



**ANNUAL REPORT
2013**

Corporate information

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MANAGING DIRECTOR

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The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Stephen Biggins who is a member of the Australasian Institute of Mining and Metallurgy. Mr Biggins is the Managing Director of Core Exploration Ltd. Mr Biggins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Biggins consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears.

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This Annual Report covers Core Exploration Ltd ("Core" or the "Company") as a Group consisting of Core Exploration Ltd and its subsidiaries, collectively referred to as the "Group". The financial report is presented in the Australian currency.

Core is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Core Exploration Ltd
Level 2, 143 Hutt Street
Adelaide SA 5000

Chairman's Letter

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Core Exploration Limited for the financial year ended 30 June 2013.

It is clear that the past 12 months have provided an extremely difficult environment for the Australian resources sector and in particular for junior exploration companies. Despite these challenges, the Company made considerable progress towards delivering Core's strategy of developing and making significant discoveries from a pipeline of greenfield and advanced exploration projects. Particularly pleasing were the exploration advances and outstanding results at Fitton and Yerelina and the acquisition of new Albarta Project tenements.

In late October last year the Company undertook its maiden drilling program at Fitton to explore for near surface uranium. The results of the drilling (reported elsewhere in this Annual Report) exceeded expectations and confirmed the presence of high grade near surface uranium mineralisation. Follow up drilling in March 2013 at Fitton was also successful, with thick intervals of uranium mineralisation intersected and the strike length of the main Scott Lee prospect extended to 1km while remaining open along strike in both directions and at depth.

The discovery at Fitton is significant, however, with the spot price of uranium at recent low prices and a lack of interest shown by investors in uranium projects the Company took the view to halt further work at Fitton until market sentiment changed. Fitton remains a highly undervalued asset that has potential to add significant value to the Company when the price of uranium returns to normal levels.

At Albarta, Core identified and pursued a strategy to take a key position in the next emerging copper exploration province in Australia. Through assessment of exploration, geological and geophysical data sets and recent information released by Geoscience Australia and the Northern Territory Government the Company identified multiple copper, gold and silver targets that have been followed up with field surveys. Through a combination of joint ventures, tenement acquisitions and tenement applications the Company has built a tenement holding of over 2,000km² at Albarta.

Over the past 12 months Core has developed a series of under-explored high priority targets at Albarta that have now become the key focus for our next phase of exploration. The application of high quality, fundamental exploration techniques including systematic geochemical sampling, geological mapping and review of geophysical and remote sensing datasets has added significant insight to the area and allowed

for the identification of the highest priority target areas. These cost effective and high value exploration techniques along with strong cost management protocols have ensured that shareholder funds are being allocated to areas that will create sustainable value.

The Albarta Project tenements include a number of significant copper and silver mineral occurrences. Tenements in the area have previously been held on a fragmented basis by prospectors and exploration companies and have not been systematically explored for IOCG copper deposits. Core's early exploration results and the success of other explorers in this emerging copper province support the Company's view that this project area has the potential to host significant mineralisation.

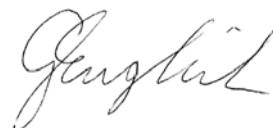
However, our growth strategy is not just limited to the Albarta Project. During the past 12 months we have successfully applied for 1,000km² of tenure at Yerelina that covers known silver, lead and zinc mineralisation. The application for tenements with known mineralisation is consistent with our strategy of cost effective exploration and lower risk project development. Whilst no field exploration was undertaken on the Roxby Project 40km south of Olympic Dam, this project also remains highly prospective for deep, but potentially large-scale iron-oxide-copper-gold style mineralisation.

Since ASX listing in February 2011, the Company has actively explored its tenements and identified new project areas. Our success to date has been achieved through the prudent management of funds and the adoption of cost effective exploration techniques. Our focus for the next year will be to continue to prudently managing the Company's funds to maximise value for shareholders whilst also effectively exploring our projects.

Looking forward, it remains a key objective of the Company to advance the evaluation of the Albarta Project with the maiden Albarta drill program planned for late 2013 / early 2014 (subject to government approvals). Albarta has the potential to significantly increase the value of the Company and its share price.

On behalf of shareholders, I thank Stephen Biggins, Michael Schwarz and their staff on their efforts to date in advancing the Company's projects and for completing this year's programs without a reportable safety or environmental event. I look forward to reporting our progress to you during the course of the exciting year ahead.

Thank you for your continued support.



Greg English
CHAIRMAN



Core has made
considerable
progress
towards delivering
the Company's
strategy of
developing
and making
**significant
discoveries**

Managing Director's Report

Core Exploration has accomplished considerable exploration and project building achievements during the 2013 reporting year.

Core Exploration has accomplished considerable exploration and project building achievements during the 2013 reporting year. Our ability to identify and capture prospective assets and then deliver organic value growth through exploration success has been typified by our work at Fitton in 2012/2013 and we are in the early stages of repeating this successful process on our new exciting Albarta Project in the Northern Territory in 2013 and beyond.

During the reporting period, Core engineered through joint venture, acquisition and new tenements the rights to 20 mostly contiguous tenements that comprise the Company's new Albarta Project within this newly-identified and previously under-explored IOCG (iron-oxide-copper-gold) terrain.

The Company believes that the existing evidence of mineralisation and IOCG prospectivity confirmed by Geoscience Australia verifies the strategy that Core has pursued to take an early position in the Northern Territory which is gaining recognition as Australia's new copper and IOCG exploration hot-spot.

Core's first exploration work on the Albarta Project is delivering exceptional results that are building a list of high-quality drill targets that include:

- 10% copper and 2,200g/t silver at Blueys Prospect
- Up to 14% copper and 72g/t gold at Copper King
- Up to 34% copper at the Virginia Prospect
- 19,552ppb silver in soils at the new Inkheart Prospect
- >1% copper at the Paradise Well Prospect
- Large scale copper nickel PGE target at the Mordor Project

Our exploration during the period on the Company's wholly-owned Fitton Project has led to arguably one of the best discoveries in the region since Beverly Four Mile. Fitton is located in a proven world-class uranium mining region, 500 kilometres north of Adelaide in South Australia. We are expecting that the value of this discovery will be reflected in our share price as the future uranium price increases as predicted.

Core's exploration work and drilling at Fitton during the year has now confirmed that:

- mineralisation outcrops
- mineralisation contains both thick and high grade intersections
- mineralisation extends to at least 150m downhole depth
- mineralised structure is over 1km long and open in both directions

Core's Yerelina Project covers a large 1,000km² area that is highly prospective for shallow base and precious metal mineralisation in South Australia. During the year, rock chip assays grading up to 567g/t silver and 15.11% combined lead and zinc assays were sampled of old workings and newly discovered gossans on EL 5015. Mineralised breccia is hosted in fault zones interpreted to be up to 1.5km long within an 8km wide area and this high grade mineralisation identified by Core in at least five individual structures to date.

The commitment and effort of Core's team continues to deliver significant exploration success in Australia's leading copper exploration terrains. Shareholder can be confident that Core is in a position to add substantial value to its assets through focussed, efficient exploration and we expect that as market confidence returns, investors will be rewarded for our exploration successes and the increasing value of the Company's projects.



Stephen Biggins

MANAGING DIRECTOR

Core's first
exploration
work on
the Albarta
Project is
**delivering
exceptional
results**



Project Overview

ALBARTA PROJECT, NT

Core's Albarta Project covers 2,000km² of fully granted tenure over the newly-recognised, highly prospective IOCG (iron-oxide–copper–gold) Aileron Province, 100km NE of Alice Springs in the NT. Core's tenements include a number of significant copper (+ silver) mineral occurrences.

The Company believes that the existing evidence of mineralisation and recently confirmed IOCG prospectivity by Geoscience

Australia verifies the strategy that Core has pursued to take an early position in an area that is becoming Australia's new copper IOCG exploration hot-spot.

Core engineered through joint venture, acquisition and new tenements the rights to 20 mostly contiguous tenements that comprise the Company's new Albarta Project within this newly-identified and previously unexplored IOCG terrain.



Figure 1 Location of Albarta Project, NT.

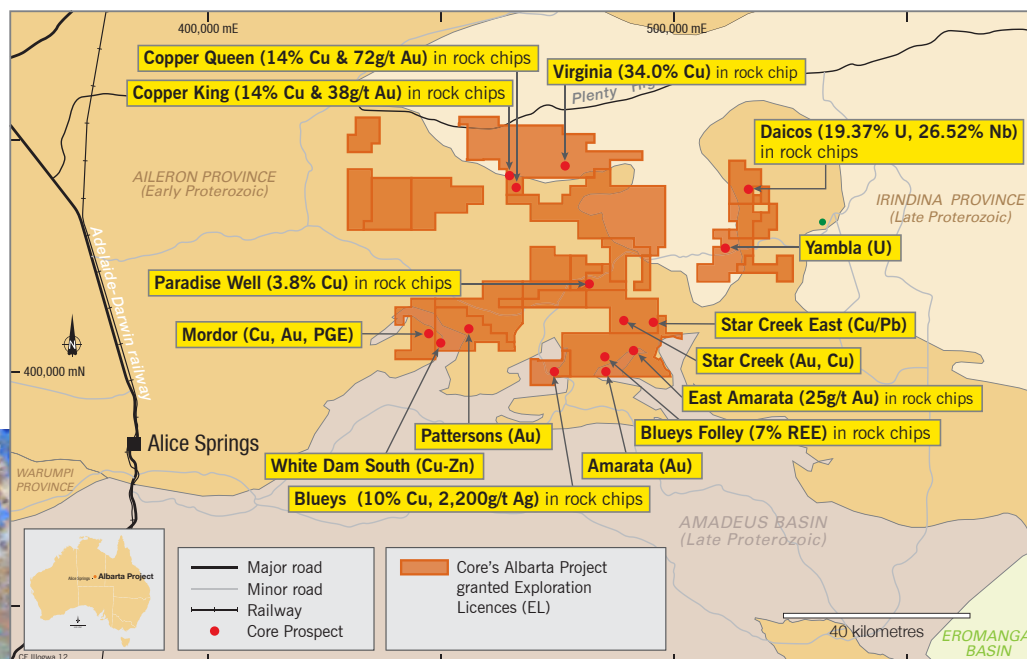


Figure 2 Location of prospects and tenure, Albarta Project, NT

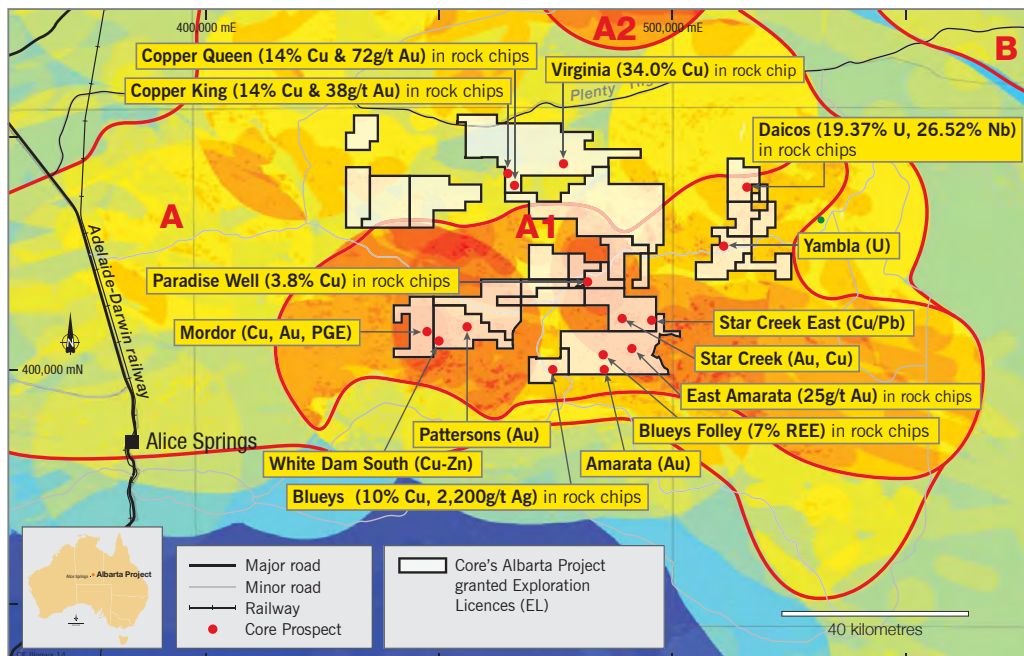


Figure 3 Albarta Project tenure and key prospects overlain on Geoscience Australia's IOCG prospectivity map of the Northern Territory.

Blueys & Inkheart

EL 28136

Geoscience Australia (GA) is Australia's peak geoscientific agency and a world leader in providing first class geoscientific information. In 2012, an independent report by Geoscience Australia highlights the area covered by Core's Albarta Project in the Northern Territory as being highly prospective for uranium-rich IOCG deposits.

In addition to its IOCG potential Core's Albarta tenements are also prospective for other mineralisation styles including gold, uranium, rare earths, volcanic hosted massive sulphide and sedex style base metal mineralisation.

Core's soil sampling programs during the reporting period on EL 28136 have revealed extremely high silver (Ag) anomalism in soils at the Blueys Prospect and at a newly-identified neighbouring target area named the Inkheart Prospect.

The Company has collected 643 soil samples at and around the Blueys Prospect at 200 x 200m and 50 x 50m spacing. The soils program was planned to test the Blueys prospect to ascertain the level of anomalism in soils in the area of known mineralised samples, as well as to more coarsely sample the surrounding area to identify further targets.

A newly-identified 1,500m by 250m area of extremely high (greater than 100ppb) silver in soil anomaly (with a peak of 19,552ppb Ag) north of Blueys has been named the Inkheart Prospect. Core's Blueys Prospect also has a sizeable footprint (500m x 250m) greater than 100ppb Ag including a peak silver in soil value of 25,250ppb Ag. These very high values are spectacular when considering that 100ppb is commonly regarded as an anomalous silver in soils value.

In addition, rock chip sampling results at Blueys has identified high grade silver bearing samples. Surface rock chip samples from Blueys graded up to 4,065g/t silver (Ag), 10% copper (Cu) and 25% lead (Pb).

Mapping and rock chip sampling at Blueys has identified a broad zone of pervasive stock-work veining associated with malachite and azurite (copper) and galena (lead/silver) minerals at surface. This surface mineralisation and widespread veining coincides with the sizeable silver soil anomaly at Blueys.

In addition, Core's first rock chip sampling results at the Inkheart Prospect north of Blueys have confirmed anomalous silver levels at surface. Core's geological mapping has identified a metal rich gossan coinciding with the newly-identified 1,500m by 250m area of high (greater than 100ppb) silver in soil anomaly.

Core believes that these high silver in soil and rock chip results are an indicator of significant mineralisation at depth.

Geology

Core's mapping has identified that the reactive carbonate rocks (Neoproterozoic Bitter Springs Formation), common at the Blueys Prospect, contain visual copper carbonate minerals (malachite and azurite), lead and silver minerals (argentiferous galena). The new high silver samples were sampled from stockpiled mineralised material to determine if the high silver grades were associated with lead bearing sulphides (argentiferous galena).

The new soil data has confirmed spectacular silver anomalism in soils associated with copper and lead within the Bitter Springs Formation at both the Blueys and new Inkheart Prospects.

The Company considers the reactive carbonate characteristics of the Bitter Springs Formation to be an ideal host unit for mineralisation. At the Blueys Prospect the silver soil anomalies match the location of the Bitter Springs Formation wrapping around basement granites and amphibolites.

The Blueys and Inkheart Prospects occur at equivalent geological settings, within the Neoproterozoic Bitter Springs Formation at the contact with Proterozoic basement. The Inkheart Prospect has a dominant north-east orientation consistent with the regional structural trend.

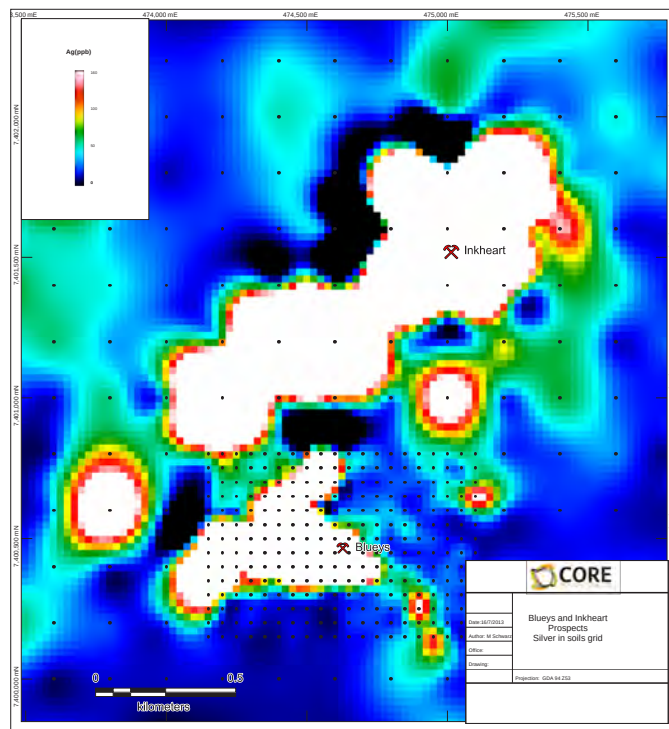
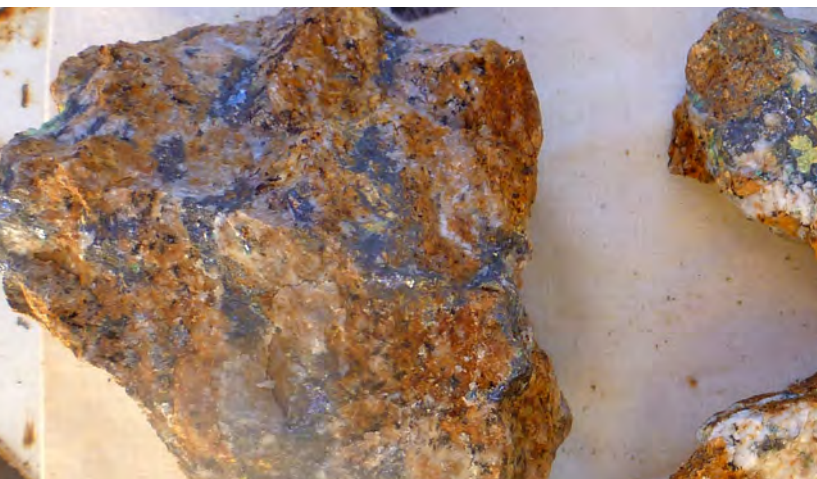
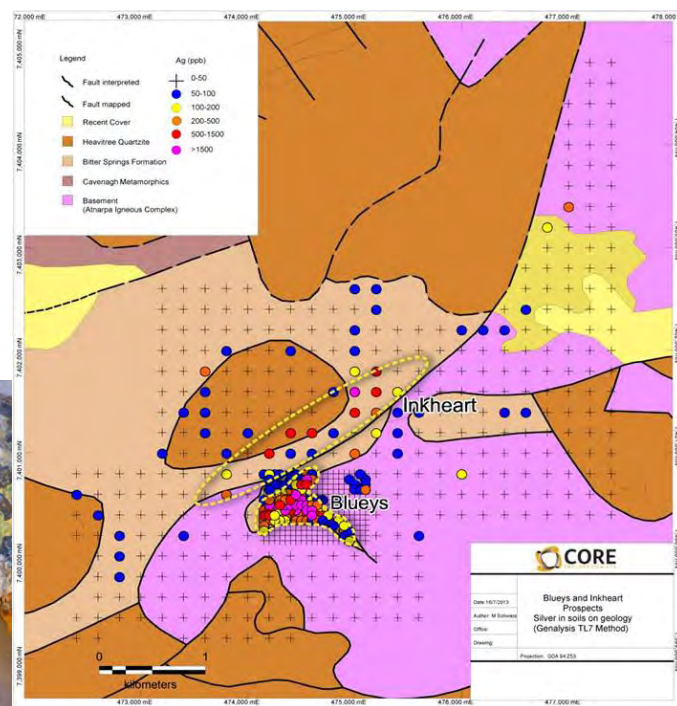


Figure 4 Silver in soils grid, Blueys and Inkheart Prospects.

Figure 5 Silver in soils grid on geology, Blueys and Inkheart Prospects.





Paradise Well

EL 27369

Reconnaissance mapping by Core Exploration during the reporting period has identified additional copper mineralisation over an extended area at Paradise Well within the Company's Albarta Project, northeast of Alice Springs in the Northern Territory.

Surface samples with high copper levels (two samples at 1.1% Cu) were identified in 2013 at the Paradise Well South Prospect. This satellite prospect is located just 2.5km south of the original Paradise Well find in 2012 and 2km west of a historic surface sample (3.8% Cu) on joint venture tenement EL 27369.

The latest copper mineralisation has been identified at surface during Core's first exploration work at Paradise Well as malachite in veins and fractures over a distance of approximately 140m to date. Mineralisation occurs within quartz-albite-biotite-garnet schist and amphibolites and appears to be associated with massive magnetite veins.

The Paradise Well Copper Prospect sits on a regional north-westerly trending structure within the highly prospective IOCG zone (A1) as determined by Geoscience Australia. The strong association of copper mineralisation and massive magnetite veining suggests possible IOCG affinities.

Soil sampling by Core over the Paradise Well area has also defined a number of kilometre-scale coincident copper and silver anomalies. These new results have identified target areas worthy of follow up exploration over a larger than expected area.

Core intends to extend the exploration area around the Paradise Well and Paradise Well South Prospects using further mapping, sampling and soil surveys. The more significant geochemical anomalies will be followed up with geophysical testing and prioritised for drilling.

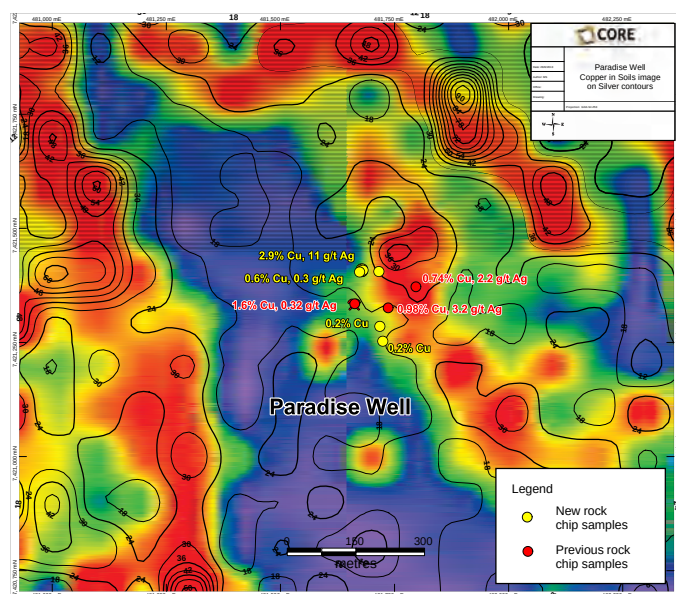


Figure 6 Copper in soils image on silver contours, Paradise Well Prospect.

Mordor

EL 28940

Copper, nickel and platinum group element (PGE) mineralisation identified at key prospects on Core's 100%-owned Mordor tenement, Albarta Project in the Northern Territory have provided the Company with multiple drill targets.

Work undertaken by Core, combined with results of the considerable body of work assembled by Rio Tinto (CRA) over a 20 year period – has proven that the Mordor Complex is prospective for 'reef' type copper-nickel-PGE mineralisation associated with ultramafic cumulates. The Mordor mineralisation is associated with disseminated sulphides which occur in bands and lenses within the ultramafic sequence.

Drill targets include the Orodruin and Braveheart prospects. The mineralisation identified at the Orodruin and Braveheart prospects is similar to deposits including the world-class Merensky Reef, Bushveld Complex in South Africa and the Great Dyke in Zimbabwe.

Reef type copper/nickel/PGE deposits occur in layered mafic/ultramafic complexes. They are thin layers (1–5m) which are laterally extensive, and are found within a sequence of cyclic mafic to ultramafic units. The "reefs" contain disseminated sulphides – pyrrhotite, pentlandite, chalcopyrite and pyrite, minor gold and PGEs.

The Mordor Complex is a large layered mafic-ultramafic intrusion and given the substantial size of the prospective magma chamber (5km diameter by 6km deep) it appears that the area has been under-explored.

As well as the various walk-up copper, nickel and PGE drill targets already identified by Core, results from soil sampling have identified a number of copper and nickel (+/- platinum and chromium) anomalies not yet drill tested.

Further exploration is warranted at Mordor as these deposit types are high value targets.

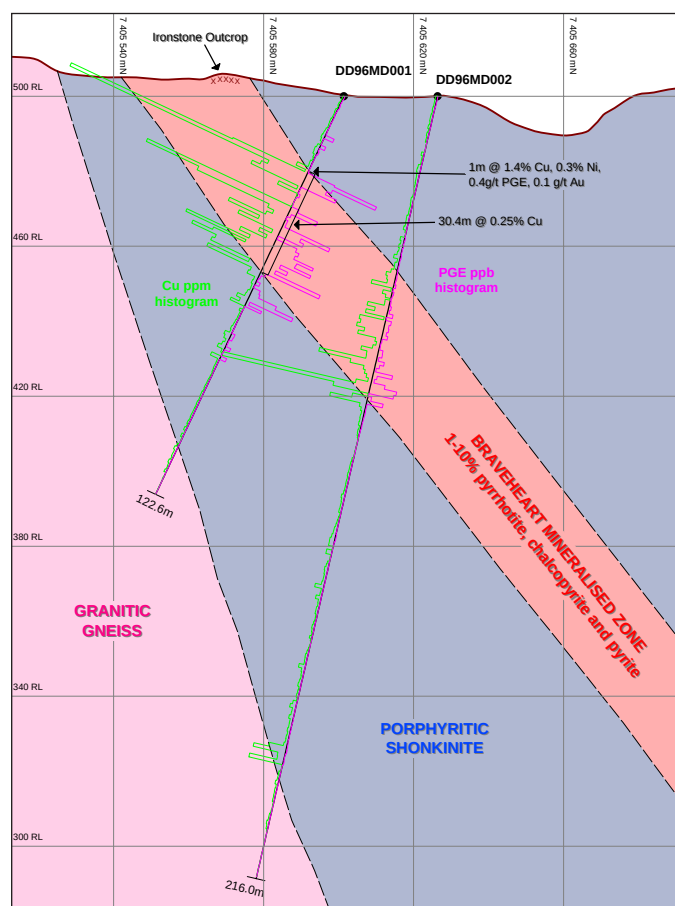


Figure 7 Cross section, Mordor Prospect.



Copper King

EL 29689

Core's analysis of mapping, prospecting and soil sampling by previous explorers has led to the identification of an exciting large copper mineral field on its new and wholly owned EL 29689 covering 310km² within the Company's promising Albarta Project.

A number of key prospects are located within the area of the EL with the most significant being Copper King, Copper Queen, Skippy Tail and MR2.

Rock chips assays of up to 14.3% copper and 72.3 grams per tonne (g/t) gold have been sampled historically and Core now plans to utilise geophysical surveys for the first time over the area, in the coming December quarter, to pinpoint high priority drill targets.

Previous explorers undertook a large amount of copper-gold focused exploration in the region in the 1990s and early 2000s utilising mapping, rock chip sampling and soil surveys to identify target areas for subsequent shallow RAB drilling.

Significant geochemical anomalism (both copper and gold) is associated with two main structural trends having significant strike extent, the

NW-SE trending Florence Creek Shear Zone (FCSZ), and the E-W trending Copper Queen and Mogul trends.

Core believes that the structurally controlled setting for the Copper King and Copper Queen prospects, where 600m of visible malachite along a structure has been identified, is an ideal fit for Core's IOCG model of the Aileron Province.

Whilst first pass historic RAB drilling identified thin intervals of copper mineralisation, there is little evidence that geophysics

was utilised in drill targeting. Core believes that any broader mineralisation within structures at depth could be identified through geophysics as demonstrated by recent copper exploration successes in the region (e.g. Kidman Resources (KDR) – Home of Bullion).

Core intends to undertake detailed geophysics over known areas of mineralisation to identify potentially larger mineral bodies at depth. Any substantial geophysical anomalies identified would constitute priority drill targets.

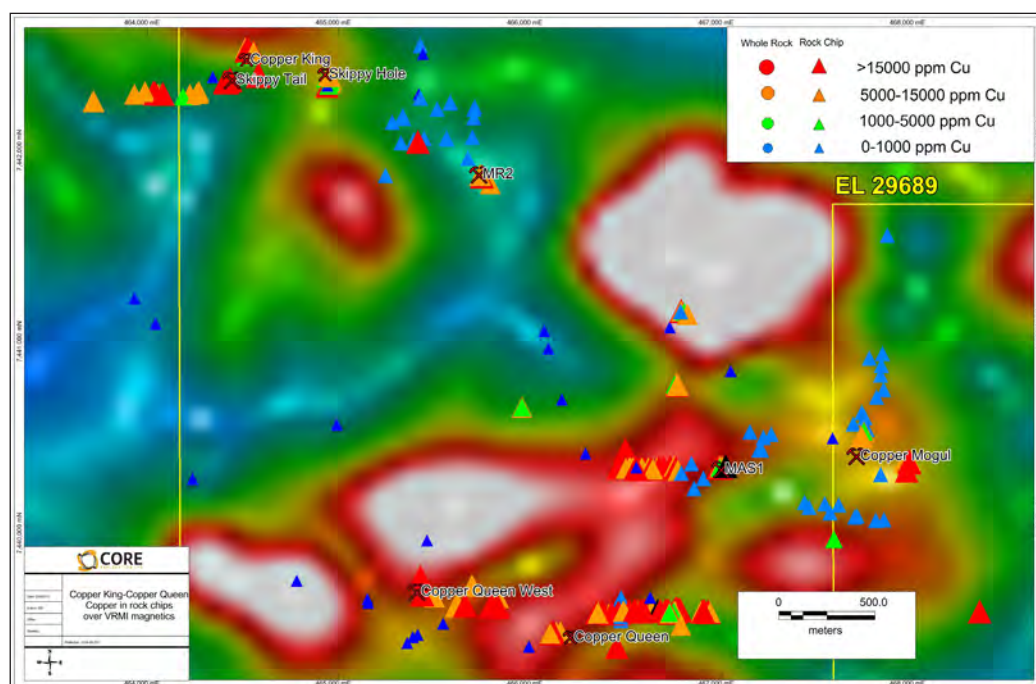


Figure 8 Copper in rock chips over VRMI magnetics, Copper King and Copper Queen Prospects.

Virginia

EL 29689

Core has identified an undrilled copper target over 1km long with assay up to 34% copper at surface at Virginia Prospect within EL 29689.

Rock chip sampling of malachite stained rocks by previous explorers returned values typically in the 1–5% Cu range, but up to 34% Cu, within a stratiform copper horizon identified over 1km strike at Core's Virginia Prospect. The Virginia copper prospect occurs in a distinctive garnet gneiss band within mafic gneiss.

The previous soil sampling program was carried out on five lines on 600 x 50 metre spacing coincident with a zone of alteration interpreted from the Landsat images. A strong copper in soil anomaly was returned along strike from the main Virginia outcrop in both directions.

Despite the exceptional results, no drilling or geophysical surveys have been undertaken on the zone.

Core's planned soil sampling should identify any additional outcropping zones of mineralisation. The Company also intends to undertake detailed geophysics over known areas of mineralisation to identify potentially larger mineral bodies at depth and determine drill targets.

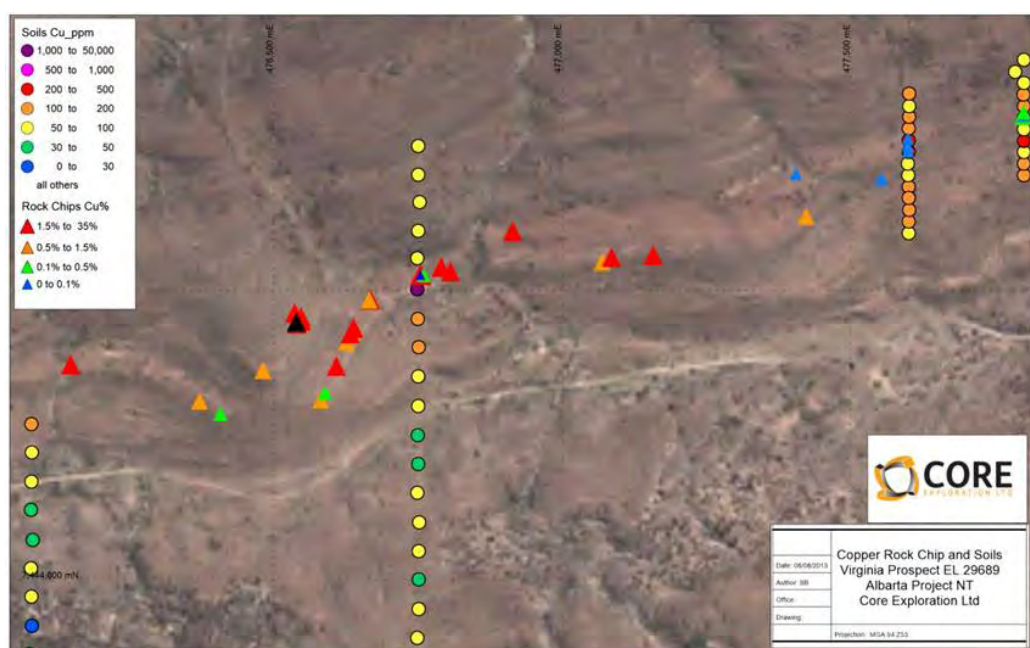


Figure 9 Copper in rock chips and soils, Virginia Prospect.



FITTON, SA

EL 4569

In follow-up to Core's new Fitton uranium discovery in November 2012, a second RC drilling program in March 2013 hit thick and high grade uranium intercepts which have continued to extend uranium mineralisation.

High grade shallow uranium mineralisation has been discovered at Core Exploration's Fitton Project (EL 4569). Best intersections include 11m @ 1309ppm U_3O_8 (across strike) and 60m @ 480ppm U_3O_8 (down plunge).

Core's exploration work and drilling at Fitton has now confirmed that:

- uranium mineralisation outcrops
- uranium mineralisation contains both thick and high grade intersections
- uranium mineralisation extends to at least 150m downhole depth
- the mineralised structure is over 1km long and open in both directions

Core's 100% owned Fitton Project is located in a proven world-class uranium mining region, 500 kilometres north of Adelaide in South Australia and is located within 25km of:

- Beverley Mine (46Mlb U_3O_8 Resource 7.7Mt @ 0.27% (21,000T U_3O_8))
- Beverley North Mine (8.8Mlb U_3O_8 Resource 2.2Mt @ 0.18% (4,000T U_3O_8))

- Four Mile Project (71Mlb U_3O_8 Resource 9.8Mt @ 0.33% (32,000T U_3O_8))
- Mt Gee (69Mlb U_3O_8 Resource 51.0 MT @ 0.06% (31,400T U_3O_8))

The Fitton Project is located on the north-west structurally controlled edge of the Mt Painter Inlier, a block that is highly prospective for both primary and secondary uranium mineralisation as demonstrated by the presence of the Beverley Uranium mine ~40km to the east and the Mt Gee deposit to the south of Core's tenure. The Mt Painter Inlier is rich in uraniferous Proterozoic granites which have acted as source lithologies for secondary palaeochannel uranium deposits.

Within the Fitton Project, Core has focused on uranium hosted within a highly sheared chloritic mafic schist. Thus far mineralisation is contained within the sheared schist, which is interpreted to have acted as a conduit for uranium rich fluid likely to be sourced from the uranium rich granites of the Mt Painter Inlier. At the prospect scale the mineralisation appears to be associated with sulphide rich portions of the doleritic schist close to the southern contact with the granite which suggests that portions of the schist have acted as a reductant which has formed a chemical trap for uranium.

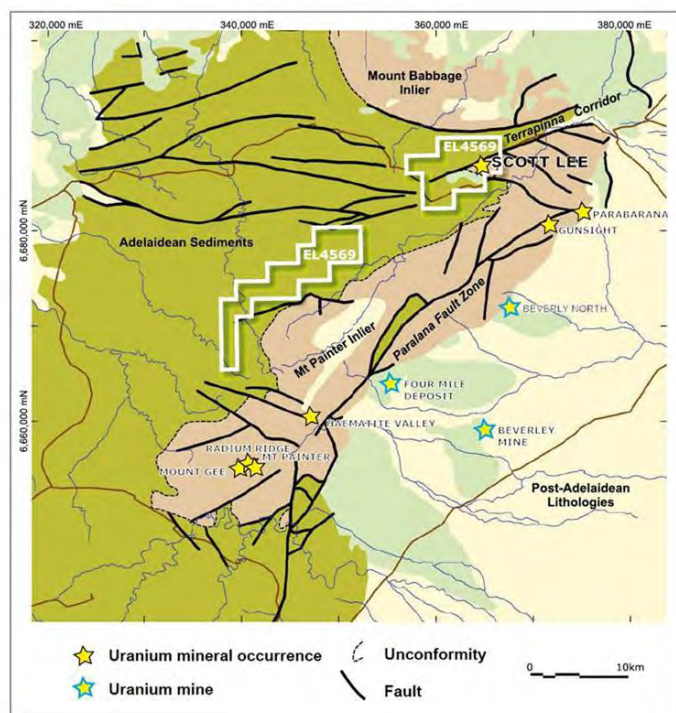


Figure 10 Location of Fitton Project, SA.

This mineralisation style is described as structurally controlled, with potentially a chemical trap within the host doleritic unit. This opens further exploration potential within the Fitton Project, allowing Core to explore for further mineralisation along strike of the host shear structures, particularly at any redox boundaries including at the contact with the overlying Adelaidean sediments to the north of the main structure and at mechanical structural traps including dilatational zones that intersect the identified mineralised structure.

Core's mapping and sampling during mid-2012 on the Fitton Project focussed on identifying the source of the magnetic anomalism at both Scott Lee and the other anomalies as well as any further evidence of mineralisation.

The major magnetic anomaly which strikes NE/SW (Hamilton Prospect) located west of Scott Lee was investigated and found localised veins of magnetite within outcropping granite basement with no evidence of copper mineralisation. Revisiting the Scott Lee Prospect revealed a higher uranium bearing unit of chlorite altered granite on the southern contact with the doleritic schist grading 2835ppm uranium (0.28% U).

A helicopter based magnetic and radiometric system was then flown at 25m spaced N/S lines across the whole working area within EL 4569. This survey greatly improved the consistency of the magnetic dataset further defining the magnetic anomalies. Additionally, the radiometric data obtained highlighted uranium anomalism predominantly from the areas of outcropping Proterozoic granites. These surveys were used to identify further magnetic targets interpreted to be equivalent to Scott Lee.

Phase 1 RC drilling program

Core's first RC drilling program was undertaken in October through November 2012. A total of 29 holes were drilled for 1902 metres. The aim was to test the magnetic anomalism thought to be related to magnetite associated with primary copper sulphides, the source of surficial hematite with secondary copper carbonates identified at Scott Lee.

At Scott Lee the surface mineralisation outcrops at the contact between the granites and the sheared doleritic schist, therefore the drillholes were designed to test across this unit testing each side of the dolerite contact. The other prospects had a similar design for the drillholes except that they were attempting to drill across the strike of blind elongated E/W magnetic anomalies.

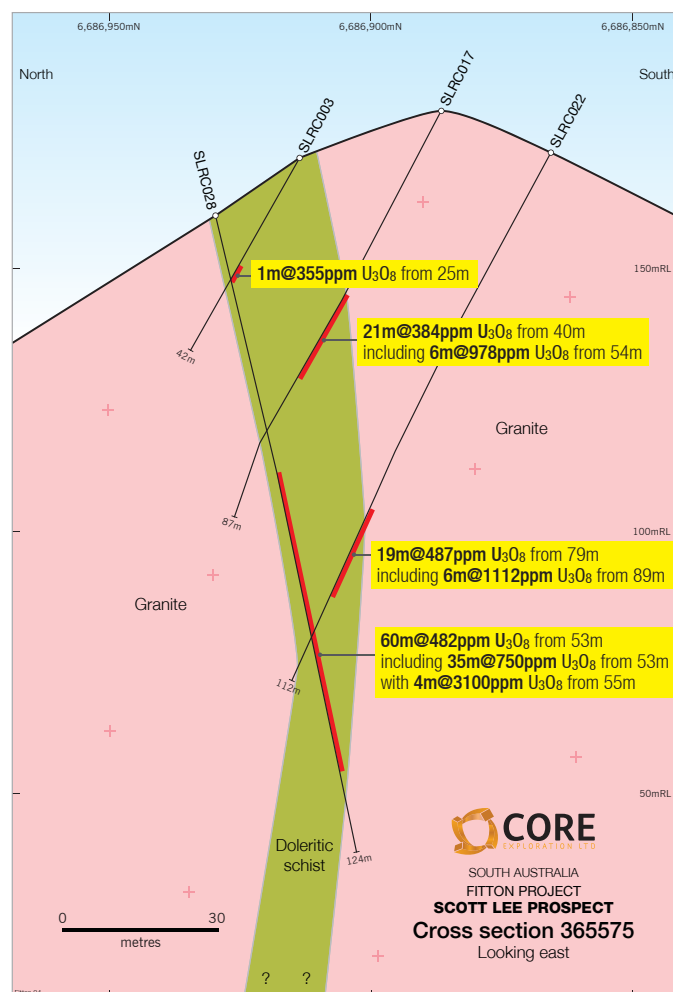


Figure 11 Cross section 365575, Scott Lee Prospect.

Phase 1 RC drilling program – Scott Lee Prospect

Results of the drilling were most encouraging from the Scott Lee Prospect. Whilst some malachite was identified in granites at the contact with the dolerite the most prospective intersections were found to be uranium mineralisation within the sheared doleritic schist, particularly close to the granite contacts. High grade uranium sections were intersected in fresh pyritic doleritic schist whilst the moderate copper grades are at shallow depths in oxidised conditions, as indicated by malachite being the copper bearing mineral. This has been hosted in both the mafic schist and granites.

Phase 1 RC drilling program – Hamilton Prospect

The Hamilton Prospect consists of a large north-east trending magnetic anomaly which extends for over 2km. The first drill results at Hamilton confirmed that the mineralising geology at Hamilton is very similar to Scott Lee and consists of a sheared mafic dyke hosted by megacrystic granite.

Four shallow holes were drilled at Hamilton for a total of 252m. Similarly to the mineralisation at Scott Lee, anomalous copper and uranium were intersected at Hamilton in two of these holes.

Hole HLRC001 intersected a doleritic schist which is likely to be equivalent to the doleritic schist from Scott Lee. HLRC001

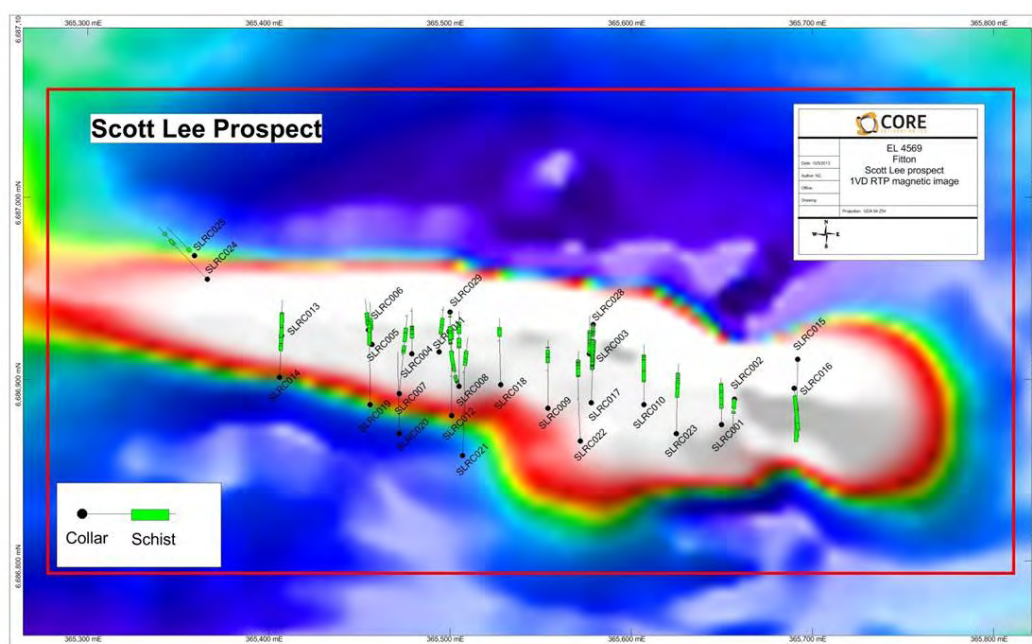


Figure 12 1VD RTP magnetic image, Scott Lee Prospect.

intersected 3m @ 104ppm U_3O_8 and in HLRC003 intersected 7m @ 1020ppm Cu including 2m @ 2895ppm Cu.

Considering the large size of the exploration target at Hamilton and that only four holes were drilled in the 2km long anomaly, Core considers this prospect to be highly prospective for high grade uranium mineralisation similar to the outstanding Scott Lee uranium discovery.

Phase 2 RC drilling program

March–April 2013

Phase 2 drilling at the Fitton Project was undertaken in March to April 2013. A total of 23 holes were drilled for 1836m. A further 15 holes were drilled within the Scott Lee Prospect. One hole tested the Bruce Lee prospect which consists of a discrete ductile shear within the Proterozoic granite, a further hole tested an area with the highest uranium response from the radiometrics and six holes were drilled along the Jamie Lee Prospect drilling across the outcropping doleritic schist unit.

With the exception of SLRC028 and SLRC029 all the holes drilled at the Scott Lee Prospect were drilled across strike of the dolerite to intersect as close to the interpreted true width as possible. Holes SLRC028 and SLRC029 were drilled at 75 degrees to the south from the northern contact of the dolerite in order to test for mineralisation at depth down the schist whilst still crossing the unit to test each side of the contact.

Cross sectional view across the Scott Lee prospect illustrates that the schist is steeply dipping to the south to sub vertical with the uranium mineralisation more prevalent on the southern contact of the schist with the granites.

YERELINA, SA

EL 5015

Core's Yerelina Project comprises 999km² of tenure in the Northern Flinders Ranges.

Four historical workings, operating in the late 19th and early 20th century, are recorded from within EL 5015. These old workings are located in an apparent east-west trend over 8 kilometres. The limited documented information about the historical workings indicates that high grades of silver (Ag) and lead (Pb) were mined to a maximum depth of no more than 30m.

Core's analysis of modern satellite imagery and the Company's recently completed detailed heli-borne magnetic and radiometric survey data have identified that these workings are hosted by a large scale system of repeated north/south regional structures. Core identified that potential gossanous outcrop and host structure could be seen in the landscape to both the north and the south of the historical workings and multiple potential repeats of the known mineralised faults have been identified as magnetic lows.

Core undertook a series of reconnaissance sampling and mapping programs at Yerelina during 2012 and 2013 aimed at identifying extensions to the previously identified mineralisation at historical workings within the tenement. Samples were taken along strike from historical workings at Great Gladstone and to the north of Big Hill to test for extensions of mineralisation at surface. Assay results also show that high grade mineralisation

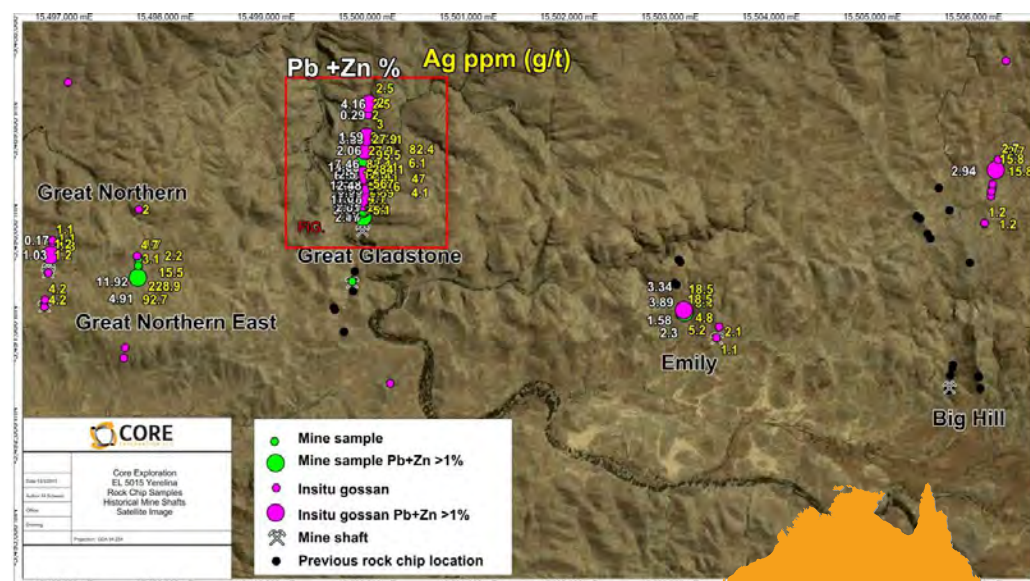


Figure 13 Location of prospects and rock chip sampling, Yerelina Project.

continues between and beyond the historic mineralisation, which was of initial interest to Core.

Of the 38 samples taken along a 1km section of fault zone at Great Gladstone Prospect, 34 returned combined lead and zinc values in excess of 1% and over 1g/t silver with the best assay at 15.11% combined lead and zinc. Silver values peaked at 567g/t.

Two new locations with historic workings were also identified from satellite imagery at Great Northern and Great Northern East. High grade silver-lead mineralisation was identified at Great Northern East with best results of 229g/t silver and 11.8% lead. Additional mineralisation was identified 1.9km to the north of Big Hill. Outcropping gossan at this location assayed at 2.94% combined lead and zinc and 15.8g/t silver.

Silver-lead-zinc mineralisation within the Yerelina Project occurs within the core of an east-west trending synform within discrete north-south trending fault zones within fault fill breccia. The geological setting combined with the metal assemblage suggests affinities with Mississippi Valley Type or Sedimentary Exhalative style silver-lead-zinc mineralisation.

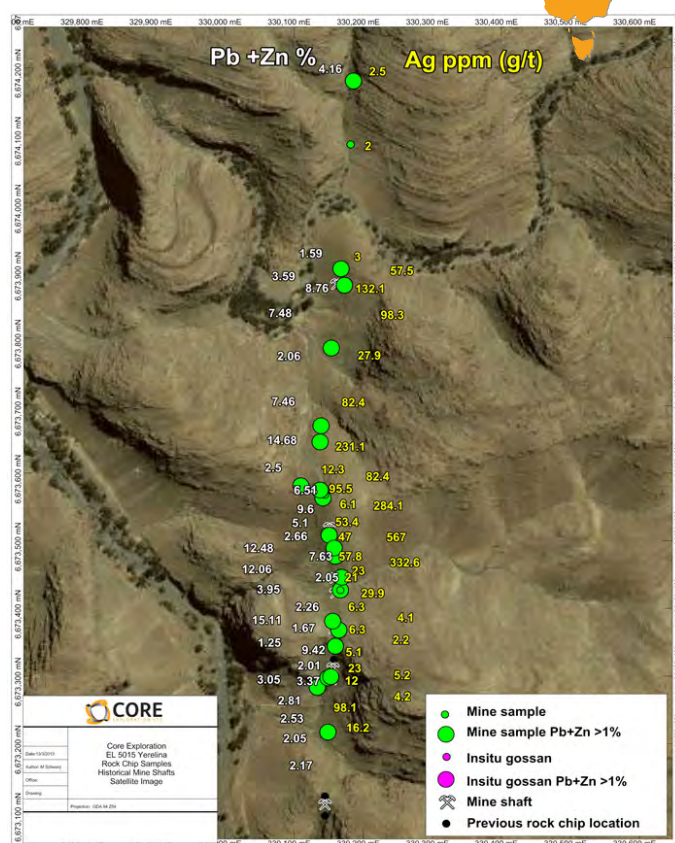


Figure 14 Location of rock chips samples and historic mine shafts, Yerelina Project.

Core is excited by the consistency of grade and scale of the mineralisation thus far identified at the project. Core has located and sampled 23 historical working (shafts, drives and trenches) along five separate mineralised faults. To date 118 rock chip samples have

been collected targeting both in situ gossans and mullock heaps adjacent to historic workings.

Mineralised gossans outcrop along the faults varying from ~1m to 20m wide which coincide with the location of the historical workings.

YORKE PENINSULA, SA

EL 5320 formerly EL 4177



Core Exploration's Yorke Peninsula Copper Project covers 243km² of the Olympic Dam Copper-Gold-Uranium Province of the Gawler Craton.

Early exploration by Core Exploration consisted of detailed gravity and airborne magnetic surveys on the Yorke Peninsula in the search for iron-oxide-copper-gold deposits similar to Rex Minerals Ltd's (ASX:RXM) Hillside Project on the adjacent tenement. The surveys defined a large-scale set of magnetic and gravity drill targets within the 12km long, 2–4km wide Palace Structural Zone. Drill targets consisted of semi coincident magnetic and gravity anomalies which can be caused by magnetite/hematite iron oxide alteration systems and potentially IOCG style mineralisation.

In August 2011, six semi coincident gravity and magnetic targets were subjected to first-pass aircore drilling. Approximately 40 drillholes were drilled over the six targets in seven traverses. Drillholes ranged from 46–146m in depth and were deeper than expected due to a thicker package of cover rocks. Of the six prospects targeted, only three of those reached the target rocks (basement) with anomalous copper, silver and rare earth element results being returned from all these three prospects.

Encouraged by these results Core Exploration undertook further infill geophysical surveys (detailed gravity and ground

magnetics) to better define targets for diamond drilling. In February 2012, six targets were subjected to follow up diamond drilling via eight diamond drillholes totalling 2000m. Drillholes ranged from 180–360m in depth.

Of the eight completed drillholes, WTDD001, WTDD002 and WTDD008 drilled on the Wauraltee Prospect, had IOCG style alteration and associated minor copper mineralisation. Mineralisation consisted of minor copper sulphides (dominantly chalcopyrite) in association with alteration. Alteration assemblages are similar to high temperature IOCG style alteration and consist of albite-epidote-amphibole-carbonate +/- magnetite, pyrite and chalcopyrite. The most pervasive zones of alteration are associated with granitic and metasedimentary units, generally with a strong structural fabric. The widths of alteration intersected in drill core vary from narrow veins a few centimetres wide up to 15 metres.

Additional infill geophysical surveys were completed over Wauraltee and other targets during the reporting period.



Figure 15 Location of drill program, Yorke Peninsula Project.

ROXBY DOWNS PROJECT

EL 4906 and 4816

The Roxby Downs (EL 4906) and Sandy Point (EL 4816) tenements comprise Core's "Roxby South Project" which covers more than 400km² near BHP Billiton's Olympic Dam mine in northern South Australia. The two tenements are located approximately 40 kilometres south of the Olympic Dam Cu-Au-U mine and within kilometres of known IOCGU mineralisation at the Wirrda Well, Acropolis and Horse Well prospects. Core's geophysical modelling and review of previous exploration has identified high priority drill targets which the Company considers are yet to be adequately defined and drill tested.

Drill targets on the highly prospective northern section of the Roxby Downs EL include targets covering part of the

same gravity feature as BHP's Olympic Dam mine and Acropolis prospect. Copper sulphide bearing breccias have been drilled within 3km of one of the drill targets on the Sandy Point EL tenement. Exploration targets are beneath more than 500m of cover sediment in most locations.

Geophysical modelling and interpretation was conducted by Core during the reporting period over the strong geophysical anomalies on this project. Much of the previous geophysics in this area has not specifically targeted the anomalies on Core's project area so additional geophysical surveys have been planned to enable effective assessment and prioritise deep drillholes on the potential large scale IOCG targets.

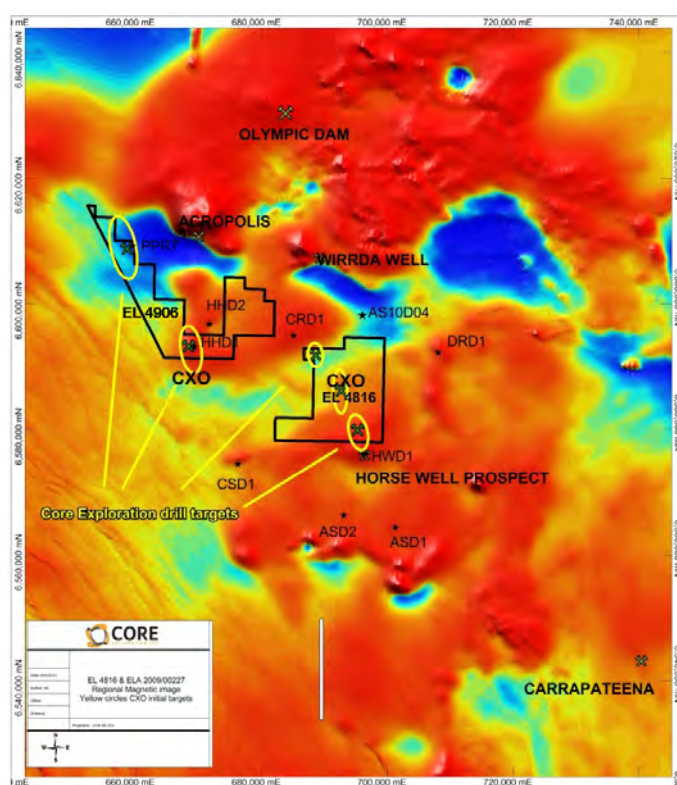


Figure 16 Location of initial targets over regional magnetic image, Roxby Downs Project.

Tenement Schedule

TENEMENT NAME	TENEMENT NUMBER	STATUS	EQUITY
South Australia			
Honeymoon South – Bundera	EL 4174	Granted	100%
Honeymoon South – Olary	EL 4568	Granted	100%
Lake Frome	EL 4379	Granted	100%
Yorke Peninsula	EL 4177	Granted	100%
Yorke Peninsula	EL 5320	Granted	100%
Fitton	EL 4569	Granted	100%
Roxby Downs – Horse Well	EL 4816	Granted	100%
Yerelina	EL 5015	Granted	100%
Roxby Downs	EL 4906	Granted	100%
Dalarinna Hill	EL 5167	Granted	100%
Cardning	EL 5193	Granted	100%
Calcutta	EL 5192	Granted	100%
Northern Territory			
NT – Jervois	EL29579	Granted	100%
NT – Jervois	EL29580	Granted	100%
NT – Jervois	EL29581	Granted	100%
NT – Riddoch	EL29667	Granted	100%
NT – Riddoch	EL29668	Granted	100%
NT – Jervois	EL29669	Granted	100%
NT – Laughlen	EL29687	Granted	100%
NT – Riddoch	EL29688	Granted	100%
Copper King	EL29689	Granted	100%
Mordor	EL28940	Granted	100%
Paradise Well	EL27369	Granted	Joint Venture
Pattersons	EL27709	Granted	Joint Venture
White Range East	EL28029	Granted	Joint Venture
Blueys	EL28136	Granted	Joint Venture
Star Creek	EL28546	Granted	Joint Venture
Gough Dam	EL28852	Granted	Joint Venture
No 1 Tank	EL28853	Granted	Joint Venture
Mt Johnstone	EL28854	Granted	Joint Venture
Brumby Dam	EL29304	Granted	Joint Venture
Yambla	EL29347	Granted	Joint Venture
Mt George	EL29389	Granted	Joint Venture
Daicos	EL29512	Granted	Joint Venture
Mt Emma	EL29514	Granted	Joint Venture
Woolgathering	EL29280	Granted	Joint Venture

Directors' Report

Core's Directors have pleasure in submitting their second report on the Company and its subsidiaries, for the year ended 30 June 2013.

DIRECTORS

The names and details of Directors in office at any time during the reporting period are:

Greg English, B.E. (Hons) Mining, LLB

Non-Executive Chairman (appointed 10 September 2010)

Experience and expertise

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

As a Mining Engineer, Greg worked on numerous underground and open pit mines in Australia and gained a First Class Mine Manager's Ticket in Northern Territory and Western Australia. During this time, Greg worked for a number of 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 a partner at Piper Alderman Lawyers, Energy & Resources Corporate & Commercial division.

Other current directorships of listed companies

Non-Executive Director of Archer Exploration, appointed 16 February 2007, and Non-Executive Chairman, appointed 14 July 2008.

Other directorships held in listed companies in the last three years

None

Interest in shares

6,065,000 Ordinary Shares held directly and by an entity in which Mr English has a beneficial interest.

Interest in options

400,000 Listed Options exercisable at \$0.10 expiring on 31 October 2014, held by an entity in which Mr English has a beneficial interest.

3,000,000 Unlisted Options, exercisable at \$0.25 expiring on 30 June 2014, held by an entity in which Mr English has a beneficial interest.

Stephen Biggins, MBA, BSc(Hons) Geol, MAusIMM

Managing Director (appointed 10 September 2010)

Experience and expertise

Stephen has accumulated broad experience as a qualified geologist and geophysicist in the mining industry throughout Australia and Internationally for over 20 years.

Stephen has built prospective portfolios of gold, uranium and base metal exploration projects in Australia, Asia and Africa which have delivered significant exploration success. Stephen has raised equity finance to develop these 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 applied his technical expertise and MBA (Master of Business Administration) to the finance and management of exploration and resources projects, previously as Managing Director of Southern Gold Ltd and founding Non-Executive Director of Investigator Resources Ltd (ASX:IVR).

Other current directorships of listed companies

None

Other directorships held in listed companies in the last three years

None

Interest in shares

6,107,667 Ordinary Shares held by entities in which Mr Biggins has a beneficial interest.

Interest in options

166,667 Listed Options, exercisable at \$0.10 expiring 31 October 2014, held by an entity in which Mr Biggins has a beneficial interest.

3,000,000 Unlisted Options, exercisable at \$0.25 expiring 30 June 2014, held by an entity in which Mr Biggins has a beneficial interest.

Michael Schwarz, BSc (Hons) Geology, AIG

Executive Director (appointed 10 September 2010 as Non-Executive Director and 12 March 2011 as Executive Director)

Experience and expertise

Michael is a qualified geologist with 15 years' experience in mineral exploration and prospectivity assessment. As the founding Managing Director of Monax Mining Ltd (ASX: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 (ASX:MEU).

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.

Other current directorships of listed companies

None

Other directorships held in listed companies in the last three years

None

Interest in shares

583,334 Ordinary shares held by entities in which Mr Schwarz has a beneficial interest.

Interest in options

333,334 Listed Options exercisable at \$0.10 expiring 31 October 2014 held by entities in which Mr Schwarz has a beneficial interest.

Directors have been in office since the start of the reporting period to the date of this report unless otherwise stated.

COMPANY SECRETARY**Jaroslav (Jarek) Kopias, BCom, CPA, ACIS, ACSA**

Company Secretary / Chief Financial Officer (appointed 7 June 2011)

Mr Kopias is a qualified Certified Practising Accountant who has worked extensively in the resource sector in various corporate and mine site roles. He holds a Bachelor of Commerce Degree, from the Flinders University of South Australia, is a Chartered Secretary and an Associate of the Institute of Certified Practising Accountants in Australia.

PRINCIPAL ACTIVITIES

Core's principal activities are the exploration for copper (+/- silver, uranium) deposits in Northern Territory and South Australia.

Directors' Report

OPERATING AND FINANCIAL REVIEW

Core Exploration has exploration projects covering highly prospective geology targeting copper (+/- silver and uranium) mineralisation in the Northern Territory and South Australia.

The net loss of the Company, from the year ended 30 June 2013, was \$1,937,088 (2011/12 \$1,195,497) after providing for income tax – an increase of \$741,591.

The key contributor to the increased loss for the year was an increase in impairment of \$571,807. Core relinquished the Amadeus Project in NT and lodged applications to relinquish the Honeymoon South and Lake Frome Projects in SA resulting in write-down of the book value of these tenements of \$877,907. The directors further assessed the prospectivity of the Company's tenements and on that basis determined to write-off a further \$295,932 of the Roxby Downs Project. In addition, the exploration expense increased by \$56,006 compared to the prior year due to an increase in exploration related project development activity that was not capitalised.

The auditor has issued an emphasis of matter audit opinion due to the Company's cash position. Core expects to raise capital in future to address the Company's cash position.

Albarta Project, Northern Territory

Core's Albarta Project covers 2,000km² of fully granted tenure over Australia's new IOCG and copper exploration hot-spot in the Aileron Province, 100km NE of Alice Springs in the NT. Core's tenements include a number of significant copper (+ silver) mineral occurrences.

During the reporting period, Core engineered through joint venture, acquisition and new tenements the rights to 20 mostly contiguous tenements that comprise the Company's new Albarta Project within this newly-identified and previously under-explored IOCG (iron-oxide-copper-gold) terrain.

The Company believes that the existing evidence of mineralisation and IOCG prospectivity confirmed by Geoscience Australia verifies the strategy that Core has pursued to take an early position in the Northern Territory which is gaining recognition as Australia's new copper and IOCG exploration hot-spot.

Core's first exploration work on the Albarta Project is delivering exceptional results that are building a list of high-quality drill targets. Core is planning to conduct exploration on these key prospects to prioritise these targets for drilling.

Fitton Project, South Australia

The Fitton Project covers 106km² adjacent to the Mt Painter Inlier, host to the large Mt Gee uranium deposit of 68 million lbs (31,300 tonnes) U₃O₈. Mt Gee is the fifth largest uranium deposit in Australia (Resource of 51Mt @ 615ppm). The region is well known for its numerous breccia complex uranium occurrences within the Mt Painter Inlier.

Core's exploration during the period on the Company's wholly-owned Fitton Project has led to arguably one of the best discoveries in the region since Beverly Four Mile. Fitton is located in a proven world-class uranium mining region, 500 kilometres north of Adelaide in South Australia.

Core's exploration work and drilling at Fitton during the year has now confirmed that:

- mineralisation outcrops
- mineralisation contains both thick and high grade intersections
- mineralisation extends to at least 150m downhole depth
- mineralised structure is over 1km long and open in both directions

Core is expecting that the value of this discovery will be reflected in the Company's share price as the future uranium price is predicted to increase.

Core Exploration believes that the work undertaken on EL 4569 has revealed the potential for moderate to high grade hard rock uranium mineralisation within Proterozoic sheared doleritic units, possibly with further potential for unconformity uranium mineralisation within the Adelaidean units in the northern Flinders Ranges.

Geologically the tenement is located on the structurally controlled north western edge of the Mt Painter Inlier. The Mt Painter Inlier contains a number of known uranium resources and prospects making it both a potential uranium source for any secondary uranium mineralisation as well as meaning the Proterozoic structures that link Mt Painter with EL 4569 may provide conduits for the transport of uranium during emplacement of the igneous units.

Core believes that the next important step in the project is to develop a better understanding of the controls on the distribution of uranium mineralisation at Fitton.

Future exploration work will attempt to gain controls on mineralisation to enable targeted drilling and building grade and scale at Scott Lee and answer specific questions relating to the mineralisation to assist in further targeting within the larger project area.

Yerelina Project, South Australia

Core's Yerelina Project covers a large 1,000km² area that is highly prospective for shallow base and precious metal mineralisation in northern South Australia.

During the year, rock chip assays grading up to 567g/t silver and 15.11% combined lead and zinc assays were sampled of old workings and newly discovered gossans on EL 5015.

Mineralised breccia is hosted in fault zones interpreted to be up to 1.5km long within an 8km wide area. This high grade mineralisation has been identified by Core in at least five individual structures to date.

Core plans to conduct further rock chip surveys geological mapping and geophysics before drilling these targets on the Yerelina Project.

Yorke Peninsula Project, South Australia

Core Exploration's Yorke Peninsula Copper Project covers 243km² 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 highly prospective for the discovery of IOCGUs similar to Hillside, Olympic Dam, Prominent Hill and Carrapateena; as well as shear zone hosted massive sulphide copper-gold deposits like those found in the Moonta area.

The Company has undertaken a review of all exploration data collected to date and assessed the best approach to maximise exploration success.

The proposed future work program comprises characterising and targeting mineralised zones with traditional potential field geophysics and also electrical methods. The newly collected data will be combined with the wealth of exploration collected to date and used to undertake discrimination modeling of high priority geophysical targets in an attempt to discriminate IOCG mineralised bodies from barren mafic intrusives.

Roxby Downs Project, South Australia

The Roxby Downs and Horse Well tenements cover approximately 522km² 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.

During the year Core has undertaken a detailed review of historical exploration and geophysical data. Remodelling of the magnetic and gravity data has allowed the Company to identify a number of geophysical targets that have the potential to represent IOCG mineralisation. Future work will concentrate on resourcing a deep drilling program to test the highest priority drill targets.

Other exploration tenements in NT and SA

Core holds other early-stage exploration tenements in the Northern Territory and South Australia. Core intends to conduct desk-top evaluation of these exploration projects before planning and committing to field work on these projects.

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Since the end of the financial year, the Company completed a 2 for 3 rights issue with one free attaching option for every share issued. The rights issue raised \$981,609 before capital raising costs and Core issued 32,720,296 ordinary shares and 32,720,296 listed options (forming a new class of quoted security ASX:CXOO) with an exercise price of \$0.10 and expiry of 31 October 2014.

There have been no other significant changes in the state of affairs of the Company that occurred during the reporting period that has not otherwise been disclosed in this report or the financial statements.

DIVIDENDS

There were no dividends paid or declared during the reporting period or to the date of this report.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Since the end of the financial year, the Company completed a 2 for 3 rights issue with one free attaching option for every share issued. The rights issue closed on 4 July 2013 and Core issued 14,375,142 ordinary shares and 14,375,142 listed options (new class of quoted security ASX:CXOO) with an exercise price of \$0.10 and expiry of 31 October 2014. The rights issued raised \$431,254 for the Company.

On 3 September 2013, the Company held a general meeting, where shareholders ratified a previous issue of 6,250,000 shares made via placement in December 2012.

On 9 September, the Company issued the remaining shares and options available under the rights issue announced in June 2013. Core issued 18,345,154 ordinary shares and 18,345,154 listed options with an exercise price of \$0.10 and expiry of 31 October 2014. The rights issued raised \$550,354 for the Company.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

The likely developments for the Company include continued exploration and then drilling of key prospects on the Albarta Project. As well as Albarta, Fitton, Yerelina and other tenements held by the Company, Core will continue to identify and evaluate numerous other projects and opportunities.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the reporting period and the number of meetings attended by each Director is as follows:

DIRECTORS	MEETINGS ATTENDED	MEETINGS ENTITLED TO ATTEND
GD English	13	13
SR Biggins	13	13
MP Schwarz	13	13

At this time there are no separate Board committees as all matters usually delegated to such committees are handled by the Board as a whole.

UNISSUED SHARES UNDER OPTION

Unissued ordinary Shares of Core under option at the date of this report are:

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE OF SHARES (CENTS)	NUMBER UNDER OPTION
11 November 2010	30 June 2014	24.63	3,000,000
11 November 2010	31 October 2014	24.63	1,500,000
31 January 2011	30 June 2014	24.63	4,000,000
18 June 2012	18 June 2014	10.63	100,000
30 September 2012	30 September 2014	12.63	75,000
13 November 2012	13 November 2014	19.63	2,000,000
Total unlisted options			10,675,000
12 July 2013	31 October 2014	10.00	14,375,142
9 September 2013	31 October 2014	10.00	18,345,154
Total listed options			32,720,296

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

During the reporting period no ordinary shares were issued as a result of the exercise of an option.

Remuneration Report (Audited)

The Directors of Core Exploration Limited present the Remuneration Report in accordance with the *Corporations Act 2001* and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based remuneration

A. Principles used to determine the nature and amount of remuneration

The Company's remuneration policy has been designed to align objectives of Directors and executives with objectives of shareholders and the business, by providing a fixed remuneration component and offering specific long-term incentives through the issue of options. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel and Directors to run and manage the Company. The key management personnel of the Company are the Board of Directors and Executive Officers.

The Board's policy for determining the nature and amount of remuneration for its members and key management personnel of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive Directors and key management personnel, was developed by the Board. All key management personnel are remunerated on a consultancy or salary basis based on services provided by each person. The Board annually reviews the packages of key management personnel by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of key management personnel and reward them for performance that results in long-term growth in shareholder wealth.
- Key management personnel are also entitled to participate in employee share and option arrangements.
- The Board policy is to remunerate non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Fees for non-executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee option plans, which may exist from time to time.

During the reporting year, the Chairman conducted an informal performance review of senior executives.

Performance based remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and key management personnel. Currently, this is facilitated through the issue of options to key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Voting and comments made at the Company's 2012 Annual General Meeting

Core received more than 98% of "yes" votes on its remuneration report for the 2012 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Directors' Report

Remuneration Report (Audited)

B. Details of remuneration

Details of the nature and amount of each element of the remuneration of the Company's key management personnel (KMP) are shown below:

Director and other Key Management Personnel Remuneration

2013	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	% OF REMUNERATION THAT IS EQUITY BASED	
	SALARY AND FEES \$	CONTRACT PAYMENTS \$	SUPER-ANNUATION \$	OPTIONS \$	TOTAL \$	

Non-Executive Directors

G English	-	60,000	-	-	60,000	0%
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Executive Directors

S Biggins	-	254,018	-	-	254,018	0%
M Schwarz	207,951	-	18,716	13,468	240,135	6%

Other Key Management Personnel

J Kopias ¹	-	87,277	-	-	87,277	0%
Total	207,951	401,295	18,716	13,468	641,430	

2012	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	% OF REMUNERATION THAT IS EQUITY BASED	
	SALARY AND FEES \$	CONTRACT PAYMENTS \$	SUPER-ANNUATION \$	OPTIONS \$	TOTAL \$	

Non-Executive Directors

G English	-	60,000	-	-	60,000	0%
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Executive Directors

S Biggins	-	220,673	-	-	220,673	0%
M Schwarz	220,183	-	19,817	-	240,000	0%

Other Key Management Personnel

J Kopias ¹	-	70,055	-	-	70,055	0%
Total	220,183	350,728	19,817	-	590,728	

¹ Fees paid to Kopias Consulting and Barker Wentworth

No component of remuneration is performance based.

C. Service agreements

Remuneration and other terms of employment for the Executive Directors and other KMP are formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below:

NAME	BASE REMUNERATION	UNIT OF MEASURE	TERM OF AGREEMENT	NOTICE PERIOD	TERMINATION BENEFITS
S Biggins ¹	\$225,000	per annum contract	2 years	Three months	Three months' notice
M Schwarz ²	\$240,000	per annum salary	3 years	Three months	Three months' notice
J Kopias	variable	hourly rate contract	Unspecified	One month	None

1 S Biggins is to provide on average 3 days per week, during normal working hours. Increased to 4 days per week commencing 10 February 2013.

2 M Schwarz reduced to 4 days per week commencing 1 March 2013.

D. Share-based remuneration

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements.

Details of options over ordinary shares in the Company that were granted as remuneration to each KMP during the year are set out below:

Details of options granted in 2012/13:

GRANTED		TERMS AND CONDITIONS OF EACH GRANT				
2013	NUMBER GRANTED	GRANT DATE	FAIR VALUE AT GRANT DATE	EXERCISE PRICE \$	FIRST EXERCISE DATE ^{1/3}	LAST EXERCISE DATE
M Schwarz	500,000	13/11/2012	\$0.012	\$0.20	1 Exploration	13/11/2014
M Schwarz	150,000	13/11/2012	\$0.012	\$0.20	2 SELA ² 2013	13/11/2014
M Schwarz	150,000	13/11/2012	\$0.012	\$0.20	3 SELA ² 2014	13/11/2014
M Schwarz	100,000	13/11/2012	\$0.012	\$0.20	4 Budget 2013	13/11/2014
M Schwarz	100,000	13/11/2012	\$0.012	\$0.20	5 Budget 2014	13/11/2014
M Schwarz	1,000,000	13/11/2012	\$0.012	\$0.20	6 Resource	13/11/2014

1 Meeting criteria of the KPI Type listed determines vesting of options.

2 Safety, Environment and Land Access.

3 KPIs 1, 2 and 4 have vested following the end of the financial year – a total of 750,000 options.

Directors' Report

Remuneration Report (Audited)

KPI related options were granted to the Exploration Director during the year and approved at the 2012 AGM. The KPI conditions related to these options are listed below:

KPI	MAXIMUM NUMBER OF DIRECTOR OPTIONS VESTED UPON ACHIEVING KPI
1. Exploration KPI (short-medium term)	500,000
2. Safety, Environment, Land Access KPI (annual)	300,000
3. Budget/Schedule KPI (annual)	200,000
4. Resource KPI (medium-long term)	1,000,000
TOTAL	2,000,000

1. Exploration KPI (short-medium term)

The vesting of options under this KPI is tied to making one of a number of possible drill intersections:

- 10%.m copper (Cu) or equivalent drill intersection. For example, a drill intersection of 10 metres at 1% copper; or
- 50g.m gold (Au) or equivalent drill intersection. For example, a drill intersection of 10 metres at 5 grams per tonne gold; or
- 1.0 m%GT (grade thickness) uranium (U_3O_8) or equivalent drill intersection. For example, a drill intersection of 10 metres at 0.1% U_3O_8 .

2. Safety, Environment, Land Access KPI (annual)

The vesting of options under this KPI is tied to an outcome of "zero harm" for the two 12-month periods commencing 1 July 2012.

Performance against the KPI is to be reviewed annually by the board at 30 June 2013 and 30 June 2014 with an entitlement of 150,000 Director Options per year upon successful achievement of the KPI.

3. Budget/Schedule KPI (annual)

The vesting of options under this KPI is tied to operating "on time and on budget" for the 2012/2013 and 2013/2014 financial years.

Performance against the KPI is to be reviewed annually by the board at 30 June 2013 and 30 June 2014 with an entitlement of 100,000 Director Options per year upon successful achievement of the KPI.

4. Resource KPI (medium-long term)

The vesting of options under this KPI is tied to defining a JORC (Joint Ore Reserve Committee) compliant resource of >0.1Mt (million tonnes) contained Cu or Au or U_3O_8 value equivalent with >0.5% Cu cut-off grade.

No options were granted to KMP during 2011/12.

During the current and previous reporting periods, there were no ordinary shares issued on the exercise of options previously granted as compensation and no options that were previously granted as compensation lapsed.

On the resignation of Directors, any vested options issued as remuneration are retained by the relevant party.

END OF AUDITED REMUNERATION REPORT

ENVIRONMENTAL LEGISLATION

The Directors believe that the Company has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

The Company's operations are subject to various environmental regulations under the Commonwealth and State Laws of Australia. The majority of its activities involve low level disturbance associated with exploration drilling programs. Approvals, licences, hearings and other regulatory requirements are performed, as required, by the Company's management for each permit or lease in which the Company has an interest.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the reporting period, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

NON-AUDIT SERVICES

During the reporting period Grant Thornton performed certain other services in addition to its statutory duties.

The Board has considered the non-audit services provided during the reporting period by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company and its related practices for audit and non-audit services provided during the reporting period are set out in note 14 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 28 of this Financial Report and forms part of this Directors' Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2011 for leave to bring proceedings on behalf of the Company, or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Signed in accordance with a resolution of the Directors.



Stephen Biggins
MANAGING DIRECTOR

Adelaide

30 September 2013

Auditor's Independence Declaration



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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CORE EXPLORATION LTD

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Core Exploration Ltd for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read "J L Humphrey".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink, appearing to read "J L Humphrey".

J L Humphrey
Director – Audit & Assurance

Adelaide, 30 September 2013

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Core Exploration Ltd and its controlled entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Group complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition ('the ASX Principles'). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, were in place for the full reporting period.

Information about the Company's corporate governance practices are set out below. All of these practices were put in place subsequent to the listing of the Company in February 2011.

THE BOARD OF DIRECTORS

The Company's Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following their last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

The Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of other separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Corporate Governance Statement

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies, from time to time, in light of changing circumstances and economic conditions. The Directors recognise that exploration is a business with inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

CODE OF CONDUCT AND TRADING POLICY

The Company has adopted a Code of Conduct its executives that promotes the highest standards of ethics and integrity in carrying out their duties to the Company. The Company has adopted a trading blackout period which requires that executives in possession of confidential information are prohibited from trading in the Company's securities until two days after the information has been released to the market.

The Code of Conduct and the Trading Policy can be found on the Company's website at www.coreexploration.com.au.

DIVERSITY POLICY

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. A summary of the diversity policy is available on the Company's website. This diversity policy acknowledges the importance of diversity, but the Company has not developed measurable objectives for achieving diversity at this stage due to its size and extent of operations.

GENDER DIVERSITY REPORT	TOTAL POSITIONS	HELD BY WOMEN
Board	3	0
Senior management	1	0
Other employees	2	1
Total	6	1

RISK MANAGEMENT SYSTEMS

The identification and management of risk, including calculated risk-taking activity is viewed by management as an essential component in creating shareholder value.

Management, through the Managing Director, is responsible for developing, maintaining and improving the Company's risk management and internal control system. Management provides the Board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management and internal control systems are in place to protect the financial statements of the entity from potential misstatement, and the Board is responsible for satisfying itself annually, or more frequently as required, that management has developed a sound system of risk management and internal control.

Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process. The Company has identified, and actively monitors, risks inherent in the industry in which it operates.

The Board also receives a written assurance from the Chief Executive Officer and Chief Financial Officer that, to the best of their knowledge and belief, the declaration provided to the Board in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control, and that the system is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the Chief Executive Officer and Chief Financial Officer can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in internal control procedures.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its practices in light of the ASX Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition with a view to making amendments where applicable after considering the Company's size and available resources.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's compliance with the ASX Corporate Governance Guidelines:

Checklist of Corporate Governance Principles and Recommendations

Principle 1 – Lay solid foundations for management and oversight

1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	✓
1.2	Disclose the process for evaluating the performance of senior executives.	✓
1.3	Provide the information indicated in Guide to reporting on Principle 1.	✓

Principle 2 – Structure the Board to add value

2.1	A majority of the board should be independent directors.	✗
2.2	The chair should be an independent director.	✗
2.3	The roles of the chair and chief executive officer should not be exercised by the same individual.	✓
2.4	The board should establish a nomination committee.	✗
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	✓
2.6	Provide the information indicated in Guide to reporting on Principle 2.	✓

Principle 3 – Promote ethical and responsible decision-making

3.1	Establish a code of conduct and disclose the code or a summary of the code as to: - the practices necessary to maintain confidence in the Company's integrity; - the practice necessary to take into account their legal obligations and the reasonable expectations of stakeholders; and - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✓
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	✓
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	✗
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	✓
3.5	Provide the information indicated in Guide to reporting on Principle 3.	✓

Corporate Governance Statement

Principle 4 – Safeguard integrity in financial reporting

4.1	The board should establish an audit committee.	✗
4.2	Structure the audit committee so that it: - consists only of non-executive directors; - consists of a majority of independent directors; - is chaired by an independent chair, who is not the chair of the board; and - has at least three members.	✗
4.3	The audit committee should have a formal charter.	✗
4.4	Provide the information indicated in Guide to reporting on Principle 4.	✓

Principle 5 – Make timely and balanced disclosure

5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	✓
5.2	Provide the information indicated in Guide to reporting on Principle 5.	✓

Principle 6 – Respect the rights of shareholders

6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of the policy.	✓
6.2	Provide the information indicated in Guide to reporting on Principle 6.	✓

Principle 7 – Recognise and manage risk

7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	✓
7.2	The board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	✓
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓
7.4	Provide the information indicated in Guide to reporting on Principle 7.	✓

Principle 8 – Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	✗
8.2	The remuneration committee should be structured.	✗
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	✓
8.4	Provide the information indicated in Guide to reporting on Principle 8.	✓

Where the Group has not complied with the Corporate Governance Principles, comments are included below:

ASX Principle	Reference / Comment
Principle 2 – Structure the Board to add value	
2.1 A majority of the Board should be independent Directors.	Given the Company's present size and scope, it is currently not Company policy to have a majority of independent Directors. Persons have been selected as Directors to bring specific skills and industry experience to the Company.
2.2 The Chair should be an independent Director.	The Chairman, Greg English, is not independent under definition in the ASX Corporate Governance Guidelines. The Board believes the alignment of the interests of Directors with those of shareholders as being the most efficient way to ensure shareholders' interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.4 The Board should establish a nomination committee.	The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
Principle 3 – Promote ethical and responsible decision-making	
3.3 The Company should disclose the measurable objectives for achieving gender diversity.	While the Company subscribes to the principles of gender diversity, it has not set measurable objectives for achieving gender diversity due to the Company's current size and nature of its operations. The Company is committed to the engagement of the best people available to meet the requirements of the Company, the Board and its business, regardless of gender.
Principle 4 – Safeguard integrity in financial reporting	
4.1 The Board should establish an audit committee. 4.3	The Company does not have an Audit Committee. The Board believes that, with only three Directors, the Board itself is the appropriate forum to deal with this function.
Principle 8 – Remunerate fairly and responsibly	
8.1 The Board should establish a remuneration committee.	Given the current size of the Board, the Company does not have a remuneration committee. The Board as a whole reviews remuneration levels on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.
8.2 Clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives.	The Board acknowledges the grant of options to Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to be reasonable in the circumstances, given the necessity to attract and retain the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	NOTES	2013 \$	2012 \$
Interest income		70,137	195,321
Administration costs		(512,525)	(463,780)
Employee benefits expense	17(a)	(256,571)	(252,309)
Exploration expense		(81,455)	(25,449)
Impairment expense		(1,173,839)	(602,032)
Depreciation expense	7	(37,296)	(46,048)
Other expenses		-	(1,200)
Loss before tax		(1,991,549)	(1,195,497)
Income tax (expense) / benefit	2	54,461	-
Loss for the year		(1,937,088)	(1,195,497)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,937,088)	(1,195,497)
Loss attributable to:			
Owners of the parent entity		(1,937,088)	(1,195,497)
Total comprehensive loss attributable to:			
Owners of the parent entity		(1,937,088)	(1,195,497)
Earnings per share from continuing operations			
Basic loss – cents per share	3	4.27	2.88

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2013

	NOTES	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	570,257	2,221,037
Trade and other receivables	5	74,112	139,398
Total current assets		644,369	2,360,435
Non-current assets			
Exploration and evaluation expenditure	6	3,800,341	3,359,841
Plant and equipment	7	90,179	113,506
Total non-current assets		3,890,520	3,473,347
TOTAL ASSETS		4,534,889	5,833,782
LIABILITIES			
Current liabilities			
Trade and other payables	8	209,822	84,402
Employee provisions	9	35,725	24,340
Total current liabilities		245,547	108,742
TOTAL LIABILITIES		245,547	108,742
NET ASSETS		4,289,342	5,725,040
EQUITY			
Issued capital	10	7,631,419	7,145,760
Reserves	11	414,047	398,316
Accumulated losses		(3,756,124)	(1,819,036)
TOTAL EQUITY		4,289,342	5,725,040

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2013

2012	SHARE CAPITAL	OPTION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$	\$
Balance at beginning of year	7,146,570	394,350	(623,539)	6,917,381
Issue of options to employees	-	3,966	-	3,966
Share issue expenses	(810)	-	-	(810)
Transactions with owners	7,145,760	398,316	(623,539)	6,920,537
Other comprehensive income:				
Total comprehensive income for the reporting year	-	-	(1,195,497)	(1,195,497)
Balance 30 June 2012	7,145,760	398,316	(1,819,036)	5,725,040

2013	SHARE CAPITAL	OPTION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$	\$
Balance at beginning of year	7,145,760	398,316	(1,819,036)	5,725,040
Issue of placement shares	500,000	-	-	500,000
Issue of shares for tenement purchase	70,000	-	-	70,000
Issue of shares for contract services	24,783	-	-	24,783
Issue costs (net of tax)	(109,124)	-	-	(109,124)
Issue of options to employees	-	15,731	-	15,731
Transactions with owners	7,631,419	414,047	(1,819,036)	6,226,430
Other comprehensive income:				
Total comprehensive income for the reporting year	-	-	(1,937,088)	(1,937,088)
Balance 30 June 2013	7,631,419	414,047	(3,756,124)	4,289,342

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2013

	NOTES	2013 \$	2012 \$
Operating activities			
Interest received		81,594	256,956
Payments to suppliers and employees		(790,693)	(840,193)
Net cash used in operating activities	12	(709,099)	(583,237)
Investing activities			
Payments for plant and equipment		(21,400)	(104,681)
Payments for capitalised exploration expenditure		(1,372,589)	(1,453,646)
Net cash used in investing activities		(1,393,989)	(1,558,327)
Financing activities			
Proceeds from issue of share capital		500,000	-
Subscriptions for rights issue received		11,986	-
Capital raising costs		(59,678)	(810)
Net cash from / (used in) financing activities		452,308	(810)
Net change in cash and cash equivalents		(1,650,780)	(2,142,374)
Cash and cash equivalents, beginning of year		2,221,037	4,363,411
Cash and cash equivalents, end of year	4 (a)	570,257	2,221,037

This statement should be read in conjunction with the notes to the financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Core Exploration Limited is a listed company, registered and domiciled in Australia. Core Exploration Limited is a for profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the reporting period ended 30 June 2013 were approved and authorised by the Board of Directors on 30 September 2013.

The Financial Report has been prepared on an accruals basis, and is based on historical costs, modified by the measurement at fair value of selected on-current assets, financial assets and financial liabilities.

Comparatives

Comparative information for 2012 is for full year commencing on 1 July 2011.

The significant policies which have been adopted in the preparation of this financial report are summarised below.

a) Principles of consolidation

Subsidiaries

The Group financial statements consolidate those of the parent Company and all of its subsidiary undertakings drawn up to 30 June 2013.

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

A list of controlled entities is contained in note 13 to the Financial Statements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the reporting period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b) Business combinations

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in the statement of profit or loss and other comprehensive income immediately.

c) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the Board.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria, as prescribed by AASB 8, are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Board in allocating resources have concluded that at this time there are no separately identifiable segments.

d) Finance income and expense

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss. Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in the statement of profit or loss and other comprehensive income, using the effective interest rate method. All income is stated net of goods and services tax (GST).

e) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they were incurred.

Depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

Exploration equipment	3 years
Office and IT equipment	3 years
Leasehold improvements	5 years

The assets residual values and useful lives are reviewed and adjusted at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other revenues in respect of those assets to retained earnings.

f) Exploration, development 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 right of tenure is current and those costs are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and operations in relation to the area are continuing.

Accumulated costs, in relation to an abandoned area, are written off in full against profit in the period in which the decision to abandon the area 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 extent 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.

g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the provisions to the instrument. For financial assets this is equivalent to date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss', in which case the costs are expensed to the statement of profit or loss and other comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value or amortised cost using the interest method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settle, between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value.

The Group does not designate any interest in subsidiaries as being subject to the requirements of accounting standards specifically applicable to financial instruments:

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets except for those not expected to mature within 12 months after the end of the reporting period.

ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at cost.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

h) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not probable to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less provision for impairment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

j) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently amortised cost using the effective interest rate method.

Trade and other payables are stated at amortised cost.

k) Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

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

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set-off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

The Company and its wholly-owned Australian resident subsidiaries have formed a tax-consolidated group.

i) Leases

In accordance with AASB 117 Leases, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease. All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

m) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

n) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

o) Share-based payments

The Group has provided payment to related parties in the form of share-based compensation, whereby related parties render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black and Scholes methodology depending on the nature of the option terms.

The Black and Scholes option pricing model takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimates of the number of options that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

p) Employee benefits

The Group provides post-employment benefits through various defined contribution plans.

A defined contribution plan is a superannuation plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The Group contributes to several plans and insurances for individual employees that are considered defined contribution plans. Contributions to the plans are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits, including annual leave entitlement, are current liabilities included in 'employee provisions', measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

q) Goods and services tax (GST)

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

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

r) Parent entity

The financial information of the parent entity, Core Exploration Limited, disclosed in the notes to the financial report has been prepared on the same basis as the consolidated financial statements.

s) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements 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 of economic data, obtained both externally and within the Group.

i) Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

ii) Key judgements – exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors with reference to quoted market prices or using the Black-Scholes valuation method taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in note 11. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

t) Adoption of the new and revised accounting standards

i) Overall Considerations

The Group has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 July 2012:

a) AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012)

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income on the basis of whether they are potentially re-classifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the current period. The adoption of AASB 2011-9 has resulted in changes to the Group's presentation of its financial statements.

u) Recently issued accounting standards to be applied in future accounting periods

The accounting standards that have not been early adopted for the year ended 30 June 2013, but will be applicable to the Group in future reporting periods are detailed below. Apart from these standards, we have considered other accounting standards that will be applicable in future reporting periods, however they have been considered insignificant to the Group.

i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
- The remaining change is presented in profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.

AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change.

In addition, AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the joint arrangements in place relate to joint operations.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)*

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group is yet to undertake a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 January 2013.

iv) *Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

The AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net

interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. The Group does not have any defined benefit plans. Therefore, these amendments will have no impact on the Group.

v) *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards. When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the Group.

vi) *AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

Recently issued accounting standards to be applied in future accounting periods (continued)

When this AASB 2012-2 is first adopted for the year ended 30 June 2014, there will be no impact on the Group as the Group does not have any netting arrangements in place.

vii) *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. When AASB 2012-3 is first adopted for the year ended 30 June 2015, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

viii) *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)*

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the Group given that they are largely of the nature of clarification of existing requirements.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 INCOME TAX EXPENSE

	2013 \$	2012 \$
a) The components of income tax expense comprise:		
Current income tax expense / (benefit)	(54,461)	-
b) The prima facie tax loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Net gain / (loss)	(1,991,549)	(1,195,497)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(597,465)	(358,649)
Deferred tax assets associated with capital raising costs recognised direct to equity but not meeting the recognition criteria	(46,767)	-
Tax benefit received in relation to Research and Development	101,228	-
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	(133,404)	(246,480)
Deferred tax asset not realised as recognition criteria not met	676,408	605,129
Subtotal	-	-
Tax portion of capital raising cost	46,767	-
Tax benefit in relation to research and development	(101,228)	-
Income tax (benefit) / expense	(54,461)	-
c) Unused tax losses for which no deferred tax asset has been recognised at 30%	2,209,683	1,357,235

3 EARNINGS PER SHARE

The weighted average number of shares for the purpose of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	LOSS PER SHARE (CENTS)	2013 #	2012 #
Weighted average number of shares used in basic earnings per share	4.27	45,346,581	41,500,000

In accordance with AASB 133 'Earnings per Share', there are no dilutive securities.

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	2013 \$	2012 \$
Cash at hand and in bank:		
Cash at bank	530,307	561,283
Short-term deposits	39,950	1,659,754
Cash and cash equivalents	570,257	2,221,037
a) Reconciliation of cash at the end of the period.		
The above figures are reconciled to cash at the end of the financial period as shown in the statement of cash flows as follows:		
Cash and cash equivalents	570,257	2,221,037

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

5 TRADE AND OTHER RECEIVABLES

Trade and other receivables include the following:

	2013 \$	2012 \$
Interest receivable	2,526	11,386
GST receivable	71,586	73,012
Other receivables	-	55,000
Total receivables	74,112	139,398

No receivables are considered past due and / or impaired.

6 EXPLORATION AND EVALUATION EXPENDITURE

	2013 \$	2012 \$
Opening balance	3,359,841	2,555,208
Expenditure on exploration during the year	1,695,794	1,432,114
Impairment of capitalised exploration	(1,173,839)	(602,032)
Exploration expenditure expensed	(81,455)	(25,449)
Closing balance	3,800,341	3,359,841

The impairment of capitalised exploration represents the write down of \$295,932 of the Roxby Downs Projects. Further, the Amadeus, Honeymoon and Lake Frome Projects have been written down by \$877,907 as the tenements in these projects have either been relinquished or Core has applied for relinquishment.

7 PLANT AND EQUIPMENT

2013	EXPLORATION EQUIPMENT \$	OFFICE AND IT EQUIPMENT \$	LEASEHOLD IMPROVEMENTS \$	TOTAL \$
Gross carrying amount				
Opening balance	25,002	113,542	31,297	169,841
Additions	13,585	7,815	-	21,400
Balance 30 June 2013	38,587	121,357	31,297	191,241
Depreciation and impairment				
Opening balance	(7,468)	(39,208)	(9,659)	(56,335)
Depreciation ¹	(7,431)	(30,823)	(6,473)	(44,727)
Balance 30 June 2013	(14,899)	(70,031)	(16,132)	(101,062)
Carrying amount 30 June 2013	23,688	51,326	15,165	90,179

2012	EXPLORATION EQUIPMENT \$	OFFICE AND IT EQUIPMENT \$	LEASEHOLD IMPROVEMENTS \$	TOTAL \$
Gross carrying amount				
Opening balance	20,060	29,640	31,297	80,997
Additions	4,942	85,591	-	90,533
Disposals	-	(1,689)	-	(1,689)
Balance 30 June 2012	25,002	113,542	31,297	169,841
Depreciation and impairment				
Opening balance	(950)	(2,622)	(386)	(3,958)
Depreciation ¹	(6,518)	(36,775)	(9,273)	(52,566)
Disposals	-	189	-	189
Balance 30 June 2012	(7,468)	(39,208)	(9,659)	(56,335)
Carrying amount 30 June 2012	17,534	74,334	21,638	113,506

¹ Exploration equipment depreciation is charged to exploration assets. The remaining depreciation of \$37,296 (2012: \$46,048) is charged to the statement of profit or loss and other comprehensive income.

8 TRADE AND OTHER PAYABLES

Trade and other payables, which are all current, recognised in the statement of financial position can be analysed as follows:

	2013 \$	2012 \$
Trade and other payables	181,836	66,452
Accrued expenses	16,000	17,950
Rights issue subscriptions received	11,986	-
Total trade and other payables	209,822	84,402

9 SHORT TERM PROVISIONS

All provisions are considered current. The carrying amounts may be analysed as follows:

	2013 \$	2012 \$
Opening balance	24,340	9,440
Additional provisions – employee entitlements	11,385	14,900
Closing balance	35,725	24,340

10 ISSUED CAPITAL

2013	NUMBER OF SHARES	\$
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a) Issued and paid up capital

Fully paid ordinary shares	49,080,444	7,631,419
	49,080,444	7,631,419

b) Movements in fully paid shares

Opening balance	41,500,000	7,145,760
Share placement	6,250,000	500,000
Issue of shares for tenement purchase	1,000,000	70,000
Issue of shares for contract services	330,444	24,783
Issue costs (net of tax)	-	(109,124)
Balance as 30 June 2013	49,080,444	7,631,419

2012	NUMBER OF SHARES	\$
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a) Issued and paid up capital

Fully paid ordinary shares	41,500,000	7,145,760
	41,500,000	7,145,760

b) Movements in fully paid shares

Opening balance	41,500,000	7,146,570
Capital raising costs	-	(810)
Balance as 30 June 2012	41,500,000	7,145,760

The share capital of Core Exploration Ltd consists only of fully paid ordinary shares. All shares are eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Core Exploration Ltd. None of the parent's shares are held by any company in the Group.

The shares do not have a par value and the Company does not have a limited amount of authorised capital.

In the event of winding up the Group, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

c) Capital management

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure accordingly. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The responses include share issues. The Group's capital is shown as issued capital in the statement of financial position.

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

11 RESERVES

Share based payments are in line with the Core Exploration Limited remuneration policy, details of which are outlined in the directors' report. Listed below are summaries of options granted:

2013

SHARE OPTION RESERVE	NUMBER OF OPTIONS	2013 \$	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance	8,675,000	398,316	\$0.25
Issued to Executive director	2,000,000	13,468	\$0.20
Issued to employees	75,000	2,263	\$0.13
Balance at 30 June 2013	10,750,000	414,047	\$0.24

2012

SHARE OPTION RESERVE	NUMBER OF OPTIONS	2012 \$	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance	8,500,000	394,350	\$0.25
Issued to employees	175,000	3,966	\$0.15
Balance at 30 June 2012	8,675,000	398,316	\$0.25

During 2012/13, 2,000,000 options were issued to a Director following approval at the 2012 AGM as remuneration. The options had various KPI based vesting conditions.

During 2012/13, a further 75,000 options were issued to an employee as remuneration under their employment agreement. The options were due to be issued after a minimum period of employment was satisfied.

During 2011/12, 175,000 options were issued to employees as remuneration under their employment agreements. The options were due to be issued after a minimum period of employment was satisfied.

For information relating to share options issued to directors in the prior year, refer to note 17.

Nature and purpose of reserves

The share option reserve is used to recognise the fair value of all options.

12 RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES

Operating activities

	2013 \$	2012 \$
Loss after tax	(1,937,088)	(1,195,497)
Share based payments expense	15,731	3,966
Exploration impairment	1,173,839	602,032
Depreciation expense	37,296	46,048
Net change in working capital	1,123	(39,786)
Net cash used in operating activities	(709,099)	(583,237)

13 INVESTMENTS IN CONTROLLED ENTITIES

a) Controlled Entities

The Company has the following subsidiaries:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE HELD 2012 AND 2013
Sturt Exploration Pty Ltd	Australia	Ordinary	100%
DBL Blues Pty Ltd	Australia	Ordinary	100%

14 AUDITOR REMUNERATION

	2013 \$	2012 \$
Audit services		
Auditors of Core Exploration Limited – Grant Thornton		
Audit and review of Financial Reports	26,750	25,950
Audit services remuneration	26,750	25,950
Other services		
Auditors of Core Exploration Limited – Grant Thornton		
Taxation compliance	7,150	16,300
Total other services remuneration	7,150	16,300
Total remuneration received by Grant Thornton	33,900	42,250

15 COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company has entered into a three year operating lease in relation to its head office premises at Level 2, 143 Hutt Street, Adelaide commencing 1 June 2011. Minimum lease payments recognised as an expense during the period amount to \$56,600. Remaining amounts due are:

	2013 \$	2012 \$
Within one year	51,883	56,600
Within two years to five years	-	51,883
Greater than five years	-	-
	51,883	108,483

The Group's operating lease agreements do not contain any contingent rent clauses. The rental lease contains a renewal clause for a further three years.

Exploration commitments

In order to maintain rights of tenure to exploration permits, the Group has certain obligations to perform minimum exploration work and expend minimum amounts of money.

Due to the nature of the Group'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 Group to incur expenditure in order to retain present interests in exploration licences.

Bank guarantee

The Group has a bank guarantee in place for \$39,950 in relation to its office rental. The guarantee is funded via term deposit for the same amount.

Contingent liabilities

The Group has no contingent assets or liabilities.

16 RELATED PARTY TRANSACTIONS

The Group's related party transactions include its subsidiaries and key management personnel.

a) Transactions with subsidiaries

Loans between entities in the wholly owned Group are not interest bearing, unsecured and are payable upon reasonable notice having regard to the financial stability of the Company.

b) Transactions with key management personnel

Transactions with key management personnel are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Stephen Biggins

BR1 Holdings Pty Ltd, a company of which Mr Biggins holds a beneficial interest, was paid Managing Director and consulting fees during the period totalling \$254,018 (2012: \$220,673). The total amount of fees due to BR1 Holdings Pty Ltd as at 30 June 2013 was \$Nil (2012: \$Nil).

Greg English

Core Exploration engages Norman Waterhouse Lawyers, a firm in which Mr English was a partner, on commercial term for the provision of legal advice. Core exploration has incurred \$16,998 (2012: \$7,184) of legal fees during the financial period.

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

Jarek Kopias

Kopias Consulting, a business of which Jarek Kopias is a Director and Barker Wentworth, a business of which Jarek Kopias was a Director, were paid consulting fees during the period totalling \$87,277 (2012: \$70,055) and are disclosed in the remuneration report. The total amount of fees due to Kopias Consulting as at 30 June 2013 was \$9,783 (2012: \$7,703).

c) Share holdings of key management personnel

The number of ordinary shares of Core Exploration Limited held, directly, indirectly or beneficially, by each Director and Company Secretary, including their personally-related entities as at balance date:

2013

DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2012	MOVEMENT DURING YEAR	OPTIONS EXERCISED	HELD AT 30 JUNE 2013
G English	5,665,000	-	-	5,665,000
S Biggins	5,941,000	-	-	5,941,000
M Schwarz	250,000	-	-	250,000
J Kopias	60,000	-	-	60,000
Total	11,916,000	-	-	11,916,000

2012

DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2011	MOVEMENT DURING YEAR ¹	OPTIONS EXERCISED	HELD AT 30 JUNE 2012
G English	5,665,000	-	-	5,665,000
S Biggins	5,791,000	150,000	-	5,941,000
M Schwarz	250,000	-	-	250,000
J Kopias	15,000	45,000	-	60,000
Total	11,721,000	195,000	-	11,916,000

¹ Movement represents purchase of shares on market during the year.

d) Options holdings of key management personnel

The number of options over ordinary shares in Core Exploration Limited held, directly, indirectly or beneficially, by each specified Director and specified executive, including their personally-related entities as at balance date, is as follows:

2013

DIRECTORS	HELD AT 30 JUNE 2012	MOVEMENT DURING YEAR	EXERCISED	HELD AT 30 JUNE 2013	VESTED AND EXERCISABLE AT 30 JUNE 2013
G English	3,000,000	-	-	3,000,000	3,000,000
S Biggins	3,000,000	-	-	3,000,000	3,000,000
M Schwarz	1,000,000	2,000,000	-	3,000,000	1,000,000
J Kopias	-	-	-	-	-
Total	7,000,000	2,000,000	-	9,000,000	7,000,000

2012

DIRECTORS	HELD AT 30 JUNE 2011	MOVEMENT DURING YEAR	EXERCISED	HELD AT 30 JUNE 2012	VESTED AND EXERCISABLE AT 30 JUNE 2012
G English	3,000,000	-	-	3,000,000	3,000,000
S Biggins	3,000,000	-	-	3,000,000	3,000,000
M Schwarz	1,000,000	-	-	1,000,000	1,000,000
J Kopias	-	-	-	-	-
Total	7,000,000	-	-	7,000,000	7,000,000

17 EMPLOYEE REMUNERATION

a) Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2013 \$	2012 \$
Salaries / contract payments for Directors and employees	671,731	574,834
Share based payments – Director and employee options	15,731	3,966
Superannuation	35,511	30,505
Employee entitlement provisions	32,979	25,060
Less: Transfer to exploration assets	(499,381)	(382,056)
	256,571	252,309

b) Share based employee remuneration

As at 30 June 2013 the Group maintained an option plan for employee and director remuneration. There were 2,000,000 options granted to a director during the year and 75,000 options were granted to an employee.

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

	RANGE OF VALUES
Exercise price	\$0.13 to \$0.20
Option life	2 years
Underlying share price	\$0.07 to \$0.09
Expected share price volatility	79%
Risk free interest rate	2.74%

The On 13 November 2013 the Company issued 2,000,000 KPI Director Options to Michael Schwarz or nominee. These options have no voting rights attached, are transferable by instrument in the form commonly used for the transfer of options, and they may be exercised at any time until 13 November 2014. The details of the options issued to Directors were follows:

GRANTED		TERMS AND CONDITIONS OF EACH GRANT				
2013	NUMBER GRANTED	GRANT DATE	FAIR VALUE AT GRANT DATE	EXERCISE PRICE \$	FIRST EXERCISE DATE	LAST EXERCISE DATE
M Schwarz	500,000	13/11/2012	\$0.012	\$0.20	1 Exploration	13/11/2014
M Schwarz	150,000	13/11/2012	\$0.012	\$0.20	2 SELA2 2013	13/11/2014
M Schwarz	150,000	13/11/2012	\$0.012	\$0.20	3 SELA2 2014	13/11/2014
M Schwarz	100,000	13/11/2012	\$0.012	\$0.20	4 Budget 2013	13/11/2014
M Schwarz	100,000	13/11/2012	\$0.012	\$0.20	5 Budget 2014	13/11/2014
M Schwarz	1,000,000	13/11/2012	\$0.012	\$0.20	6 Resource	13/11/2014

1 Meeting criteria of the KPI Type listed determines vesting of options.

2 Safety, Environment and Land Access.

3 KPIs 1, 2 and 4 have vested following the end of the financial year – a total of 750,000 options.

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

KPI related options were granted to the Exploration Director during the year and approved at the 2012 AGM. The KPI conditions related to these options are listed below:

KPI	MAXIMUM NUMBER OF DIRECTOR OPTIONS VESTED UPON ACHIEVING KPI
1. Exploration KPI (short-medium term)	500,000
2. Safety, Environment, Land Access KPI (annual)	300,000
3. Budget/Schedule KPI (annual)	200,000
4. Resource KPI (medium-long term)	1,000,000
TOTAL	2,000,000

1 Exploration KPI (short-medium term).

The vesting of options under this KPI is tied to making one of a number of possible drill intersections:

- 10%.m copper (Cu) or equivalent drill intersection. For example, a drill intersection of 10 metres at 1% copper; or
- 50g.m gold (Au) or equivalent drill intersection. For example, a drill intersection of 10 metres at 5 grams per tonne gold; or
- 1.0 m%GT (grade thickness) uranium (U_3O_8) or equivalent drill intersection. For example, a drill intersection of 10 metres at 0.1% U_3O_8 .

2 Safety, Environment, Land Access KPI (annual)

The vesting of options under this KPI is tied to an outcome of “zero harm” for the two 12-month periods commencing 1 July 2012.

Performance against the KPI is to be reviewed annually by the board at 30 June 2013 and 30 June 2014 with an entitlement of 150,000 Director Options per year upon successful achievement of the KPI.

3 Budget/Schedule KPI (annual)

The vesting of options under this KPI is tied to operating “on time and on budget” for the 2012/2013 and 2013/2014 financial years.

Performance against the KPI is to be reviewed annually by the board at 30 June 2013 and 30 June 2014 with an entitlement of 100,000 Director Options per year upon successful achievement of the KPI.

4 Resource KPI (medium-long term)

The vesting of options under this KPI is tied to defining a JORC (Joint Ore Reserve Committee) compliant resource of >0.1Mt (million tonnes) contained Cu or Au or U_3O_8 value equivalent with >0.5% Cu cut-off grade.

Share options and weighted average exercise prices are as follows:

2013	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE (\$)
Opening balance - remuneration options	3,175,000	0.24
Granted as remuneration during 2012/13	2,075,000	0.20
Exercised / forfeited / expired	-	-
Outstanding as at 30 June 2013	5,250,000	0.23

2012	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE (\$)
Opening balance - remuneration options	3,000,000	0.25
Granted as remuneration during 2011/12	175,000	0.15
Exercised / forfeited / expired	-	-
Outstanding as at 30 June 2012	3,175,000	0.24

Fair value of options granted

The fair value at grant date of the Director options has been determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

18 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The total for each category of financial instruments are as follows:

	NOTE	2013 \$	2012 \$
Financial assets			
Cash and cash equivalents	4	570,257	2,221,037
Loans and receivables	5	74,112	139,398
		644,369	2,360,435
Financial liabilities			
Trade and other payables	8	209,822	84,402

Financial risk management policy

Risk management is carried out by the Managing Director under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate and credit risk.

a) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained for the coming months. Upcoming capital needs and the timing of raisings are assessed by the board.

Financial liabilities are expected to be settled within 12 months.

b) Interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates. Cash is the only asset affected by interest rate risk as cash is the Group's only financial asset exposed to fluctuating interest rates.

The Group is exposed to interest rate risk on cash balances and term deposits held in interest bearing accounts. The Board constantly monitors its interest rate exposure and attempts to maximise interest income by using a mixture of fixed and variable interest rates, whilst ensuring sufficient funds are available for the Group's operating activities. The Group's net exposure to interest rate risk at 30 June 2013 approximates the value of cash and cash equivalents.

c) Sensitivity analysis

Interest rate

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

2013	EFFECT ON:		
	SENSITIVITY*	PROFIT \$	EQUITY \$
Interest rate	+ 1.50%	+17,000	+17,000
	- 1.50%	-17,000	-17,000
2012	EFFECT ON:		
	SENSITIVITY*	PROFIT \$	EQUITY \$
Interest rate	+1.50%	+47,000	+47,000
	-1.50%	+47,000	+47,000

* The method used to arrive at the possible change of 150 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, interest rate movements ranged between 0 to 150 basis points. It is considered that 150 basis points a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

Notes to the consolidated financial statements continued

For the year ended 30 June 2013

d) Net fair values of financial assets and financial liabilities

Fair values are amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The net fair values of financial assets and liabilities are determined by the Group based on the following:

- i) Monetary financial assets and financial liabilities not readily traded in an organised financial market are carried at book value.
- ii) Non-monetary financial assets and financial liabilities are recognised at their carrying values recognised in the Statement of financial position.

The carrying amount of financial assets and liabilities is equivalent to fair value at reporting date.

19 PARENT ENTITY INFORMATION

Information relating to Core Exploration Limited (the parent entity).

	2013 \$	2012 \$
Statement of financial position		
Current assets	644,369	2,360,435
Total assets	6,317,151	6,442,204
Current and total liabilities	245,547	108,742
Issued capital	7,631,419	7,145,760
Retained losses	(1,973,862)	(1,210,613)
Share based payment reserve	414,047	398,316
Statement of profit or loss and other comprehensive income		
Loss for the period	763,248	590,906

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the end of the reporting period. The parent has a bank guarantee in place for \$39,950 in relation to its office rental. The guarantee is funded via term deposit for the same amount.

20 OPERATING SEGMENTS

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded that at this time there are no separately identifiable segments.

21 GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2013 the consolidated group recorded a net cash outflow from operating and investing activities of \$2,103,088 and an operating loss of \$1,937,088.

The forward looking cash projections of the group indicate that it is reliant on the completion of further capital raising for continued operations. The group will be seeking to raise equity to fund operations, including exploration and working capital.

If additional capital is not obtained, the going concern basis may not be appropriate, with the result that the group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the interim financial report. No allowance for such circumstances has been made in the interim financial report.

22 EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Since the end of the financial year, the Company completed a 2 for 3 rights issue with one free attaching option for every share issued. The rights issue closed on 4 July 2013 and Core issued 14,375,142 ordinary shares and 14,375,142 listed options (new class of quoted security ASX:CXOO) with an exercise price of \$0.10 and expiry of 31 October 2014. The rights issued raised \$431,254 for the Company.

On 3 September 2013, the Company held a general meeting, where shareholders ratified a previous issue of 6,250,000 shares made via placement in December 2012.

On 9 September 2013, the Company issued the remaining shares and options available under the rights issue announced in June 2013. Core issued 18,345,154 ordinary shares and 18,345,154 listed options with an exercise price of \$0.10 and expiry of 31 October 2014. The rights issued raised \$550,354 for the Company.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

In the opinion of the Directors of Core Exploration Limited:

- a) the consolidated financial statements and notes of Core Exploration Limited are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of its financial position as at 30 June 2013 and of its performance for the financial period ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that Core Exploration Limited will be able to pay its debts when they become due and payable.

The directors have been given the declaration required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2013.

The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Stephen Biggins
MANAGING DIRECTOR

Adelaide

30 September 2013

Independent Audit Report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORE EXPLORATION LTD

Report on the financial report

We have audited the accompanying financial report of Core Exploration Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss statement and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Core Exploration Ltd is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding going concern

Without qualifying our opinion, we draw attention to Note 21 in the financial report which indicates that the company incurred a net loss of \$1,937,088 during the year ended 30 June 2013 and, as of that date, the company's net cash outflow from operating and investing activities is \$2,103,088. These conditions, along with other matters as set forth in Note 21, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

**Report on the remuneration report**

We have audited the remuneration report included the directors' report for the year ended 30 June 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Core Exploration Ltd for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

A handwritten signature in blue ink, appearing to read "J.L. Humphrey".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink, appearing to read "J.L. Humphrey".

J.L. Humphrey
Director – Audit & Assurance

Adelaide, 30 September 2013

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 31 August 2013.

The Company is listed on the Australian Securities Exchange.

SUBSTANTIAL SHAREHOLDERS

The number of substantial shareholders and their associates are set out below:

	ORDINARY SHARES	QUOTED OPTIONS
Nowak Investment Pty Ltd and Genex Resources Pty Ltd	6,107,667	166,667
Greg English, LEC Nominees Pty Ltd and GDE Exploration (SA) Pty Ltd	6,065,000	400,000

VOTING RIGHTS

Ordinary shares On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options No voting rights.

DISTRIBUTION OF EQUITY BY SECURITY HOLDERS

HOLDING	ORDINARY SHARES	OPTIONS (QUOTED) ¹	OPTIONS (UNQUOTED)
1 – 1,000	7	-	-
1,001 – 5,000	22	4	-
5,001 – 10,000	95	7	-
10,001 – 100,000	273	29	6
100,001 and over	104	31	8
Number of Holders	501	71	14

¹ A new class of quoted options were issued on 12 July 2013 and have an exercise price of \$0.10 and expiry date of 31 October 2014.

There were 130 holders of less than a marketable parcel of ordinary shares (\$500 amounts to 11,905 shares).

There are no restricted securities on issue.

There are 10,675,000 options issued but unquoted at the date of this report.

ASX Additional Information

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

		NO. OF SHARES HELD	% HELD
1	Nowak Investments Pty Ltd	5,250,000	8.27
2	GDE Exploration (SA) Pty Ltd	4,000,000	6.30
3	Carnethy Evergreen Pty Ltd	2,970,000	4.68
4	LEC Nominees Pty Ltd	2,025,000	3.19
5	HSBC Custody Nominees (Australia) Ltd	1,860,822	2.93
6	Ms Louise Amanda Webster	1,666,667	2.63
7	Forty Traders Ltd	1,666,667	2.63
8	Colbern Fiduciary Nominees Pty Ltd	1,540,033	2.43
9	Mr William Douglas Goodfellow	1,333,334	2.10
10	Daniel Mark W & SL	1,300,000	2.05
11	Blackman Andrew William	1,183,333	1.86
12	Kahala Keys Pty Ltd	1,164,000	1.83
13	Dull Brass Pty Ltd	917,500	1.45
14	Goddard Murray & M & J	866,666	1.37
15	Palazzo Nominees Pty Ltd	833,334	1.31
16	Daniel Mark W & SL	700,000	1.10
17	Bruce Birnie Pty Ltd	600,000	0.95
18	Geosurvey Pty Ltd	550,740	0.87
19	Bill Brooks Pty Ltd	550,000	0.87
20	Bide Paul Maxwell	550,000	0.87
		31,528,096	49.69
Total Ordinary Shares on issue – 31 August 2013		63,455,586	100.00

TWENTY LARGEST HOLDERS OF QUOTED OPTIONS

\$0.10 expiry 31 October 2014

		NO. OF OPTIONS HELD	% HELD
1	Carnethy Evergreen Pty Ltd	1,870,000	13.01
2	Ms Louise Amanda Webster	1,666,667	11.59
3	Goddard Murray & M & J	1,166,666	8.12
4	Colbern Fiduciary Nom Pty Ltd	825,000	5.74
5	Daniel Mark W & SL	800,000	5.57
6	M & K Korkidas Pty Ltd	690,001	4.80
7	Forty Traders Ltd	666,667	4.64
8	Dull Brass Pty Ltd	500,000	3.48
9	LEC Nominees Pty Ltd	400,000	2.78
10	Palazzo Nominees Pty Ltd	333,334	2.32
11	Goodfellow William D	333,334	2.32
12	Blackman Andrew William	333,333	2.32
13	Phillips R W & Phillips-C	333,333	2.32
14	Manners Craig William	230,500	1.60
15	Geosurvey Pty Ltd	220,296	1.53
16	Bide Paul Maxwell	200,000	1.39
17	Goddard Murray	200,000	1.39
18	Moratto Brenton	200,000	1.39
19	Grbac Sharon	170,000	1.18
20	SA Digger Pty Ltd	166,667	1.16
		11,305,798	78.65
Total Quoted Options on issue – 31 August 2013		14,375,142	100.00

