



ASX ANNOUNCEMENT

ASX : CXO

16th December 2015

Joint Venture and financing deal signed on Blueys Project with substantial Chinese Government organisation

HIGHLIGHTS

- **Joint Venture agreement signed with No. 1 Geological Survey of Jilin Province (Jilin) on Core's Blueys EL 28136 in the Northern Territory**
- **The binding Term Sheet establishes a Joint Venture (JV) by which the incoming party can earn up to an 80% interest in EL 28136 by:**
 - **Taking a \$150,000 placement in Core Shares (CXO)**
 - **Payment of an additional \$50,000 cash to Core**
 - **Sole funding \$1,400,000 on exploration**
- **Conditional on FIRB approval and final due diligence**
- **JV to fund Core to accelerate drilling and exploration at Blueys**
- **JV increases potential to expand Core's silver and base metal discovery on the Blueys Project**

Core Exploration Ltd (ASX:CXO) is pleased to announce the Company has entered into a binding Joint Venture Term Sheet with the Chinese based No 1. Institute of Geological Survey of Jilin Province (Jilin). The JV enables Core and new investment and project partner Jilin to accelerate drilling and to increase the potential for the expansion of the very high silver and base metal mineralisation recently discovered by Core on the Blueys Project in the NT north east of Alice Springs.

The Term Sheet sets out terms for a placement of \$150,000 in CXO shares, a further cash payment of \$50,000 and \$1,400,000 of joint venture expenditure sole funded by Jilin on Core's Blueys Project in the Northern Territory.

The No1 Institute is part of the Jilin Province Geological and Mineral Resources Bureau in Changchun, which is specialised in exploration for many commodities, including precious metal and base metal in China with a successful history over 40 years.

The binding Term Sheet outlines the key terms for a Joint Venture between the two parties subject receiving FIRB approval and completing final due diligence in early 2016. The key terms include:

- Jilin takes a placement in \$150,000 CXO ASX listed shares at a 20% discount to the 15-VWAP prior to this announcement by 31 January 2016;
- Jilin paying Core \$50,000 cash by 30 June 2016 and sole funding \$700,000 exploration expenditure by 23 Dec 2016 to earn a 51% interest in EL 28136;
- Jilin sole funding an additional \$700,000 exploration expenditure by 23 Dec 2017 to earn a 80% interest in EL 28136; and
- Jilin will then have the option to acquire Core's 20% remaining interest for fair market value.

Core will be the Manager of the Joint Venture whilst Jilin earns toward 80% and will be responsible for conducting the exploration programs on the Blueys Project as agreed by the Joint Venture partners for a 10% administration fee.

Exploration and drilling undertaken by Core has intersected primary base metal mineralisation over a 500m long zone at the Inkheart and extremely high grade silver at surface at Blueys. Mineralised intersections drilled are generally between 3-12m thick but in places there are wider mineralised zones up to 36 metres thick (Figures 1 & 2).

Core believes that further drilling and exploration at Inkheart and Blueys Prospects on EL 28136 is likely to lead toward the discovery of higher grade and thicker parts of this mineralised system.

Discovery of thicker, high grade primary mineralisation would dramatically strengthen the potential of the structurally controlled margin of the Amadeus and east Arunta provinces as a substantial exploration province prospective for economic discoveries of silver, zinc and lead mineralisation.

Next Steps

The Joint Venture funded exploration and drilling programs planned for the Blueys Project in 2016 will be finalised in early 2016 and are likely to initially include a diamond drilling program at Blueys and Inkheart Prospects.

Core Exploration Ltd's Managing Director, Mr Stephen Biggins commented "We see Core's Joint Venture with the No1 Jilin Institute in China as the initial foundation for a growing and positive relationship that has the potential to support both organisations' goals to make high quality exploration discoveries and invest further into currently undervalued assets in the Australian mining industry."



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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Exploration Ltd 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. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This report also references information previously released under JORC Code 2012 to the ASX on 03/11/2015 "New intersections extend mineralisation at Inkheart, NT" and 17/06/2014 "High grade silver lead intersections from maiden drilling program Albarta Project, NT".

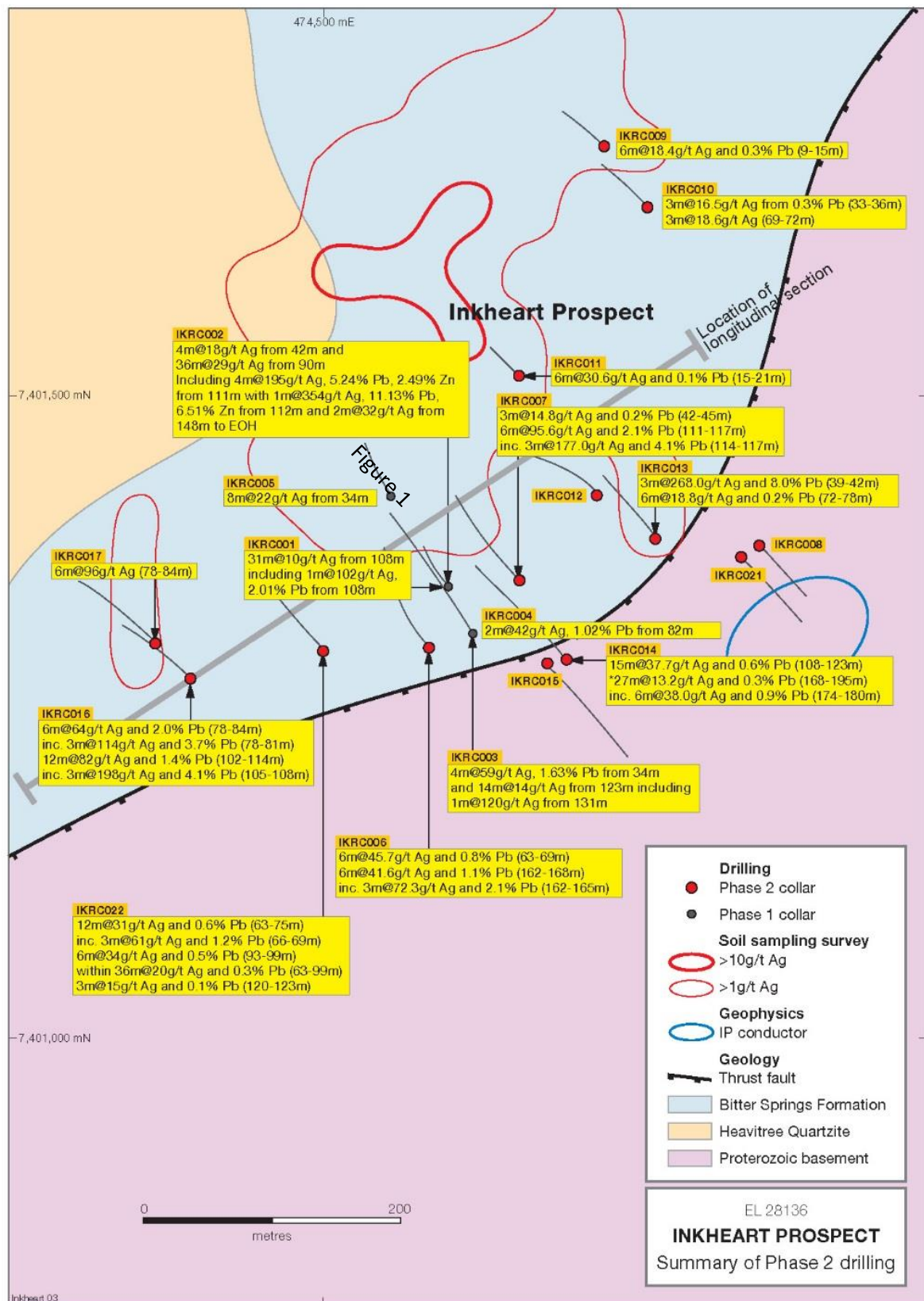


Figure 1. Summary of significant RC drilling results at Inkheart Prospect.

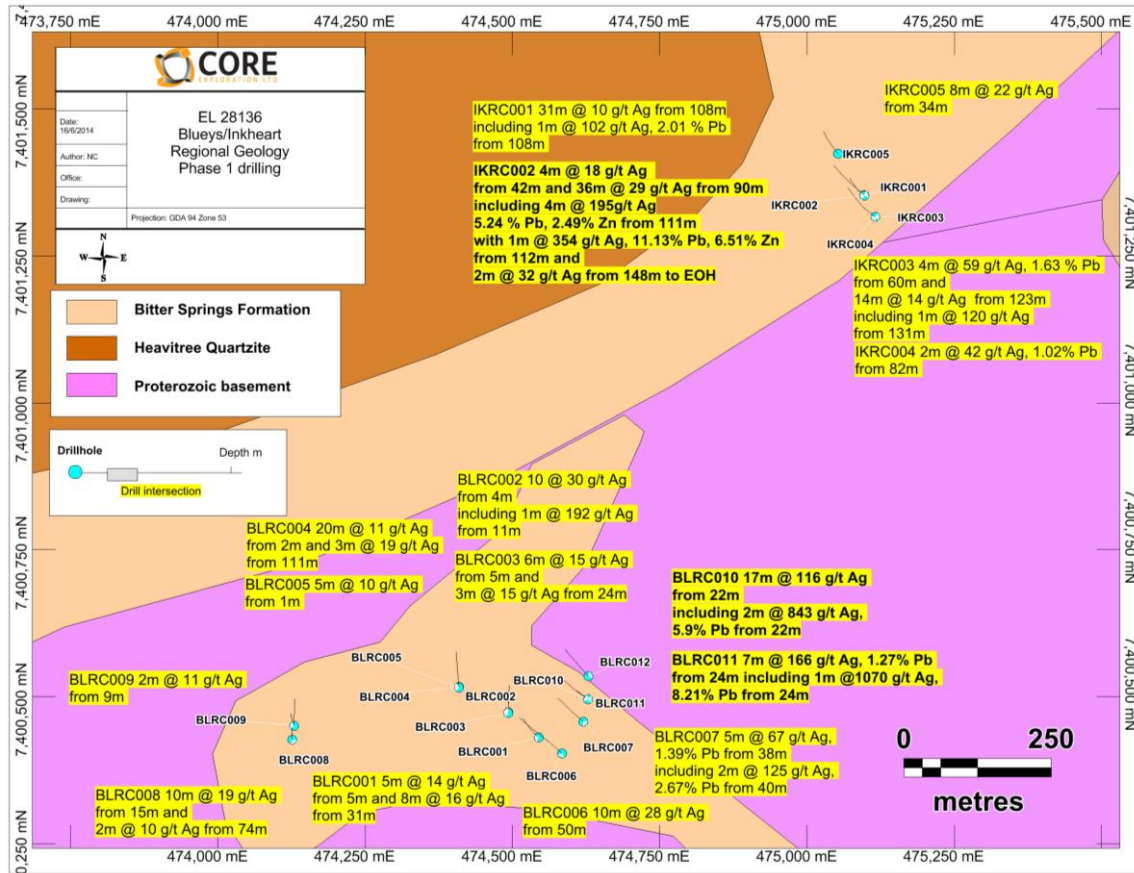


Figure 2. Significant RC drillhole intersections, Phase 1 drilling Inkheart and Blueys Prospects, NT.