searches of the Register maintained by the Northern Territory Heritage Advisory Council and the Register of Sacred Sites maintained by the Aboriginal Areas Protection Authority prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur.

# 7. Native Title

## 7.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo no.2**).

Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid.

As a result of Mabo no. 2, the Native Title Act 1993 (Cth) (**NTA**) was passed to:

(a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the National Native Title Tribunal (**NNTT**) and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;

## 7.1 Introduction (continued)

(b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2. This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996;

(c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (**a Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA; and

(d) provide a mechanism for negotiation (**Right to Negotiate)** between government, native title and non-native title parties in relation to Future Acts, and provide for native title parties to claim compensation for Future Acts extinguishing or impairing native title rights.

In accordance with the provisions of the NTA, the State of South Australia has enacted a complimentary, alternative Right to Negotiate procedure relating to mining and exploration in South Australia. This alternative procedure is found in Part 9B of the SA Mining Act and is to be complied with instead of the NTA provisions in order to validate Future Acts relating to the conferral of mining and exploration rights.

In the Northern Territory, the grant of a tenement under the NT Mining Act, is a future act that invokes the Right to Negotiate procedures of the NTA, unless the expedited procedures in section 237 of the NTA are engaged.

The requirements under the NTA and the SA Mining Act which relate to Future Acts are called the **Future Act Provisions**.

The Future Act Provisions are summarised in Section 7.2 below, following which the Report identifies:

(a) native title claims and determinations that are registered against the Tenements (see Section 7.3);

(b) Tenements which have been retrospectively validated under the NTA or the SA Mining Act as being granted before 23 December 1996 (see Section 7.4);

(c) Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA or the SA Mining Act. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 7.4); and

(d) Tenements which are yet to be granted and which may need to comply with the Future Act Provisions in order to be valid under the NTA or the SA Mining Act (see Section 7.4).

Note that the grant of a Tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the Tenement, or has been validly extinguished prior to the grant of the Tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a Tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the Tenement and as such, the Future Act Provisions apply.

Where a Tenement has been retrospectively validated or validly granted under the NTA or the SA Mining Act, the rights under the Tenement prevail over any inconsistent native title rights.

## 7.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives: the Right to Negotiate, an Indigenous Land Use Agreement (ILUA) and the Expedited Procedure. These are summarised below.

### Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the Tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the Tenement can be granted. The applicant for the Tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the Tenement (eg in relation to heritage surveys).

## 7.2 Future Act Provisions (continued)

### Right to Negotiate (continued)

If agreement is not reached to enable the Tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the Tenement can be granted and if so, on what conditions. The NNTT usually requires the parties to have had at least 6 months of negotiations before it will accept a referral for arbitration.

### ILUA

An ILUA is a contractual arrangement that must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the Tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the Tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

### Expedited Procedure

The NTA and Part 9B of the SA Mining Act establish a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

(a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

(c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the above criteria are satisfied, the Expedited Procedure can be commenced in accordance with the NTA or Part 9B of the SA Mining Act (as applicable). Persons have a period of objection after notification to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the Tenement.

If there is no objection lodged by a registered native title claimant or a native title holder, the State may grant the Tenement.

If one or more registered native title claimants or native title holders object within the notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the Tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the Tenement can be granted.

### Alternative Procedure – South Australia only

Under the SA Mining Act, an exploration licence may be validly granted without engaging in the Right to Negotiate procedures, however, the grant does not confer a right to conduct mining operations unless (a) the operations do not affect native title, (b) a declaration has been made at law that the land is not subject to native title, (c) the explorer has entered into an agreement with all native title parties having an interest in the area or (d) a determination has been made in the Environment Resources and Development Court, authorising operations.

Where mining operations may affect native title, the right to negotiate provisions of the SA Mining Act operate and the proponent may seek to authorise mining operations by entering into a native title mining agreement (**NTMA**) with relevant native title parties (who are those persons who, at the end of a two month period following issue of notices under the SA Mining Act, are registered as holders of, or claimants to, native title in respect of the relevant land).

Alternatively, where there is a registered ILUA in place, as is the case with EL 4177, the Company may have an option of becoming a party to that existing ILUA instead of negotiating an NTMA.

## 7.3 Registered Native Title Claims and Determinations

Our searches indicate that the Tenements are subject to the following registered native title claims and determinations.

| Tenement | Native Title Claim | Native Title Determination |
|---|---|---|
| EL 4174 | SC99/1 | Nil |
| EL 4379 | SC99/1<br>SAD6001/98 | Nil |
| EL 4568 | SC99/1 | Nil |
| EL 4569 | SC99/1 | Nil |
| ELA 55/10 | SC09/1 | Nil |
| ELA 227/09 | SC09/1 | Nil |

The status of the native title claims is summarised in Part II of the Schedule.

The native title claimants and holders of native title under the determinations are entitled to certain rights under the Future Act Provisions.

## 7.4 Validity of Tenements in relation to the Future Act Provisions

The sections below examine the validity of the Tenements in relation to the Future Act Provisions.

### Tenements granted after 23 December 1996

Our searches indicate that the following Tenements were granted after 23 December 1996.

| Tenement | Date of Grant |
|---|---|
| EL 4174 | 25/08/2008 |
| EL 4177 | 25/08/2008 |
| EL 4379 | 12/11/2009 |
| EL 4568 | 20/09/2010 |
| EL 4569 | 20/09/2010 |

We have assumed that these Tenements were granted in accordance with Part 9B of the SA Mining Act.

### Tenements renewed after 23 December 1996

Our searches indicate that the following Tenements have applications for renewal pending lodged after 23 December 1996, and as such, may need to comply with the Future Act Provisions if they are to be validly renewed. We have assumed that the Future Act Provisions will be complied with to the extent necessary.

| Tenement | Date of Grant | Date of Renewal |
|---|---|---|
| EL 4174 | 25/08/2008 | Renewal Application Pending |
| EL 4177 | 25/08/2008 | Renewal Application Pending |
| EL 4379 | 12/11/2009 | Renewal Application Pending |

The registered native title claimants and holders of native title are identified in Section 7.3 of this Report.

### Valid grant of Applications for Tenements

The Future Act Provisions or the alternative procedure found in Part 9B of the SA Mining Act must be complied with when granting any of the Tenements that are currently applications. This will ensure that the newly granted Tenements are valid under the NTA or the SA Mining Act (as applicable).

The following Tenements are currently applications and as such will need to satisfy the above procedures.

| Applicant | Tenement |
|---|---|
| Sturt Exploration Pty Ltd | ELA 227/09 |
| Sturt Exploration Pty Ltd | ELA 55/10 |
| DBL Blues Pty Ltd | EL 28349 |

The registered native title claimants and holders of native title are identified in Section 7.3 of this Report.

Note that the grant of any tenements in the future in relation to the Tenements (eg the grant of a mining lease from an exploration licence) will also need to comply with the Future Act Provisions.

## 8. Qualifications and assumptions

This Report is subject to the following qualifications and assumptions:

(a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;

(b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

(c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;

(d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements complied with the applicable Future Act Provisions;

(f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(g) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(i) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey; and

(j) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

## 9. Consent

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

STEINEPREIS PAGANIN

# PART I
# TENEMENT SCHEDULE

## South Australian Tenements

| Tenement | Registered Holder / Applicant | Shares Held | Grant Date | Expiry Date | Area Size (Blocks) | Annual Rent (Next Rental Year) | Minimum Annual Expenditure | Encumbrances/ Dealings | Bonds | Aboriginal Heritage Sites (Site # - Type) | Native Title Claims / Determinations / Iluas | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EL 4174 | Sturt Exploration Pty Ltd | 100 | 25/08/2008 | 24/08/2010 | 96km$^2$ | - | $80,000 | Renewal Application Pending | - | - | SC99/1 | 1 |
| EL 4177 | Sturt Exploration Pty Ltd | 100 | 25/08/2008 | 24/08/2010 | 243km$^2$ | - | $110,000 | Renewal Application Pending | - | 4330 – Archaeological<br>4333 – Archaeological/ Burial<br>4334 – Archaeological | SI2003/004 | 1 |
| EL 4379 | Sturt Exploration Pty Ltd | 100 | 12/11/2009 | 11/11/2010 | 331km$^2$ | - | $60,000 | Renewal Application Pending | - | - | SC99/1<br>SAD6001/98 | 1 |
| EL 4568 | Sturt Exploration Pty Ltd | 100 | 20/09/2009 | 19/09/2011 | 262km$^2$ | - | $55,000 | - | - | 5797 - Archaeological | SC99/1 | 1 |
| EL 4569 | Sturt Exploration Pty Ltd | 100 | 20/09/2009 | 19/09/2011 | 107km$^2$ | - | $40,000 | - | - | 1739 – Archaeological/ Historic<br>1740 – Historic<br>1741 – Burial<br>6180 – Cultural | SC99/1 | 1 |
| ELA 227/09 | Sturt Exploration Pty Ltd | 100 | - | - | 286km$^2$ | - | - | Contained within WPA | - | 4984 – Burial<br>5345 – Archaeological<br>5346 – Archaeological<br>5347 – Archaeological<br>5348 – Archaeological<br>5349 – Archaeological<br>5405 – Archaeological<br>5406 – Archaeological<br>5407 – Archaeological<br>5408 – Archaeological<br>6003 – Archaeological<br>6004 – Archaeological<br>6005 – Archaeological<br>6006 – Archaeological<br>6886 – Archaeological | SC09/1 | |
| ELA 55/10 | Sturt Exploration Pty Ltd | 100 | - | - | 236km$^2$ | - | - | Contained within WPA | - | 5350 – Archaeological<br>5351 – Archaeological<br>5352 – Archaeological<br>1597 – Historic<br>1598 – Historic | SC09/1 | |

# PART I
# TENEMENT SCHEDULE (continued)

## South Australian Tenements (continued)

EL – Exploration Licence

ELA – Exploration Licence Application

ILUA – Indigenous Land Use Agreement

Unless otherwise noted, all of the native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part II of this Report for the status of the Native Title Claims.

References to numbers in the "Notes" column refers to the notes following this table

Notes:

1. This Licence confers no rights on the Licensee to carry out operations on "native title land" (as defined in the Native Title (South Australia) Act 1994) within the area of this Exploration Licence other than in accordance with Part 9B of the Act.

   In addition to the specific conditions applicable to the Tenements, section 30(3) of the SA Mining Act states that It shall be a condition of an exploration licence that the Minister may, at any time, require the holder of the licence to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by him as a result of operations conducted in pursuance of the licence.

## Northern Territory Tenement

| Tenement | Registered Holder / Applicant | Shares Held | Application Date | Grant Date | Area Size (Blocks) | Annual Rent (Next Rental Year) | Minimum Annual Expenditure | Encumbrances/ Dealings | Bonds | Aboriginal Heritage Sites (Site # - Type) | Native Title Claims / Determinations / Iluas | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EL 28349 | DBL Blues Pty Ltd | 100 | 14/10/2010 | - | 186 sub-blocks | - | - | - | - | C1990/071 – Restricted Works Area C1990/128 – Restricted Works Area C1991/130 – Restricted Works Area C2000/072 – Restricted Works Area C2005/052 – Restricted Works Area 5749-4 | DI2007/007 | a - g |

# Part I
# Tenement Schedule (continued)

## Northern Territory Tenement (continued)

NT Mining Act outlines the conditions pursuant to which the grant of an exploration licence is made. Those conditions include:

Every exploration licence shall, unless expressly waived, varied or suspended in writing by the Minister, be granted subject to the conditions imposed by or under the NT Mining Act and to the condition that the licensee will:

(a) for the purposes of exploring for minerals, carry out geological, geochemical or geophysical surveys or any combination of those surveys, on the licence area;

(b) not extract or remove from the licence area any amount of ore, material or other substance other than amounts for sampling purposes authorized by or under section 23(c);

(c) expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area;

(d) within 28 days after confirmation of their discovery, report in writing to the Secretary all minerals of possible economic or scientific interest discovered on the licence area;

(e) obtain and send to the Secretary such water samples and data on underground water encountered during exploratory drilling as the Secretary, in writing, directs;

(f) conduct exploration programmes and other activities in such a way as not to interfere with existing roads, railways, telephone or telegraph lines, power lines and cables, water pipelines or dams or reservoirs or gas, oil, slurry or tailings pipelines or storage containers, situated on the licence area, or the lawful activities or rights of any person on or in relation to land adjacent to the licence area; and

(g) not interfere with any historical site or object, or any Aboriginal sacred site or object, declared as such under a law in force in the Territory, otherwise than in accordance with that law.

In addition to the conditions imposed by or under the NT Mining Act, an exploration licence is subject to the conditions that the Minister determines (whether in accordance with a recommendation of the Tribunal or otherwise) and endorses on the licence. Conditions may include a condition about ways of minimising the impact of the grant of the exploration licence on registered native title rights and interests in relation to the land concerned, including about any access to the land or the way in which any thing authorised by the grant might be done.

# Part II
# Status Of Native Title Claims

| Tribunal Number | Federal Court Number | Application Name | Registered | In Mediation | Status |
|---|---|---|---|---|---|
| SC99/1 | SAD6001/98 | Adnyamathanha No 1 | Yes | Yes | Active |
| SC94/1 | SAD6001/98 | Coulthard-Adnyamathanha | No | - | Finalised – Pre-combination |
| SC09/1 | SAD90/09 | Kokatha Uwankara Native Title Claim | Yes | No | Active |

## ILUAs

| Tribunal Number | Name | Registration Date |
|---|---|---|
| SI2003/004 | Narungga Local Government | 06/10/2005 |
| DI2007/007 | Central Petroleum and others and Central Land Council ILUA | 13/06/2008 |

## 11.1 DBL Blues Pty Ltd Share Sale Agreement

Under the DBL Blues Pty Ltd Share Sale Agreement (**DBL Agreement**) LEC Nominees Pty Ltd (**LEC**) and Nowak Investments Pty Ltd (**Nowak**) (together the **Vendors**) agreed to sell their shares in DBL Blues Pty Ltd (**DBL**) to Core Exploration Limited (**Core Exploration**). The following is a summary of the material terms of the DBL Agreement.

The Vendors are entities associated with Greg English (LEC) and Stephen Biggins (Nowak) (related parties of the Company by virtue of being directors).

**(Joint/Several Liability)**: A right of the Vendor under the DBL Agreement is held by that Vendor severally and each Vendor may exercise its rights, powers and benefits under the DBL Agreement individually. The obligations of each of the Vendors under the DBL Agreement are several and neither joint nor joint and several.

**(Sale and Purchase)**: The Vendors as legal and beneficial owners of the shares in DBL agree to sell and transfer the shares to Core Exploration free from all encumbrances or third party interests and with all benefits, rights and entitlements attaching or accruing from the date of the DBL Agreement.

**(Consent)**: Each Vendor waives any right of pre-emption conferred on them by DBL's constitution or any other document and consents to the transfer of the shares of the other Vendors pursuant to the DBL Agreement.

**(Condition Precedent)**; Completion of the DBL Agreement is conditional on:

(a) Core Exploration obtaining shareholder approval to acquire the shares;

(b) Core Exploration raising at least $3.5 million in share capital pursuant to an initial public offering;

(c) ASX granting Core Exploration admission to the official list of the ASX; and

(d) ASX granting quotation of the ordinary securities of Core Exploration, including those shares issued to the Vendors as consideration for the purchase.

**(Rescission Rights)**: If completion does not occur on the completion date due to either Core Exploration's default or the Vendors' default then the non-defaulting party or parties may, by not less than seven (7) days written notice to the defaulting party, rescind the DBL Agreement without prejudice to any other rights, powers or remedies at law, equity or otherwise the parties may have.

**(Consideration)**: The consideration payable by Core Exploration to each of the Vendors is:

(a) 1,250,000 Shares payable to LEC; and

(b) 1,250,000 Shares payable to Nowak.

The total consideration payable by Core Exploration being 2,500,000 Shares.

**(Vendors Warranties)**: The Vendors severally represent, warrant and undertake to Core Exploration that each of the warranties set out in Schedule 3 of the DBL Agreement will be complete and accurate upon completion.

**(Tenements)**: The tenement to which the DBL Agreement relates is EL 28349.

**(Indemnity)**: The Vendors severally indemnify, and must keep indemnified, Core Exploration against any loss or claim which may be suffered or incurred by Core Exploration as a result of a breach of any term or warranty of the DBL Agreement by the Vendors.

The liability of LEC is limited in aggregate to 25% of the total consideration payable under the DBL Agreement. The liability of Nowak is limited in aggregate to 25% of the total consideration payable under the DBL Agreement. Core Exploration will be liable to the extent that any loss or claim is caused or contributed to by it.

**(Core Exploration Warranties)**: Core Exploration makes general warranties and representations as to corporate capacity.

**(Notification)**: Up until the completion of the DBL Agreement, the Vendors shall promptly notify Core Exploration in writing of:

(a) any event, condition, fact or circumstance that occurred or existed on or prior to the date of the DBL Agreement and that caused or constitutes a breach of any representation or warranty made by a Vendor in the DBL Agreement; or

(b) any event, condition, fact or circumstance that occurs, arises or exists after the date of the DBL Agreement and that would cause or constitute a breach of any representation or warranty made by a Vendor in the DBL Agreement; or

## 11.1 DBL Blues Pty Ltd Share Sale Agreement (continued)

(c) any breach of any covenant or obligation of the Vendors.

**(Consequences of Breach of Warranty)**: If Core Exploration becomes aware of a breach of warranty before completion, then Core Exploration must give the relevant Vendor 30 days to rectify the breach and if the breach is not remedied within the 30 days or is not capable of remedy, then Core Exploration may elect to either:

(a) terminate the DBL Agreement by the giving of written notice to each Vendor; or

(b) agree with each Vendor a reduction in the total consideration in which case, Core Exploration will not be entitled to make a subsequent warranty claim in respect of the warranty that has been breached.

**(Assignment)**: No party may assign or transfer any of its rights or obligations under the DBL Agreement without the prior written consent of all other parties and no assignment of any obligation will be effective until the assignee has covenanted in favour of, and in form satisfactory to, the non-assigning parties, to assume and to be bound by the obligations assigned.

## 11.2 Sturt Exploration Pty Ltd Share Sale Agreement

Under the Sturt Exploration Pty Ltd Share Sale Agreement **(Sturt Agreement)** GDE Exploration (SA) Pty Ltd (**GDE**) and Nowak Investments Pty Ltd **(Nowak)** (together the **Vendors**) agreed to sell their shares in Sturt Exploration Pty Ltd **(Sturt)** to Core Exploration Ltd **(Core Exploration)**. The following is a summary of the material terms of the Sturt Agreement.

The Vendors are entities associated with Greg English (GDE) and Stephen Biggins (Nowak) (related parties of the Company by virtue of being directors).

**(Joint/Several Liability)**: A right of the Vendor under the Sturt Agreement is held by that Vendor severally and each Vendor may exercise its rights, powers and benefits under the Sturt Agreement individually. The obligations of each of the Vendors under the Sturt Agreement are several and neither joint nor joint and several.

**(Sale and Purchase)**: The Vendors as legal and beneficial owners of the shares in Sturt agree to sell and transfer the shares to Core Exploration free from all encumbrances or third party interests and with all benefits, rights and entitlements attaching or accruing from the date of the Sturt Agreement.

**(Consent)**: Each Vendor waives any right of pre-emption conferred on them by Sturt's constitution or any other document and consents to the transfer of the shares of the other Vendors pursuant to the Sturt Agreement.

**(Condition Precedent)**: Completion of the Sturt Agreement is conditional on:

(a) Core Exploration obtaining shareholder approval to acquire the shares;

(b) Core Exploration raising at least $3.5 million in share capital pursuant to an initial public offering;

(c) ASX granting Core Exploration admission to the official list of the ASX; and

(d) ASX granting quotation of the ordinary securities of Core Exploration, including those shares issued to the Vendors as consideration for the purchase.

**(Rescission Rights)**: If completion does not occur on the completion date due to either Core Exploration's default or the Vendors' default then the non-defaulting party or parties may, by not less than seven (7) days written notice to the defaulting party, rescind the Sturt Agreement without prejudice to any other rights, powers or remedies at law, equity or otherwise the parties may have.

**(Consideration)**: The consideration payable by Core Exploration to each of the Vendors is:

(a) 4,000,000 Shares and 2,000,000 Options payable to GDE; and

(b) 4,000,000 Shares and 2,000,000 Options payable to Nowak.

The total consideration payable by Core Exploration being 8,000,000 shares and 4,000,000 Options.

**(Vendors Warranties)**: The Vendors severally represent, warrant and undertake to Core Exploration that each of the warranties set out in Schedule 3 of the Sturt Agreement will be complete and accurate upon completion.

**(Tenements)**: The tenements to which the Sturt Agreement relates are EL 4174, EL 4177, EL 4379, EL 4568, EL 4569, ELA 227/09 and ELA 55/10.

## 11.2 Sturt Exploration Pty Ltd Share Sale Agreement (continued)

**(Indemnity)**: The Vendors severally indemnify, and must keep indemnified, Core Exploration against any loss or claim which may be suffered or incurred by Core Exploration as a result of a breach of any term or warranty of the Sturt Agreement by the Vendors.

The liability of GDE is limited in aggregate to 25% of the total consideration payable under the Sturt Agreement. The liability of Nowak is limited in aggregate to 25% of the total consideration payable under the Sturt Agreement. Core Exploration will be liable to the extent that any loss or claim is caused or contributed to by them.

**(Core Exploration Warranties)**: Core Exploration makes general warranties and representations as to corporate capacity.

**(Notification)**: Up until the completion of the Sturt Agreement, the Vendors shall promptly notify Core Exploration in writing of:

(a) any event, condition, fact or circumstance that occurred or existed on or prior to the date of the Sturt Agreement and that caused or constitutes a breach of any representation or warranty made by a Vendor in the Sturt Agreement; or

(b) any event, condition, fact or circumstance that occurs, arises or exists after the date of the Sturt Agreement and that would cause or constitute a breach of any representation or warranty made by a Vendor in the Sturt Agreement; or

(c) any breach of any covenant or obligation of the Vendors.

**(Consequences of Breach of Warranty)**: If Core Exploration becomes aware of a breach of warranty before completion, then Core Exploration must give the relevant Vendor 30 days to rectify the breach and if the breach is not remedied within the 30 days or is not capable of remedy, then Core Exploration may elect to either:

(a) terminate the Sturt Agreement by the giving of written notice to each Vendor; or

(b) agree with each Vendor a reduction in the total consideration in which case, Core Exploration will not be entitled to make a subsequent warranty claim in respect of the warranty that has been breached.

**(Assignment):** No party may assign or transfer any of its rights or obligations under the Sturt Agreement without the prior written consent of all other parties and no assignment of any obligation will be effective until the assignee has covenanted in favour of, and in form satisfactory to, the non-assigning parties, to assume and to be bound by the obligations assigned.

## 11.3 Ventnor Capital Corporate Advisory Proposal

Under a letter agreement **(Agreement)** dated 10 September 2010, Core Exploration Ltd **(Core Exploration)** agreed to a proposal by Ventnor Capital Pty Ltd **(Ventnor)** under which Ventnor would act as corporate advisor to Core Exploration. The following are the material terms of the Agreement:

**(Proposal)**: The services to be provided by Ventnor under the Agreement are as follows:

(a) advice in relation to the proposed corporate structure of Core Exploration;

(b) assistance in marketing material and presentations;

(c) assistance in drafting information memoranda;

(d) assistance with introduction to broker groups and potential investors;

(e) assistance with evaluation of reverse takeover proposals, including assistance with corporate structuring, deal negotiation, pricing and transaction management;

(f) assistance with seed and IPO capital raisings; and

(g) IPO management, including assistance with the preparation of prospectus documents and due diligence requirements

Other services will be provided as required.

**(Fees)**: The following fees will be payable under the Agreement:

(a) Retainer: Core Exploration is to pay to Ventnor $7,500 per month in cash for a period capped at 4 months (total of $30,000). Ventnor will accrue the retainer fee until such time as Core Exploration has either raised sufficient seed capital or completed a merger with a listed entity;

## 11.3 Ventnor Capital Corporate Advisory Proposal (continued)

(b) Success Fees: Upon a successful listing of Core Exploration or a reverse takeover of Core before 30 June 2011, Ventnor will be paid a success fee of $30,000. If Core Exploration is admitted to the official list of ASX, Ventnor (or its nominee) will receive 1,500,000 options at an exercise price of $0.25 per share with a four (4) year term from the date of issue. Ventnor reserves the right to amend the terms of the options in the event of adverse tax or escrow implications; and

(c) Costs: All costs incurred by Ventnor in regard to the discharge of its duties under the Agreement will be accounted for by Core Exploration, provided that costs in-excess of $3,000 have the consent of Core Exploration.

**(Term)**: The term of the Agreement is 6 months from the date of the Agreement and may be extended by mutual agreement between Core Exploration and Ventnor.

**(Termination)**: Core Exploration or Ventnor may terminate the Agreement with one (1) months notice, provided all fees (including the notice period) have been paid.

**(Confidentiality)**: Ventnor will keep all information that it reviews in relation to the Agreement confidential and Ventnor will not disclose such information to other parties except employees of Ventnor and to the extent required to discharge its obligations under the Agreement.

**(Indemnity)**: Core Exploration and Ventnor will indemnify each other and their related bodies corporate and their respective servants, officers and agents against any losses, claims, damages, liabilities, costs, expenses and outgoings whatsoever which they may suffer or incur and which may in any way directly or indirectly arise out of or in connection with the arrangements set out in the Agreement. The indemnity will not apply if a loss contemplated is caused by negligence or bad faith on the part of either Core Exploration or Ventnor.

## 11.4 Consultancy Agreement

Under a consultancy agreement **(Consultancy Agreement)** Core Exploration Ltd **(Core Exploration)** contracted with BR1 Holdings Pty Ltd **(BR1)** and Stephen Richard Biggins **(Biggins)** to provide managing director and associated services to Core Exploration. Biggins is party to the Consultancy Agreement for the purposes of Core Exploration obtaining the benefit of Biggins' obligations and agreement in regard to confidential information, company property and intellectual property rights as set out under clauses 11, 13 and 14 of the Consultancy Agreement. The following are the material terms of the Consultancy Agreement:

**(Conditions Precedent)**: The Consultancy Agreement is conditional upon:

(a) Core Exploration successfully undertaking a capital raising of a minimum of $3,000,000; and

(b) being admitted to the official list of the ASX.

If the condition precedents are not satisfied by 30 April 2011, then any party may terminate the Consultancy Agreement with immediate effect by giving written notice to the other party.

**(Commencement and Term)**: The Consultancy Agreement will commence upon the date which Core Exploration is admitted to the official list of the ASX and will continue for a period of two (2) year and the term may be extended by mutual agreement of the parties.

**(Services)**: The services to be undertaken by Biggins under the Consultancy Agreement are as follows:

(a) perform the duties of managing director in accordance with Core Exploration's constitution;

(b) attend all board meetings of Core Exploration;

(c) take overall responsibility for:

  (i) the development and recommendation to the board of policies and strategies and the implementation of the policies and strategies from time to time determined by the board; and

  (ii) the arrangements necessary, to assist Core Exploration in the raising of funds required by Core Exploration as determined by the board from time to time;

(d) supervise, manage and control the day to day business and affairs of Core Exploration and its subsidiaries covering all aspects including commercial, corporate, governance, compliance and financial matters;

(e) liaise regularly with the chairman of Core Exploration and keep him informed of progress with, and issues arising in the course of, the conduct of the business and affairs of Core Exploration;

## 11.4 Consultancy Agreement (continued)

(f) prepare a written report for each meeting of the board held during the term of the Consultancy Agreement detailing progress with, and issues which have arisen in the course of, the conduct of the business and affairs of Core Exploration in the form required by the chairman;

(g) use best endeavours to promote the business, prosperity and interests of Core Exploration at all times; and

(h) such further duties as the board, from time to time, determines.

**(Performance of Services)**: BR1 will report to the directors of Core Exploration as required by them and will procure that Biggins attend all such meetings of the board as the directors may require.

**(Responsibilities of BR1)**: BR1 will supervise and ensure that Biggins undertakes managing director and associated services in accordance with the Consultancy Agreement.

**(Performance Plan)**: As soon as practicable after the execution of the Consultancy Agreement and thereafter annually during the term, Core Exploration (through its board), in consultation with BR1, shall establish a performance plan for BR1 for the performance of the services (outlined above) for each year of the term incorporating reasonable performance objectives for Core Exploration and BR1 shall be accountable for performance in accordance with the performance plan. At the end of each year of the term, Core Exploration (through its board) and BR1 shall undertake a review of BR1's performance against the performance plan.

**(Working Hours)**: BR1 must ensure that Biggins is available to perform the services (outlined above) on average 3 days per week, during normal working hours and on usual working days throughout the term and otherwise as the requirements for the proper performance of the services reasonably necessitate.

**(Remuneration of BR1)**: For the period of the Consultancy Agreement, Core will pay BR1 a fee of $18,750 per month.

**(BR1 to provide under the Consultancy Agreement)**: In performing the services required under the Consultancy Agreement it is the responsibility of BR1 to provide the following:

(a) all labour necessary to perform the services;

(b) all insurances including:

  (i) sickness and accident insurance for BR1's employees;

  (ii) any work related insurance as may be required by law from time to time;

  (iii) public liability insurance to indemnify BR1 against any claim made by any third party arising out of or in connection with the performance of the services; and

(c) employ and manage Biggins and:

  (i) comply with all awards relating to the employment of Biggins, including making payment for annual leave, sick leave, long service leave, statutory holidays and any appropriate loading or retirement allowance where applicable;

  (ii) pay all WorkCover levies or maintain policies of workers' compensation insurance in accordance with BR1's statutory obligations covering Biggins during the period of the Consultancy Agreement; and

  (iii) comply with all occupational health and safety requirements applicable to BR1 and Biggins.

**(Termination)**: The Consultancy Agreement may be terminated in the following ways:

(a) **Termination by either party - default**

Without prejudice to any right of action or other remedy which a party has under the Consultancy Agreement or otherwise, the non-defaulting party may, at its discretion, terminate the Consultancy Agreement by notice to the defaulting party upon the happening of any one or more of the following events:

  (i) a material breach of the Consultancy Agreement by the defaulting party which remains unremedied for 14 days from the date of receipt of a notice from the non-defaulting party setting out particulars of the breach and requiring the breach to be remedied;

  (ii) a material breach of the Consultancy Agreement by the defaulting party which is not capable of being remedied;

## 11.4 Consultancy Agreement (continued)

(iii) the defaulting party is wound up, has a voluntary administrator appointed, becomes bankrupt or a receiver or manager is appointed over or a mortgagee takes possession of any of the defaulting party's assets or if any proceedings are issued or an event occurs intended to lead to any of those consequences or if any other action relating to insolvent debtors occurs in relation to the defaulting party or if the defaulting party ceases to carry on its existing business;

(iv) the defaulting party is unable to pay its debts as and when they fall due;

(v) the defaulting party assigns or attempts to assign the Consultancy Agreement to another party without the prior consent of the non-defaulting party pursuant to the Consultancy Agreement; or

(vi) there is a change of control event in relation to the defaulting party without the prior consent of the non-defaulting party.

(b) **Termination for convenience by Core Exploration**

Core Exploration may terminate the Consultancy Agreement for convenience at any time after the first anniversary of the Consultancy Agreement by giving a minimum of three months written notice of termination to BR1, or by making a payment in lieu of notice or by a combination of both.

(c) **Termination for convenience by BR1**

BR1 may terminate the Consultancy Agreement by giving 3 months notice of termination to Core Exploration.

(d) **Termination by Core Exploration on default by BR1**

Core Exploration may terminate the Consultancy Agreement at any time if:

(i) BR1 has continually failed to meet the performance objectives set out in the performance plan (except to the extent that such failure was due to factors beyond its reasonable control);

(ii) Core Exploration has given notice to BR1 that it is considering terminating the Consultancy Agreement, giving it 14 days to show cause why the Consultancy Agreement should not be terminated; and

(iii) at the end of that 14 day period, BR1 has not satisfied the board that the Consultancy Agreement should not be terminated (in which case the Consultancy Agreement shall terminate at the end of that 14 day period).

(e) **Accrued rights and remedies**

Termination of the Consultancy Agreement by a party will not prejudice any other rights or remedies which that party has against the other party.

**(Confidentiality)**: BR1 and Biggins will not at any time whether during the term or after its end, without the consent of Core Exploration, use, publish or disclose to any person and will not allow or assist anyone else to use, publish or disclose any confidential information, unless it is in the course of the provision of services under the Consultancy Agreement.

**(Assignment)**: Neither Core Exploration nor BR1 may, without the written consent of the other, assign its rights under the Consultancy Agreement.

**(Intellectual Property)**: Any intellectual or industrial property rights created or brought into existence by BR1 or Biggins as a result of, or in performance of the services required under the Consultancy Agreement belongs to Core Exploration and remains the property of Core Exploration.

## 11.5 Advisory Services and Capital Markets Services Mandate

Under an advisory services mandate **(Mandate)**, Core Exploration Ltd **(Core Exploration)** engaged Bligh Capital Securities Pty Ltd **(Bligh Capital)** to provide services relating to the procurement of pre-IPO funding for Core Exploration and advise and assist Core Exploration with the trade sale of the exploration leases held by the Core Exploration and a back-door listing or an IPO on the ASX. The following are the material terms of the Mandate:

**(Bligh Capital's Role)**: Bligh Capital will:

(a) in regard to an IPO:

- (i) introduce of Core Exploration to external investors in respect of a placement;
- (ii) negotiate and finalise funding and subscription agreements;
- (iii) liaise generally between parties and assisting in negotiations as required; and
- (iv) undertake project management of the overall transaction.

(b) in regard to a transaction:

- (i) identify a suitable listed company into which the company can vend the assets in return for equity in the new entity;
- (ii) advise on the structure and pricing of the transaction;
- (iii) identify and evaluate sale of the assets to a suitable mining company engaged in the activity of uranium mining and exploration or mining company looking to diversify into uranium mining;
- (iv) deal with the transactional aspects of a capital raising, reverse takeover/IPO or trade sale process in concert with the board;
- (v) undertake overall project management; and
- (vi) such other financial advisory services as may from time to time be agreed upon by Bligh Capital and Core Exploration.

**(Fee Basis)**: In consideration of a placement or transaction Bligh Capital shall be entitled a completion fee of 6% of the aggregate equity value of securities acquired/issued. In addition, in the event that the transaction implemented is substantially different to the transaction currently contemplated, Core Exploration and Bligh Capital agree to negotiate in good faith, an appropriate adjustment to the completion fee. Bligh Capital reserves the right to charge interest on outstanding balances at a rate of 3% over the 180 day bank bill rate.

**(Termination)**: Bligh Capital's engagement under the Mandate may be terminated by either Core Exploration or Bligh Capital at any time, with or without cause, by giving at least 10 days' prior written notice to that effect to the other party. If terminated, Bligh Capital will be entitled to all accrued fees and rights to reimbursement of costs and expenses as at the termination date.

**(Indemnity)**: Core Exploration agrees to indemnify Bligh Capital and its related bodies corporate and their respective directors, officers, employees, affiliates and agents against any claim, loss, liability, cost and expense (including any legal cost on a full indemnity basis) which may arise under any applicable law, or otherwise as a result of and all prosecutions, penalties, fines and proceedings, whether civil or criminal, arising out of:

(a) any transaction or proposal contemplated by the Mandate;

(b) any documentation prepared by Bligh Capital pursuant to the terms of the Mandate;

(c) the engagement of Bligh Capital pursuant to the Mandate; or

(d) the performance by Bligh Capital of the services contemplated by the Mandate.

Core Exploration will not be liable under this indemnity to the extent that any loss, claim, damage, liability or expense is found in a final judgment by a court to have resulted from an indemnified party's bad faith or negligence. Core Exploration also agrees that no indemnified party will have any liability to Core Exploration or its security holders or creditors related to or arising out of any transaction or proposal contemplated by the Mandate or the performance by Bligh Capital of the services contemplated by the Mandate except to the extent that any claim, loss, liability, cost or expense is found in a final judgment by a court to have resulted from Bligh Capital bad faith or negligence.

## 11.6 Company Secretary and Chief Financial Officer Agreement

Under the Company Secretary and Chief Financial Officer Proposal Agreement (**Agreement**) between Core Exploration Limited (**Core Exploration**) and Ventnor Capital Pty Ltd (**Ventnor Capital**) (collectively the **Parties**) Core Exploration engaged Ventnor Capital to provide company secretarial, chief financial officer and due diligence services (**Services**). The following are the material terms of the Agreement:

(**Services**): Ventnor Capital agrees to provide the Services to Core Exploration;

(**Ventnor Capital's Obligations**): Ventnor Capital has the following obligations:

(a) provide the Services to Core Exploration as provided for in, and in accordance with, the Agreement;

(b) provide, at its own cost, all resources, goods and services necessary to enable it to provide the Services to Core Exploration other than those materials specifically to be provided by Core Exploration under the Agreement;

(c) use only suitably competent, qualified, licensed, trained, experienced or fully supervised employees and subcontractors to provide the Services; and

(d) comply with any reasonable directions given by Core Exploration from time to time and all applicable standards, laws and regulations.

(**Fees**): The following fees will be payable by Core Exploration to Ventnor Capital for the provision of the Services:

(a) **Post ASX Quotation Services**: Remuneration for Services in relation to post listing matters shall be charged on a retainer basis at a rate of $8,000 per month exclusive of GST. Services performed outside of the scope of the Services described above (as listed but not limited to those in Section 1.4) shall be charged on a time basis at a rate of $250 per hour exclusive of GST; and

(b) **Pre ASX Quotation Services**: Remuneration for the Services in relation to pre listing matters shall be charged on a time basis of between $250 and $375 per hour exclusive of GST.

(**Term**): After an initial term of 12 months from the execution the Agreement, the Agreement shall renew automatically for successive 12 month periods unless either party gives the other party at least 30 days prior written notice of its intention not to renew the Agreement.

(**Termination**): Ventnor Capital may terminate the Agreement with immediate effect by giving written notice to Core Exploration if:

(a) Core Exploration breaches confidentiality provisions of the Agreement; or

(b) Core Exploration breaches any other provision of the Agreement that is capable of remedy and fails to remedy the breach within 30 days after receiving written notice requiring it to do so.

Core Exploration may terminate the Agreement:

(a) with immediate effect by giving notice to Ventnor Capital if Ventnor Capital breaches confidentiality provisions of the Agreement; or

(b) by 14 days notice if Ventnor Capital commits a material breach of the Agreement which is capable of remedy and fails to remedy that breach within 14 days of a notice from Core Exploration requiring it to do so.

Each Party can terminate the Agreement by giving one month notice.

(**Relationship**): Ventnor Capital's relationship with Core Exploration is that of an independent contractor.

## 12.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and Directors. The risks identified in this section, or other risks factors, may have a material impact on the financial performance of the Company and the market price of the shares.

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

## 12.2 Risks Specific to the Company

### 12.2.1 Title Risks and Native Title

Although the Company has investigated title to all of its Tenements (as detailed in the Tenement Report), the Company cannot give any assurance that title to such Tenements will not be challenged or impugned. The Tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

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 adversely affected.

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

There are currently registered native title claims over exploration licences EL 4174, EL 4379, EL 4568, EL 4569 and exploration licence application ELA 227/09. In addition, there are Indigenous Land Use Agreements that relate to EL 4177 and EL 28349.

Please refer to Section 9 of this Prospectus for further details.

Further, all of the Tenements are subject to agreements with third parties and are all held by third parties. If any of these third parties default in their obligations under those agreements, it could make the Tenements liable to forfeiture or otherwise have a detrimental effect on the Company's operations. Please refer to Sections 10 for further details.

### 12.2.2 Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to the applicable mining acts and regulations in South Australia and the Northern Territory Mining Act 1971 (SA). The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Exploration licences EL 4174, EL 4177 and EL 4379 are subject to pending renewal applications. If the renewals are not granted the Company will not retain title to the tenements and it will be precluded from undertaking any exploration activities on these Tenements.

Exploration licence applications ELA 227/09 and ELA 55/10 are contained within the Woomera Protection Area (**WPA**). The WPA has been designated by the Federal Government for the testing of war materials under Part VII of the Defence Force Regulations. In addition to obtaining an exploration licence within the WPA, the holder of an exploration licence must sign a deed of access with the Federal Government and request permission to access the WPA for each exploration activity. The Federal Government also prohibits exploration in some parts of the WPA. These prohibitions may be for short or indefinite periods. The conditions and prohibitions imposed by the Federal Government may constrain or prohibit current or prospective exploration activities by the Company on the Tenements in question.

### 12.2.2 Tenure and Access (continued)

Please refer to section 10 for further details

### 12.2.3 Failure to Satisfy Expenditure Commitments

Interests in tenements in South Australia and the Northern Territory are governed by the mining acts and regulations that are current in those States 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 the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

### 12.2.4 Dilution Risk

On completion of the Offer, there will be 8,500,000 Options on issue. If these Options are converted into Shares there will be a dilution so that the existing Shareholders will hold between 81 % and 83 % of the outstanding issued Shares. However, the Company will receive proceeds of $2,125,000 upon the exercise of all of the Options.

### 12.2.5 Uranium Mining

The Company intends to explore for uranium at its various projects in South Australia and the Northern Territory. Uranium mining in Australia is subject to extensive regulation by Commonwealth, State and Territory Governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Accordingly, the approval processes for uranium mining are more rigorous than for the mining of other metals. Compliance with such laws and regulations will increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Whilst the Company is not restricted from exploration and evaluation of its uranium prospects, the development of any uranium project will be subject to the strict conditions outlined above. Future changes in governments, regulations and policies may have an adverse impact on the Company.

### 12.2.6 Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post–tax returns to Shareholders.

### 12.2.7 Aboriginal Heritage

Archaeological and ethnographic surveys in the Tenements have identified a number of sites of significance which have been registered with the Department of Indigenous Affairs. Approvals are required if these sites will be impacted by exploration or mining activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

### 12.2.8 Exploration and Development Success

The Tenements held by the Company as described in this Prospectus are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company has not yet published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments discussed in this Prospectus are able to be achieved.

The exploration costs of the Company described in the Independent Technical Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to

## 12.2.8 Exploration and Development Success (continued)

significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

## 12.2.7 Changes in Government Policy

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in the Northern Territory and/or South Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

## 12.2.8 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its license interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

## 12.2.9 Resource Estimates

In the event that the Company successfully delineates a JORC compliance resource on any of the Tenements, that resource estimate will be an Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

## 12.2.10 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes 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.

## 12.2.11 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations 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. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-

### 12.2.11 Environmental Risks (continued)

compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

### 12.2.12 Additional Requirements for Capital

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates. Aand to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

### 12.2.13 Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## 12.3 General Risks

### 12.3.1 Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

### 12.3.2 Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

### 12.3.3 Regulatory Risk

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties

### 12.3.3 Regulatory Risk (continued)

or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

### 12.3.4 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 production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

### 12.3.5 General Resource Sector Risk

In common with other entities undertaking business in the natural resources sector, certain risks are substantially outside the control of the Company. These risks include abnormal stoppages in production or delivery due to factors such as industrial disruption, major equipment failure, accident, power failure or supply disruption, unforeseen adverse geological or mining conditions and/or changes to predicted ore or mineral quality, the state of supply and demand for minerals in Australia and overseas markets and the effect of the price, changes in government regulations (including environmental regulations) and government imposts such as royalties, rail freight charges and taxes and risks to land titles, mining titles and the use thereof as a result of native title claim.

### 12.3.6 Currently No Market

There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer Price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

### 12.3.7 Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

### 12.3.8 Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

### 12.3.9 Investment Speculative

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 securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

## 13.1 Ordinary Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

## 13.1 Ordinary Shares (continued)

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

## 13.2 Terms and conditions of Options

(a) Each Option will entitle the holder (**Optionholder**) to subscribe for one fully paid ordinary share (**Share**) in Core Exploration Ltd (ACN 146 287 809) (**Company**) (subject to possible adjustments referred to in paragraphs (j), (k) and (l) below).

(b) Each Option is exercisable at any time after the date of Completion and before 5:00pm Adelaide time on:

(i) 31 October 2014 in respect of the Options held by Ventnor Capital Pty Ltd; and

(ii) 30 June 2014 in respect of the Options held by the Directors and the Options that are proposed to be issued under the Sturt Agreement summarised in Section 11.2 of this Prospectus.,

**(Expiry Date).**

Options not exercised before the expiry date will lapse.

(c) The exercise price of each Option is $0.25 (**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 provided that no less than 10,000 Options are exercised at any one time.

(f) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares in the Company.

(g) The Company will not seek to have the Options admitted to the official list of ASX and the Options will not be listed on ASX. The Company will make application for new Shares allotted on exercise of the Options to be admitted to the official list of entities maintained by 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 seven 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 Option would have received if the Option had been exercised before the record date for the bonus issue; and

(ii) 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) If the Company makes a rights issue (other than a bonus issue), the Exercise Price of Options on issue will be reduced in accordance with the following formula:

$$\text{New Option Exercise Price} = \frac{O - E(P - (S + D))}{(N + 1)}$$

## 13.2 Terms and conditions of Options (continued)

Where:

O = the old Exercise Price of the Option;

E = the number of underlying Shares into which one Option is exercisable;

P = the volume weighted average price per Share recorded on the official list of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

S = the subscription price for a Share under the pro rata issue;

D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.[insert Options Terms]

## 13.3 Disclosure of Interests in Shares

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Shares and Director Options as set out in the table below:

| Director | Shares | Director Options |
|---|---|---|
| Greg English | 375,000 | 1,000,000 |
| Stephen Biggins | 475,000 | 1,000,000 |
| Michael Schwarz | 250,000 | 1,000,000 |

Notes:

[1] In addition to the Shares and Options set out in the above table, entities associated with Greg English (GDE and LEC) and Stephen Biggins (Nowak) are the vendors under the share sale agreements summarised in Sections 1.1 and 1.2 of this Prospectus. Entities associated with Greg English will be issued 5,250,000 Shares and 2,000,000 Options under these agreements and entities associated with Stephen Biggins will be issued 5,250,000 Shares and 2,000,000 Options under these agreements.

## 13.4 Remuneration of Directors

The Company's Constitution provides that the remuneration of Directors (excluding salaries to executive Directors) will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors (excluding salaries to executive Directors) has been set at an amount not to exceed $300,000 per annum.

The remuneration of executive directors will be determined from time to time by the Board having regard to the nature and extent of their responsibilities.

The total remuneration paid or payable to each of the Directors for the 2010/2011 and 2011/2012 financial years is as follows:

| Director | 2010/2011 | 2011/2012 |
|---|---|---|
| Greg English | $60,000 | $60,000 |
| Stephen Biggins | $225,000 | $225,000 |
| Michael Schwarz | $40,000 | $40,000 |

## 13.5 Fees and Benefits

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

(a) Director or proposed Director;

(b) 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;

(c) promoter of the Company; or

(d) 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, has, or had within 2 years before lodgement of this Prospectus with the ASIC, any interest in:

## 13.5 Fees and Benefits (continued)

(e) the formation or promotion of the Company;

(f) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or

(g) the offer of Shares under this Prospectus,

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 those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Al Maynard & Associates Pty Ltd has acted as Independent Technical Expert and has prepared an Independent Technical Report which is included in Section 7 of this Prospectus. The Company estimates it will pay Al Maynard & Associates Pty Ltd a total of $18,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Al Maynard & Associates Pty Ltd has not received any other fees from the Company.

Grant Thornton Audit Pty Ltd has acted as Investigating Accountant in this Prospectus and has prepared an Investigating Accountant's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay Grant Thornton a total of $10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grant Thornton has not received any other fees from the Company.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements set out in Section 10 of this Prospectus. The Company estimates it will pay Steinepreis Paganin $50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees from the Company.

Ventnor Capital Pty Ltd has acted as the Corporate Advisor to the Company in relation to the Offer. The Company estimates it will pay Ventnor Capital Pty Ltd $60,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Ventnor Capital has not received any other cash fees from the Company but has been issued 1,500,000 Advisor Options.

Security Transfers Pty Ltd has acted as the Share Registry of the Company. The Company estimates it will pay Security Transfer Registrars $10,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with the terms of their engagement. During the 24 months preceding lodgement of this Prospectus with the ASIC, Security Transfer Registrars has not received any other fees from the Company.

Bligh Capital Securities Pty Ltd has acted as Lead Manager to the Offer. In respect of this work, Bligh Capital Securities Pty Ltd will be paid such amounts as detailed in Section 11.5 of this Prospectus. During the 24 months preceding lodgement of this Prospectus at the ASIC, Bligh Capital Securities Pty Ltd has not received any fees from the Company.

## 13.6 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 disclaim and take 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.

Al Maynard & Associates Pty Ltd has given its written consent to being named as Independent Technical Expert in this Prospectus and to the inclusion of the Independent Technical Report in Section 7 of this Prospectus in the form and context in which the report is included. Al Maynard & Associates Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Grant Thornton Audit Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the report is included. Grant Thornton has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

## 13.6 Consents (continued)

Grant Thornton Audit Pty Ltd has given its written consent to being named as Auditor of the Company in this Prospectus. Grant Thornton has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements set out in Section 10 of this Prospectus in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bligh Capital Securities Pty Ltd has given its written consent to being named as the Lead Manager to the Offer in this Prospectus. Bligh Capital Securities Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Ventnor Capital Pty Ltd has given its written consent to being named as Corporate Advisor to the Company in this Prospectus. Ventnor Capital Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Security Transfers Registrars Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Security Transfers Registrars Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

## 13.7 Expenses of the Offer

The total cash expenses of the Offer (excluding GST) are expected to be applied towards the items set out in the table below:

| Item of Expenditure | Minimum Subscription ($4m) | Maximum Subscription ($5m) |
|---|---|---|
| ASIC fees | 2,068 | 2,068 |
| ASX fees | 36,487 | 39,159 |
| Broker Commissions and other payments | 240,000 | 300,000 |
| Legal Fees | 50,000 | 50,000 |
| Investigating Accountant's Fees | 10,000 | 10,000 |
| Independent Technical Expert's Fees | 18,000 | 18,000 |
| Advisor Fees | 60,000 | 60,000 |
| Prospectus Design and Printing | 12,450 | 12,450 |
| Share Registry | 10,000 | 12,000 |
| Marketing and Distribution | 5,000 | 5,000 |
| Miscellaneous | 995 | 1,323 |
| **TOTAL** | **445,000** | **510,000** |

## 13.8 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.

## 13.9 Electronic Prospectus

Pursuant to Class Order 00/044, the 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, you may obtain a copy of this Prospectus from the Company's website at http://www.coreexploration.com.au.

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.

## 13.10 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

## 13.11 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.

## 14. 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.

**Greg English**
**Chairman**
**For and on behalf of**
**CORE EXPLORATION Ltd**

## 15. Glossary of Terms

Where the following terms are used in this Prospectus they have the meanings set out below:

**A$** or **$** means an Australian dollar.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as the context requires).

**Board** means the board of Directors as constituted from time to time.

**Company** or **Core Exploration** means Core Exploration Ltd (ACN 146 287 809).

**Closing Date** means the closing date of the Offer as set out in Section 3.2 of this Prospectus (subject to the Closing Date being extended or the Offer being closed early).

**Constitution** means the constitution of the Company.

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

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

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**JORC Code** means Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**The JORC Code**).

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 4 of this Prospectus.

**Listing Rules** means the official listing rules of ASX.

**Official List** means the Official List of ASX.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Option** means an option to acquire a Share on the terms set out in Section 13.2 of this Prospectus.

**Prospectus** means this prospectus.

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

**Shareholder** means a holder of Shares.

**Tenement** means a tenement in which the Company has an interest as set out in the Solicitor's Report on Tenements in Section 10 of this Prospectus.

**WST** means Western Standard Time observed in Perth, Western Australia.

## APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**SHARE REGISTRY:**
Security Transfer Registrars Pty Ltd
**All Correspondence to:**
**PO BOX 535, APPLECROSS WA 6953**
770 Canning Highway, APPLECROSS WA 6153
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

# CORE EXPLORATION LTD

ACN 146 287 809

**BROKER STAMP**

Broker Code

Advisor Code

**PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM**
Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

**I/We apply for:**

, , Shares at AUD $0.20 per share or such lesser number of Shares which may be allocated to me/us by their Directors.

**I/We lodge full application of monies of:**

A$ , , .

**Full Name of Applicant / Company**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #2**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Joint Applicant #3**

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

**Account Designation** (e.g.: THE SMITH SUPER FUND A/C)

< >

**Postal Address**

Unit / Street Number Street Name or PO BOX

Suburb/Town/City State Postcode

Country Name (if not Australia)

**CHESS HIN** (where applicable)

X

If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

**Contact Name**

**Contact Number**

( )

**Email Address**

@

**Tax File Number / Australian Business Number**

**Tax File Number of Security Holder #2 (Joint Holdings Only)**

Declaration and Statements:
(1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute and documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

**REGISTRY DATE STAMP**

E & O.E.

**9105090701** CXO 5

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON
UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 12 NOVEMBER 2010 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

**This Application Form relates to the Offer of Fully Paid Shares in CORE EXPLORATION LTD pursuant to the Prospectus dated 12 November 2010.**

**APPLICATION FORMS**

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

**PAYMENT**

All cheques should be made payable to "**CORE EXPLORATION LTD - SUBSCRIPTION ACCOUNT**" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

**LODGING OF APPLICATIONS**

Completed Application Forms and cheques must be:

| **Posted to:** | **OR** | **Delivered to:** |
|---|---|---|
| CORE EXPLORATION LTD | | CORE EXPLORATION LTD |
| C/- Security Transfer Registrars Pty Ltd | | C/- Security Transfer Registrars Pty Ltd |
| PO Box 535 | | 770 Canning Highway |
| APPLECROSS WA 6953 | | APPLECROSS WA 6153 |

**Applications must be received by no later than 5.00PM WST on the Closing Date 13 December 2010 (or such earlier date as directed by the Company).**

**CHESS HIN/BROKER SPONSORED APPLICANTS**

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

**TAX FILE NUMBERS**

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.
If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

**CORRECT FORM OF REGISTRABLE TITLE**

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to CORE EXPLORATION LTD. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

| **TYPE OF INVESTOR** | **CORRECT** | **INCORRECT** |
|---|---|---|
| **Individual**<br>Use given names in full, not initials. | Mr John Alfred Smith | J A Smith |
| **Company**<br>Use the company's full title, not abbreviations. | ABC Pty Ltd | ABC P/L or ABC Co |
| **Joint Holdings**<br>Use full and complete names. | Mr Peter Robert Williams &<br>Ms Louise Susan Williams | Peter Robert &<br>Louise S Williams |
| **Trusts**<br>Use trustee(s) personal name(s), Do not use the name of the trust. | Mrs Susan Jane Smith<br><Sue Smith Family A/C> | Sue Smith Family Trust |
| **Deceased Estates**<br>Use the executor(s) personal name(s). | Ms Jane Mary Smith &<br>Mr Frank William Smith<br><Estate John Smith A/C> | Estate of Late John Smith<br>or<br>John Smith Deceased |
| **Minor (a person under the age of 18)**<br>Use the name of a responsible adult with an appropriate designation. | Mr John Alfred Smith<br><Peter Smith A/C> | Master Peter Smith |
| **Partnerships**<br>Use the partners' personal names. Do not use the name of the partnership. | Mr John Robert Smith &<br>Mr Michael John Smith<br><John Smith and Son A/C> | John Smith and Son |
| **Superannuation Funds**<br>Use the name of the trustee(s) of the super fund. | Jane Smith Pty Ltd<br><JSuper Fund A/C> | Jane Smith Pty Ltd Superannuation Fund |

PRIVACY STATEMENT Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

**2778090700**

CORE
EXPLORATION LTD

Level 15, 45 Pirie Street, Adelaide SA 5000
T (08) 8210 1254 F (08) 8210 1234
E info@coreexploration.com.au
www.coreexploration.com.au