



13 February 2014

Ms Shannon Hong
Adviser, Listings Compliance
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

ASX : CXO

Core Exploration Ltd (“Core” or “Company”) – Response to ASX aware query

We refer to your letter dated 12 February 2014 and respond as follows. We have used the same defined terms and paragraph numbering as used in your letter.

- 1. Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes.

- 2. If the answer to question 1 is “no”, please advise the basis for that view.**

Not applicable.

- 3. If the answer to question 1 is “yes”, when did the Company first become aware of the information?**

Since September 2012 the Company has been earning an interest in two separate exploration joint ventures in the highly prospective Albarta region of the Northern Territory. There are four different joint venture participants located in different parts of Australia and corresponding with all participants has been difficult.



In mid-January 2014 the Company received a request from one of the participants to consider the purchase of that participant's interest in the joint venture. The Company later received similar interest from some of the other participants and in late January 2014 the Company forwarded a draft sale and purchase agreement to all participants. One of the key terms of the agreement was that the Company would only purchase the joint interest of all participants and not individual interests of one or two participants. Therefore, all participants needed to execute the agreement. The draft sale and purchase agreement sent to the participants was not capable of acceptance as it was presented in draft form only as some of the commercial terms were yet to be agreed.

In early February the Company received amendments to the sale and purchase agreement from the lawyer for one of the participants and those amendments were incorporated into the proposed final form document which was distributed to all participants, the terms of which were later amended a number of times. It must be noted that at this time that the Company had not received a response from all of the participants and the Company was uncertain as to whether all participants would agree to sell their respective joint venture interests.

Prior to market open on 11 February 2014 the Company had received some but not all executed copies of the sale agreements from the participants. This meant that at this time the transaction was incomplete as all participants needed to sign the agreements to make them binding. Even though the transaction was incomplete, the Company, in accordance with its continuous disclosure obligations, requested a trading halt from the ASX. The Company did not receive all signatures and subsequently did not have a legally binding agreement until the evening of 11 February 2014. The Company first became aware that an executed Agreement was in place when it received a facsimile at 7:10pm AEDT on 11 February 2014 and the agreements were consequently verified as correctly executed at 9:12am AEDT on 12 February 2014 at which time a request to remove the trading halt and announcement was made to ASX.

It must be remembered that all participants were unrelated parties located in different parts of Australia. During the sale process the Company received no response from some of the participants (except for the signed agreement) so the Company was uncertain as to whether the transaction would proceed.



Additionally, Core was required to address a price query letter issued by ASX on 7 February 2014 due to an increase in the Company's share price. The Company responded that it was aware that an article by on-line research and commentary group, The Next Small Cap, was released on 7 February 2014 and that the report was based on information that had previously been disclosed to ASX, in particular the Company's ASX announcement dated [21 January 2014](#) which highlighted the potential of the Company's Roxby Project. At the time of Core's response to the ASX price query letter on 7 February 2014 the Company was uncertain as to whether the transaction would proceed.

The receipt of the executed agreements occurred after The Next Small Cap had written a positive report on the Company's Roxby Project which led to an increase in the Company's share price and trading volumes. This led to a query from the ASX to which the Company responded on 7 February. In the Company's opinion, the fact that the agreements were executed at a time of increased share price was purely coincidental and the increased share price and volume was related to The Next Small Cap positive report.

The Company was not in a position to issue the trading halt request earlier than 11 February 2014 as the transaction was incomplete and uncertain. To have released any form of announcement regarding the transaction prior to execution of all agreements would have been on the basis of an incomplete transaction and would have been misleading.

- 4. If the answer to question 1 is "yes" and the Company first became aware of the information before the Trading Halt, did the Company make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay. The response should also discuss the timing in the context of ASX's price query letter on Friday, 7 February 2014.**

The Company confirms that the transaction was incomplete at the time that the trading halt was requested. The transaction was not complete until after the trading halt had been put in place. See response to question 3 above.



5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully,

Jaroslaw (Jarek) Kopias
Company Secretary
Core Exploration Limited



12 February 2014

Mr. Jarek Kopias
Company Secretary
Core Exploration Limited
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Adelaide SA 5000

By Email

Dear Jarek

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Core Exploration Limited (the “Company”)

ASX Limited (“ASX”) refers to the following:

1. The Company’s response to ASX’s price query letter released at 4:39 PM AEDT on Friday, 7 February 2014 in which the Company indicates that it is unable to explain the recent increase in the Company’s share price.
2. The trading halt requested by the Company on Tuesday, 11 February 2014, before the market opened (the “Trading Halt”).
3. The announcement made by the Company titled “Core Moves to 100% Ownership of New Exploration Hot Spot” released on ASX at 09:33 AM AEDT on Wednesday, 12 February 2014, disclosing that the Company “...has moved to full ownership in all of its JV tenements at the promising Albarta minerals Project in the NT” (the “Announcement”).
4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

5. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “Listing Rule 3.1A.2 – the requirement for information to be confidential”*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Company first become aware of the information.
4. If the answer to question 1 is “yes” and the Company first became aware of the information before the Trading Halt, did the Company make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay. The response should also discuss the timing in the context of ASX’s price query letter on Friday, 7 February 2014.
5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (i.e. before 9.30 a.m. AEDT) on Friday, 14 February 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Shannon.Hong@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Shannon Hong
Adviser, Listings Compliance