

CORE
EXPLORATION LTD

ANNUAL REPORT 2014

Corporate information

Core Exploration Limited ACN 146 287 809

DIRECTORS

Greg English
Non-executive Chairman

Stephen Biggins
Managing Director

Michael Schwarz
Executive Director – Exploration

Heath Hellewell
Non-executive Director

CFO/COMPANY SECRETARY

Jaroslaw (Jarek) Kopias

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ASX CODES

CXO – fully paid ordinary shares

CXOO – quoted options, $0.10 exercise price and 31 October 2014 expiry

AUDITORS

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WAYVILLE South Australia 5034

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SYDNEY New South Wales 2000

SHARE REGISTRY

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770 Canning Highway
APPLECROSS Western Australia 6153

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Biggins (BSc(Hons)Geol, MBA) as Managing Director of Core Exploration Ltd who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The report includes results that have previously been released under JORC 2012 by Core. The Company is not aware of any new information that materially affects the information included in this announcement:

18/09/2014 Drilling underway on Inkheart and Blueys
20/08/2014 Large prospective zone defined in Jervois area
11/08/2014 8.9% copper within new 2km magnetic target at Albarta Project
30/07/2014 IP copper drill targets identified at Copper Queen Prospect
22/07/2014 Core Commences Exploration on Jervois Region Tenements, NT
02/07/2014 5km Prospective Copper Trend Identified at Selins Prospect
17/06/2014 High Grade Silver Lead from Albarta Drilling Program NT
03/06/2014 Exciting Copper Drill Targets - Virginia Prospect, NT
29/04/2014 Quarterly Activities and Cashflow Report 31 March 2014
17/03/2014 New Copper Prospects Discovered in the NT
21/01/2014 Surveys reveal IOCG drill targets near Olympic Dam

This report also includes exploration information that was prepared and first disclosed by Core under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in all previous announcements has been compiled by Mr Stephen Biggins as the Competent Person and who provided his consent for all previous announcements. The information that was reported in announcements previously released under JORC Code 2004 is the announcement dated 13th May 2012 and titled Thick and High Grade Uranium Intersections, Fitton Project, SA.

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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 Fellow Shareholder,

The last year has been an important one for the Company as it advances the exciting Albarta Project in the Northern Territory. During the 2014 financial year the Company strategically added to its ground position in this prospective region by executing earn-in agreements and subsequent tenement purchase agreements with a range of tenement holders. The Albarta Project now covers 2,000km^2 of prospective geology. The Company has secured a huge foothold in this region containing an extensive pipeline of exploration opportunities.

The Company has also established a large tenement holding adjacent to the Jervois copper-silver-gold project in the Northern Territory where KGL Resources Limited is undertaking a prefeasibility study into the possible development of Jervois as a multi-metal mine. The Company intends to undertake a comprehensive airborne EM program within the next six months with the assistance of the CSIRO. It is expected that multiple drill targets will be identified from this survey.

Although no exploration was undertaken at Fitton during the year this project remains an exciting prospect for the Company. At Fitton we have discovered high grade hard rock uranium mineralisation. With uranium prices at historic lows the full value of the project is yet to be recognised by the market. The Company expects the full value of the Fitton Project to be recognised when uranium prices return to normal levels.

The targets at Albarta have been identified by the Company through systematic exploration using induced polarisation (IP) geophysics, geochemistry, structural targeting and ultimately drilling. Whilst many junior exploration companies have ceased all exploration activities, during 2014 we continued to actively explore our tenements including drilling at Albarta. It is the Company's intention to continually explore our tenements in an attempt to add value for all shareholders.

As part of the growth of the Company, we recently announced the appointment of Heath Hellewell as a non-executive director of the Company. Heath is an experienced geologist who was recently named Prospector of the Year and brings to the Company a track record of success.

There continues to be a strong focus on exploration as exploration success will drive returns for all shareholders.

The progress made in 2014 across the business is a testament to the quality and dedication of the Company's staff and management. On behalf of the Board we thank the staff for their efforts during 2014 and look forward to a successful 2015.

In 2015, we have another exciting year ahead of us at Albarta and Jervois as the results of our exploration efforts come to light. Our strategy is to unlock the value of these highly prospective areas. The Company maintains a small but highly dedicated team which during the next year will focus our exploration efforts at Albarta and Jervois.

On behalf of the Board and Management of the Company, I would like to thank all shareholders for their continued support.

Yours Faithfully,



Greg English
NON-EXECUTIVE CHAIRMAN



opening up Australia's **newest exploration province**

Managing Director's Report

Core Exploration has achieved significant exploration and project building milestones during the 2014 reporting year.

Core is now ideally placed to build on the two years the Company has invested in attaining a strong position in Australia's newest exploration province in the Northern Territory. The imminent drill focussed, discovery phase of our work across multiple targets marks the beginning of an exciting stage for Core shareholders.

Core Exploration executed tenement acquisition agreements during the 2014 reporting period to take the Company to 100% ownership of exploration interests in its larger Albarta Project subject to final ministerial approval. The project tenements now cover over 2,000km^2 in Australia's newest exploration province, 100km NE of Alice Springs in the Northern Territory.

Given the outstanding exploration results received to date across our Albarta Tenements, the acquisition of these tenements gives the Company the flexibility to deal with the multi-commodity exploration strategies evolving within the Albarta Project.

After two years of building a position in this exciting new exploration province Core is entering the drill focused, discovery phase of the Project. Core has multiple drill programs planned in the Northern Territory commencing shortly at Inkheart/ Blueys, to be followed by further drilling at Copper Queen and Virginia.

Core's exploration activities at Albarta are consistently finding new outcropping mineralisation which is generating significant drilling targets for the company in this highly prospective, low-risk jurisdiction located only 100km from gas, rail and power infrastructure.

Core's wholly-owned Fitton project is arguably one of the best uranium discoveries in South Australia 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 Roxby Project covers more than 400km^2 near BHP Billiton's Olympic Dam mine in northern South Australia. Core's 100%-owned Roxby project is one of the few independent projects covering the highly prospective geology between BHPB's Olympic Dam mine and its Wirrda Well project and Oz Minerals' Carrapateena project.

Core's 100% owned Yerelina project covers a large 1,000km^2 area that is highly prospective for shallow zinc and lead mineralisation in South Australia. Mineralised breccia is hosted in fault zones interpreted to be up to 1.5km long within an 8km wide area and this has high grade mineralisation identified by Core in at least five individual structures.

Core's exploration and management team is focussed on unlocking the Company's investment in Australia's newest exploration province. Core has added substantial value to its asset portfolio through focussed, efficient exploration and we believe that investors will be strongly rewarded for our future expected exploration successes.



Stephen Biggins
MANAGING DIRECTOR

outstanding exploration results received across Core's **Albarta tenements**



Project Overview

ALBARTA PROJECT

Northern Territory

CXO acquiring 100%

Core is now very well placed to build on the investment by the Company over the past two years in identifying and building a strong position in Australia's newest exploration province. The next drill focused, discovery phase of exploration across multiple targets marks the beginning of an exciting stage for Core shareholders.

Core Exploration executed tenement acquisition agreements during the 2014 reporting period to take the Company to 100% ownership of exploration interests in its larger Albarta Project that covers over 2,000km^2 of the newly recognised, highly prospective IOCG Aileron Province, 100km NE of Alice Springs in the Northern Territory (Figure 1).

Core's recent exploration has identified highly prospective drill targets in the Northern Territory and this acquisition gives Core shareholders the maximum exposure to the upside.

Given the outstanding exploration results received to date across our Albarta Tenements, the acquisition of these tenements gives the Company the flexibility to deal with the multi-commodity exploration strategies evolving within the Albarta Project. Core's tenements include a number of significant copper, silver, PGE, REE and uranium mineral occurrences (Figure 2).



Figure 1 *Location of Albarta Project, NT.*







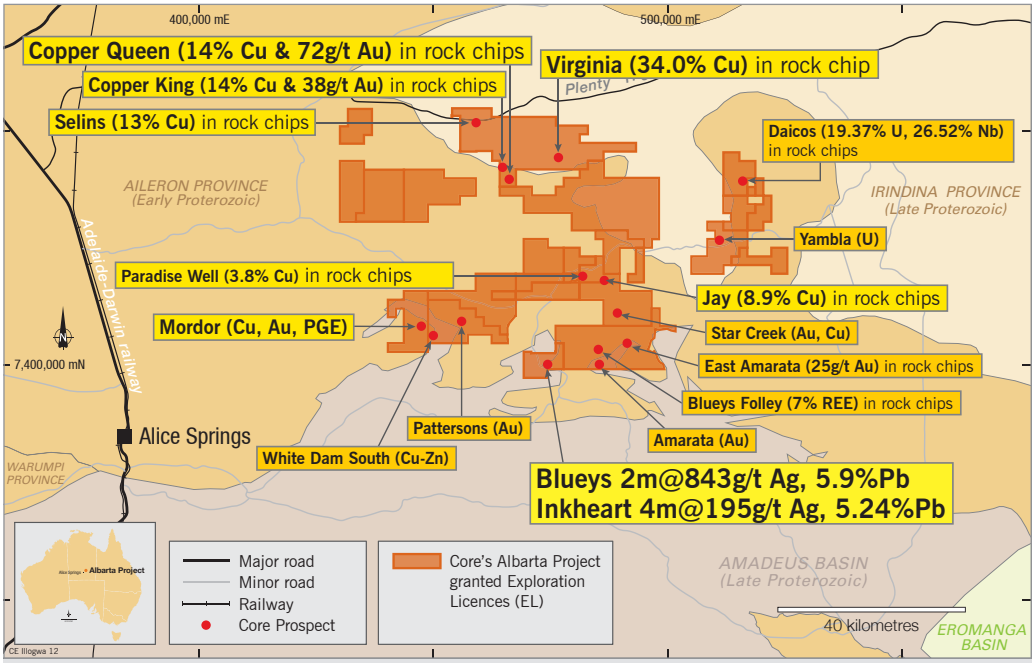


Figure 2 *Location of prospects and tenure, Albarta Project, NT.*

The Company believes that the existing evidence of mineralisation and recently confirmed IOCG prospectivity by Geoscience Australia and NTGS verifies the strategy that Core has pursued to take a strong position in an area that is becoming Australia's new exploration province.



Project Overview

BLUEYS AND INKHEART PROSPECTS

EL 28136, Northern Territory

CXO acquiring 100%

Core completed its maiden drilling program in the Northern Territory during the 2014 reporting period, intersecting high grade silver at the Blueys Prospect with values of up to 1,070g/t silver and discovered high grade silver-lead mineralisation at the nearby Inkheart Prospect with values of up to 354g/t silver (Ag) and 11% lead (Pb).

The results from the reverse circulation (RC) drilling program at Blueys and Inkheart Silver Prospects validate management's belief in the prospectivity of the Albarta Project as a potential new silver and base metal province.

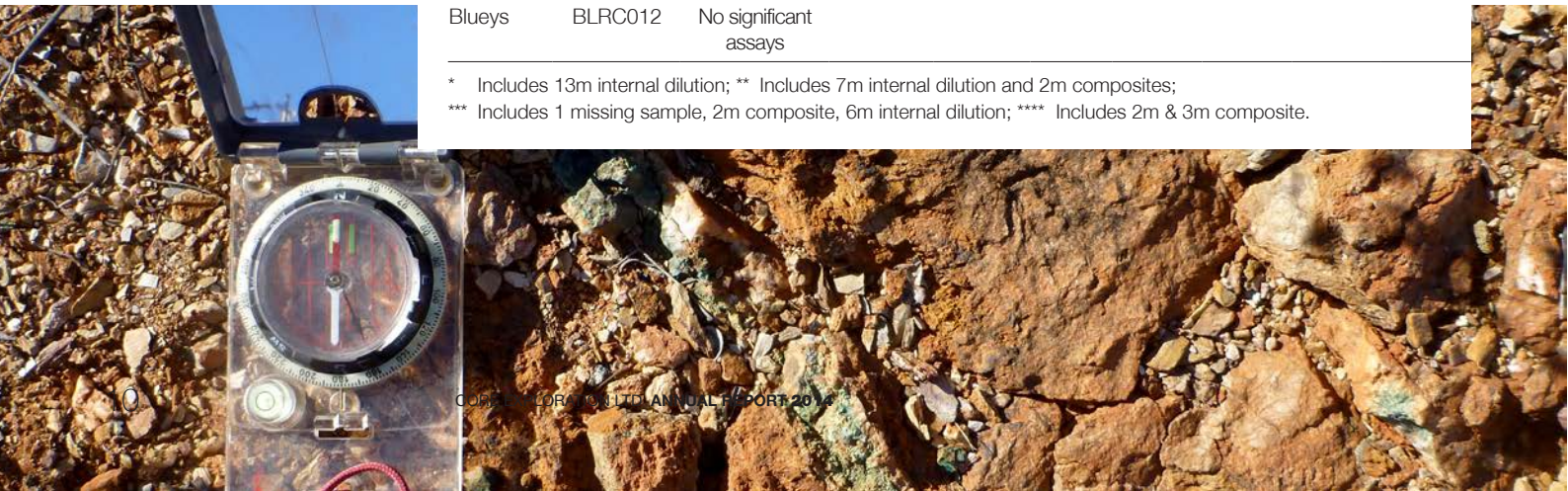
High grade silver and lead mineralisation has been intersected in structurally controlled veins surrounded by broad lower grade mineralisation and alteration in the shales and dolomites of the Bitter Springs Formation (Figure 3).

16 out of Core's 17 drillholes hit anomalous silver levels (>10g/t silver) (Table 1).

Table 1 Inkheart and Blueys RC Results.

PROSPECT	HOLE_ID	DEPTH FROM (m)	DEPTH TO (m)	INTERVAL (m)	AG (g/t)	CU (%)	PB (%)	ZN (%)	PB + ZN (%)
Inkheart	IKRC001*	108	139	31	10	0.02	0.15	0	0.15
Inkheart	including	108	109	1	102	0.15	2.01	0.03	2.04
Inkheart	including	132	139	7	14	0.01	0.3	0.01	0.31
Inkheart	IKRC002	42	46	4	18	0.01	0.07	0.01	0.08
Inkheart	IKRC002**	90	126	36	29	0.03	0.67	0.29	0.96
Inkheart	including	111	115	4	195	0.2	5.24	2.49	7.73
Inkheart	with	112	113	1	354	0.35	11.13	6.51	17.64
Inkheart	including	122	123	1	40	0.05	0.61	0.01	0.62
Inkheart	including	125	126	1	48	0.06	0.56	0.02	0.58
Inkheart	IKRC002	148	150 EOH	2	32	0.06	0.08	0.01	0.09
Inkheart	IKRC003	60	64	4	59	0.05	1.63	0.02	1.65
Inkheart	IKRC003***	123	137	14	14	0.01	0.07	0.01	0.08
Inkheart	including	131	132	1	120	0.26	0.03	0.02	0.05
Inkheart	IKRC004	82	84	2	42	0.03	1.02	0.03	1.05
Inkheart	IKRC005	34	42	8	22	0.04	0.07	0.02	0.09
Blueys	BLRC001	5	10	5	14	0.01	0.18	0.01	0.19
Blueys	BLRC001	31	39	8	16	0.01	0.34	0.02	0.36
Blueys	BLRC002	4	14	10	30	0.07	0.04	0.01	0.05
Blueys	including	11	12	1	192	0.26	0.04	0.04	0.08
Blueys	BLRC003	5	11	6	15	0.07	0.04	0.02	0.06
Blueys	BLRC003	24	27	3	15	0.02	0.13	0.02	0.15
Blueys	BLRC004****	2	22	20	11	0.01	0.03	0.01	0.04
Blueys	BLRC004	111	114	3	19	0.02	0.16	0.02	0.18
Blueys	BLRC005	1	6	5	10	0.03	0.01	0.02	0.03
Blueys	BLRC006	50	60	10	28	0.04	0.3	0.01	0.31
Blueys	BLRC007	38	43	5	67	0.06	1.39	0.09	1.48
Blueys	including	40	42	2	125	0.11	2.67	0.14	2.81
Blueys	BLRC008	15	25	10	19	0.02	0.38	0	0.38
Blueys	BLRC008	74	76	2	10	0.01	0.28	0.09	0.37
Blueys	BLRC009	9	11	2	11	0.02	0.26	0	0.26
Blueys	BLRC010	22	39	17	116	0.09	0.83	0.02	0.85
Blueys	including	22	24	2	843	0.61	5.9	0.05	5.95
Blueys	BLRC011	24	31	7	166	0.06	1.27	0.01	1.28
Blueys	including	24	25	1	1070	0.26	8.21	0.01	8.22
Blueys	BLRC012	No significant assays							

* Includes 13m internal dilution; ** Includes 7m internal dilution and 2m composites;
*** Includes 1 missing sample, 2m composite, 6m internal dilution; **** Includes 2m & 3m composite.





Inkheart Prospect

Core's drilling during the quarter discovered high grade silver, lead and zinc mineralisation at the Inkheart Silver Prospect, which is defined by a 2km long silver in soil anomaly to the north east of the Blueys Prospect (Figure 3). The Inkheart Prospect had not been drill tested prior to this drill program.

All five holes drilled by Core in a single traverse at Inkheart intersected anomalous silver mineralisation.

Drillhole IKRC002 hit high grade silver lead and zinc mineralisation at 112m down hole with a 4m intercept @ 195g/t Ag, 5.24% Pb and 2.49% Zn from 111m including 1m @ 354g/t Ag, 11.13% Pb and 6.51% Zn. This higher grade mineralisation is within a broad lower grade halo of 36m @ 29g/t Ag from 90m down hole (Figure 4).

Mineralisation was also hit in both holes either side of IKRC002. Drillhole IKRC001 hit 31m @ 10g/t Ag including 1m @ 102g/t Ag and 2% lead from 108m. Drillhole IKRC003 drilled 45m to the east of IKRC002 intersected 4m @ 60g/t Ag and 1.6% Pb from 60m with further intervals down hole of 14m @10g/t Ag from 131m including 1m @ 120g/t Ag from 131m.

Importantly the mineralisation intersected at Inkheart is believed to be primary epigenetic mineralisation associated with structurally controlled quartz-carbonate veining with broad

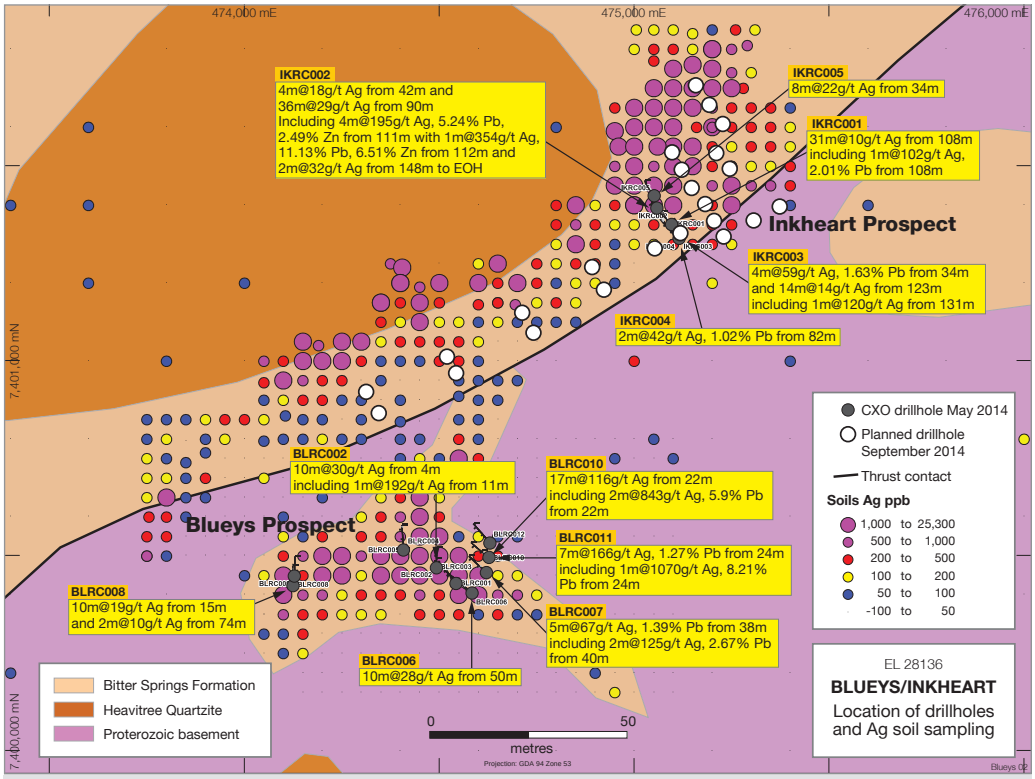


Figure 3 *Bluey's drill results.*

lower grade mineralisation associated with alteration. Mineralisation at Inkheart is well below the zone of supergene enrichment encountered at Blueys. This confirms the potential for a large silver-lead-zinc mineralised system at Inkheart.

Blueys Prospect

Drilling at the Blueys Prospect was designed to confirm the source of extremely anomalous silver in soils and high-grade mineralisation at surface and induced polarisation (IP) targets identified by Core.

Drillhole BLRC011 intersected 1m @ 1070g/t Ag and 8.21% Pb from 24m down hole in a broader halo of 7m @ 166g/t Ag and 1.27% Pb. Drillhole BLRC010 drilled from the same pad as BLRC011 intersected 2m @ 843g/t Ag and 5.9% Pb in a broader halo of 17m @ 116g/t Ag and 0.83% Pb.

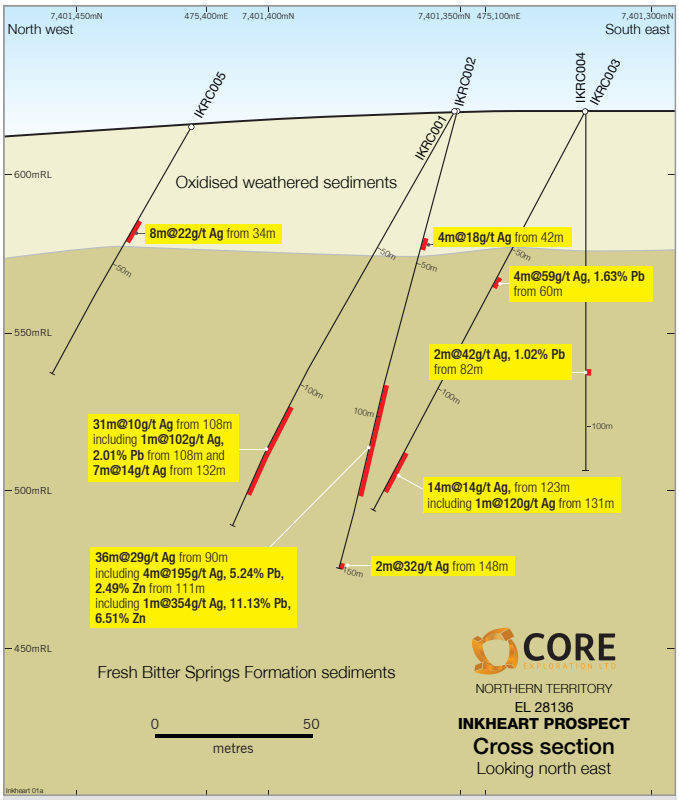


Figure 4 *Inkheart drill results.*

Project Overview





VIRGINIA PROSPECT

EL 29689, Northern Territory

CXO 100%

Drill holes BLRC001 and BLRC006 designed to test the main IP chargeability anomaly intersected 10m @ 28g/t Ag from 50m which is above the main zone of chargeability. The main chargeability feature is believed to be caused by pyritic black shale intersected further down hole.

BLRC008 and BLRC009 were drilled at the western end of the Blueys Prospect to test for mineralisation beneath a high grade silver rock chip. Results included 10m @ 19g/t Ag from 15m in BLRC008.

The near surface silver and lead mineralisation at the Blueys Silver Prospect is believed to be enhanced by supergene processes with the majority of high grade mineralisation at the base of oxidation of the Bitter Spring Formation sediments. At depth, the epigenetic veins, mineralisation and broader alteration appear to have a primarily structurally controlled with some secondary influence by rock type. The best mineralised intercepts at the Blueys Prospect occur at the eastern end of the prospect beneath surficial historical workings.

Core's induced polarisation (IP) survey during the reporting period has identified exciting drill targets below a 1km long stratiform copper horizon at its Virginia copper Prospect which is part of the broader Albarta Copper Project in the Northern Territory.

Two IP transects, each measuring 1.5km long, were conducted over an outcropping stratiform copper horizon to map potential mineralisation at depth as the horizon dips to the north beneath the surface. Significantly, the results from both IP survey transects show a consistent chargeable layer, coincident with the outcropping copper mineralised horizon, dipping shallowly to the north at approximately 20-30 degrees. The depth to the drill target zone is shallow, generally less than 100m (Figures 5).

Rock chip samples taken by Core and previous explorers contain up to 34% copper with an average of 2.4% copper from 75 samples of the mineralised horizon at Virginia. The mineralised horizon extends over 1km along strike in an east-northeast direction and is hosted in a leucocratic garnet gneiss band that is typically 3-5m thick and outcrops over widths of up to 100m at surface due to its shallow dip.

The Virginia Prospect is located within the Irindina Province a block of Neoproterozoic to Cambrian rocks comprising a series of high grade metsedimentary units, metamorphosed granitic and mafic units and late mafic and ultramafic intrusives. The Basil Copper-Cobalt Deposit identified by Mithril in 2009 (Inferred mineral resource estimate of 26.5Mt @ 0.57% Cu, 0.05% Co at a 0.3% Cu cut off) is located 50km south east of Virginia, with the Riddock Amphibolite Member unit of the Irindina Province that host both Basil and Virginia.

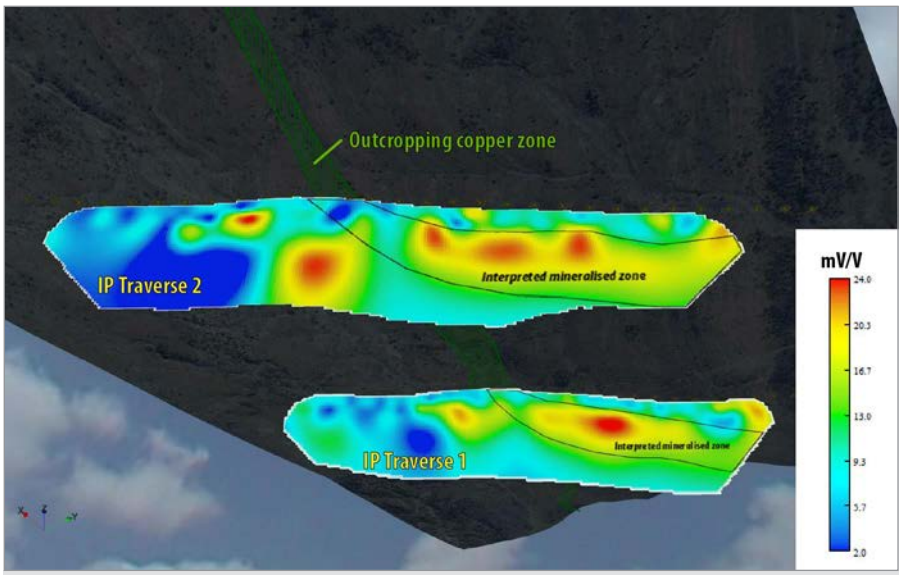


Figure 5 *Virginia IP.*



COPPER QUEEN PROSPECT

EL 29689, Northern Territory

CXO 100%

IP surveys conducted by Core have identified chargeable drill targets associated with a 600m copper trend at the Copper Queen Prospect.

Rock chips assays of up to 20% copper (Cu) and up to 72.3 grams per tonne gold (Au) at surface have been found at Copper Queen. 31 of the 195 recent and historical surface rock-chip samples assay more than 5% copper and 132 samples assay at or above 1% copper and average 2.0g/t gold grade.

Two induced polarisation (IP) transects were undertaken by Core at the Copper Queen Prospect to define subsurface chargeability features and drill targets. Core's IP geophysical surveys for the first time has identified significant chargeable copper drill targets at Copper Queen (Figure 6).

Core's eastern IP line detected a significant vertical chargeable feature directly beneath the best outcropping copper mineralisation. Previous shallow RAB drilling in this area also intersected anomalous copper and gold intervals. The western IP line has also identified a number of chargeable features associated with the copper horizon, but of less intensity to those on the eastern IP line.

Soil and rock chip sampling, RAB drilling and a hyperspectral airborne survey (Hymap) were completed historically in the broader Copper Royals district. Historic first pass RAB drilling identified thin intervals of copper mineralisation, however there is little evidence that geophysics was utilised in drill targeting. Core believes that utilising geophysics has the potential to map mineralisation at depth, further enhancing the targets by utilising modern exploration techniques.

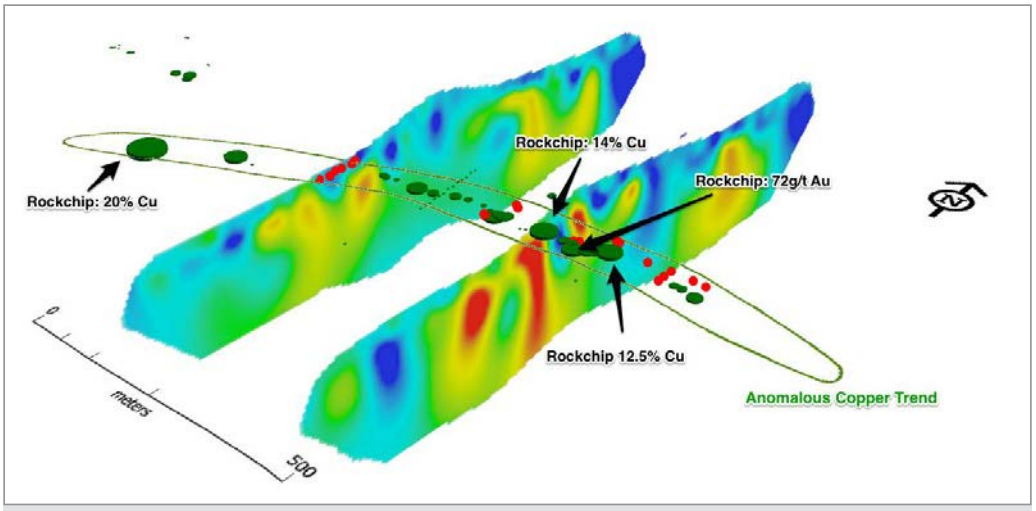


Figure 6 *Copper Queen IP chargeability sections showing historic drilling (red) and thematic copper rockchip sampling (green).*

Project Overview





JERVOIS DOMAIN

EL 29579, EL 29580, EL 29581 and EL 29669, Northern Territory

CXO 100%

The Company's analysis of geophysics, geology and newly developing mineralising models has defined a large prospective zone at its Jervois Domain project in the Northern Territory.

The Company is planning an AEM survey to define drill targets within the 20km zone that has similar structural and magnetic features to KGL Resources Ltd (ASX:KGL) nearby Jervois prospects.

Core's four tenements 100% owned surround KGL's tenements and cover approximately 280 square kilometres in the highly prospective Jervois region 200km north east of Alice Springs, Northern Territory.

Recent drilling by KGL in the centre of the Jervois Domain has reported several new, very high-grade discoveries and drill intersections substantially upgrading the economic potential of Australia's newest exploration province in the Northern Territory (Figure 7).

Core's adjacent EL 29581 is located only 500m west of KGL's Bellbird drill intersection of 13m @ 5.75% Cu, 23.2g/t Ag, 0.32g/t Au from 20m (hole JOC090) announced by KGL (ASX 21/07/14).

To date, significant mineralisation has been successfully discovered in the outcropping Jervois Domain in a "J" shaped horizon which is dominated by tightly folded Bonya Schist (Figure 8). Due to shallow cover, only limited work has been undertaken elsewhere in this highly prospective district.

CXO's exploration model in the Jervois region considers the mineralised host stratigraphy is repeated under shallow cover on the eastern side of the Jervois Domain as illustrated in the solid geology interpretation and cross section (A-B, C-D) (Figure 9) and magnetic image in Figure 10. This interpreted repeated stratigraphy runs directly through Core's tenements.

Core has noted KGL's recent success using electromagnetics (EM) on their neighbouring ground to map mineralised conductors beyond known resources and at depth. The magnetic and potentially replicated mineralised system is evident on Core's tenements albeit at lower amplitude reflecting a likely deeper source. The proposed AEM survey has the potential to map and model 3D conductors to 300-400m depth.



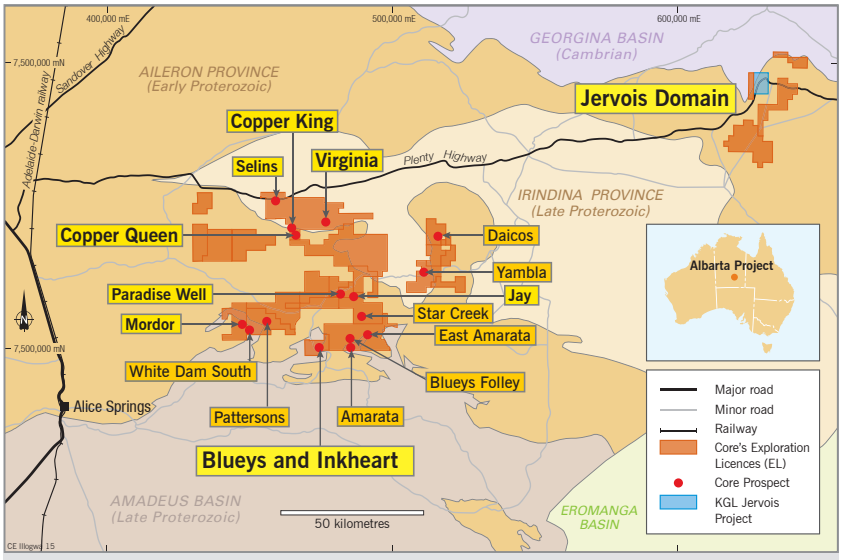


Figure 7 *Location of Jervois Domain project, Northern Territory.*

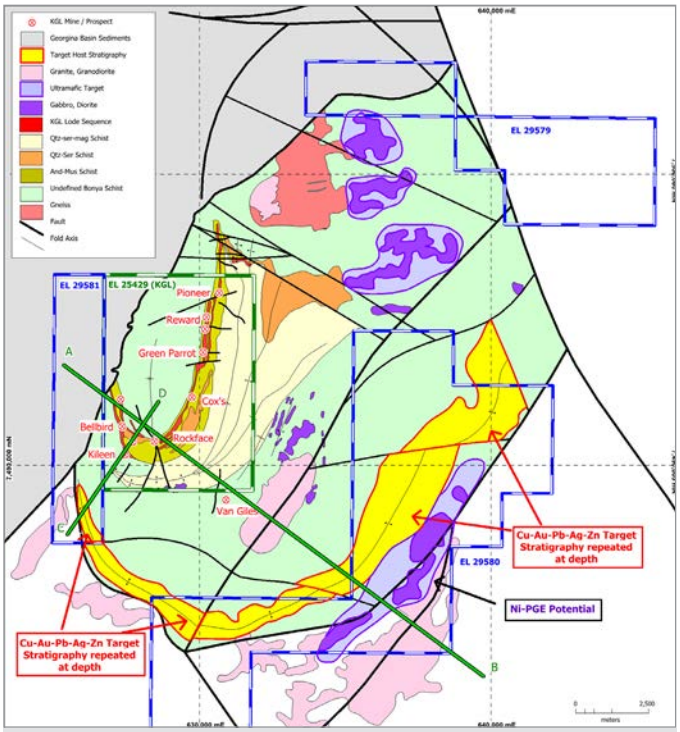


Figure 8 *Interpreted geology of Jervois Domain project, Northern Territory.*

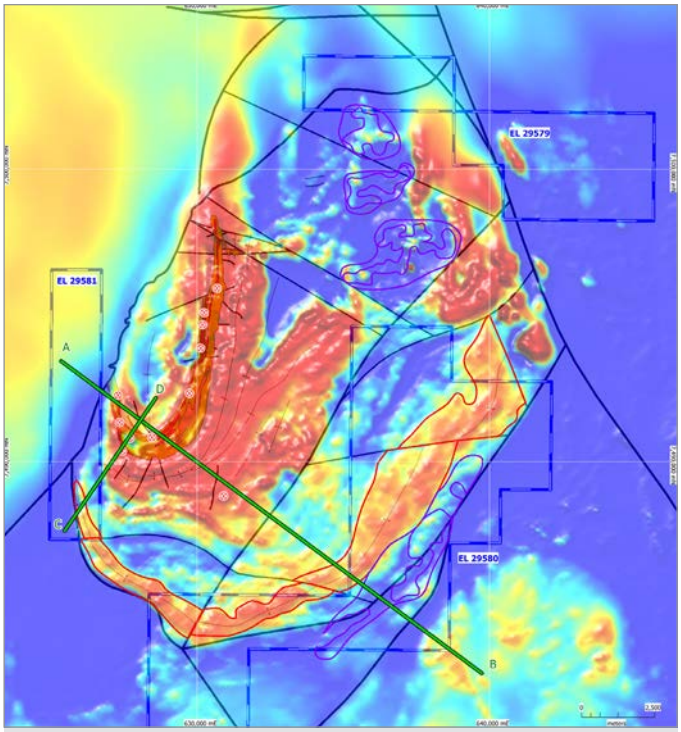


Figure 10 *RTP magnetics over Jervois Domain project, Northern Territory.*

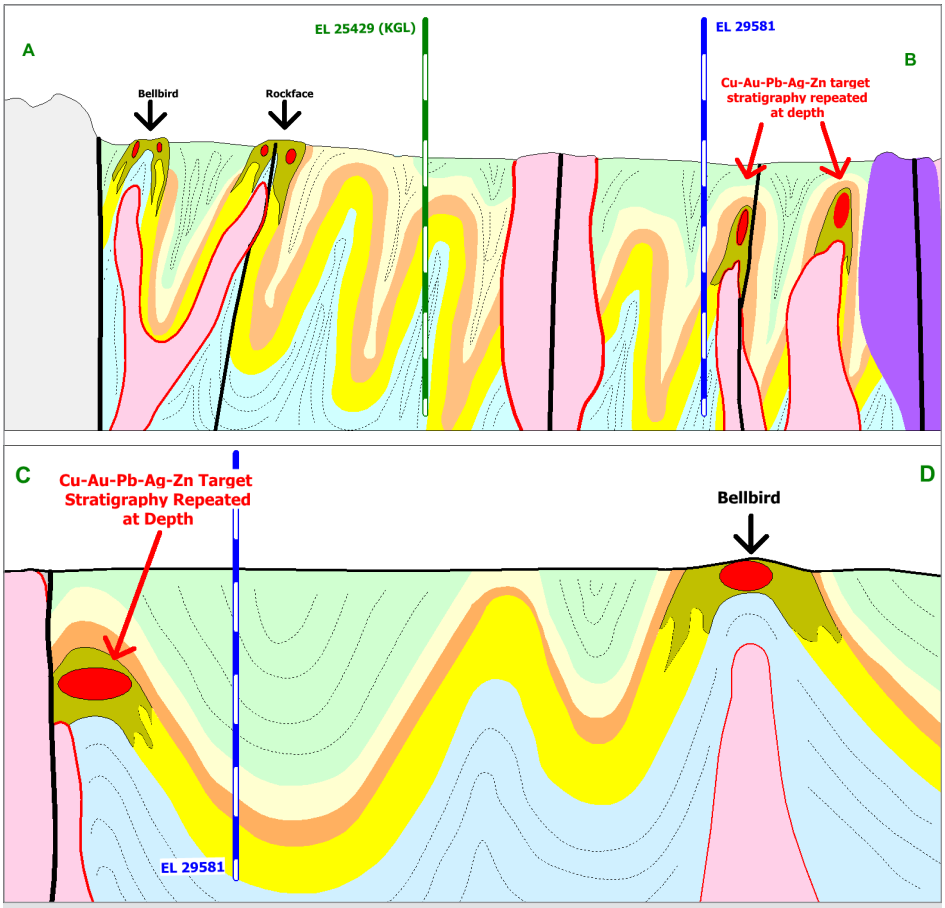
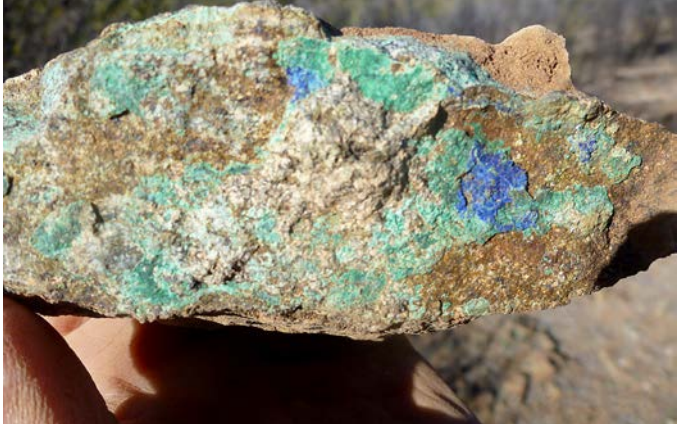


Figure 9 *Cross sections A–B and C–D, Jervois Domain project, Northern Territory.*

Project Overview





REGIONAL EXPLORATION ALBARTA

Multiple tenements, Northern Territory

During the 2014 Annual reporting period, systematic exploration by Core has made a number of new discoveries of outcropping copper mineralisation in the Northern Territory.

Soil surveys, geological mapping and sampling, acquisition of ground geophysics and interpretation of airborne geophysics and remote sensing were utilised to make these discoveries in the under explored east Arunta.

Core has discovered five new copper prospects in the Greater Paradise Well area alone within the Company's Albarta Project (Figure 11).

New Paradise Well Prospect

High tenor copper (malachite) mineralisation was found in a north-west (NW) striking coarse grained garnet + quartz + malachite unit which appears to be located within foliated amphibolites. To date the mineralised unit has been mapped over a distance of approximately 130m, striking NW and is commonly mineralised with copper grades up to 6.16% and gold up to 0.84g/t.

Paradise Well South Prospect

This prospect was originally identified by an historical rock chip sample of 3.7% copper. Further work at this prospect has found rocks with disseminated and/or stained malachite along a north-east (NE) striking structural trend discontinuously over approximately 350m. The mineralised units include coarse grained garnet + quartz unit, amphibolites and fine grained quartz + garnet + biotite gneisses with the local trends typically being NE striking.

Hale River Prospect (formerly Paradise Well South)

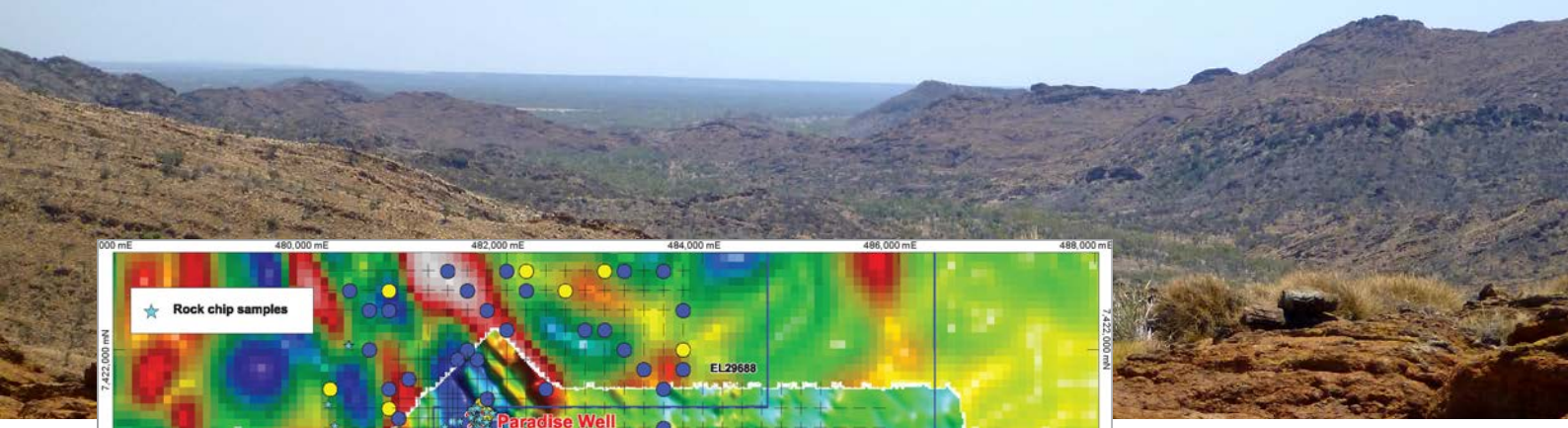
Located on an outcropping hill to the south of the Hale River, the Hale River Prospect contains disseminated malachite and malachite staining of host amphibolites and quartz rich pegmatites/granites/melts sheared within amphibolites. Mineralisation identified to date is within a 40 by 40m area with a peak rock chip result of 4.38% copper.

Paradise Well Prospect

The Paradise Well prospect contains discrete structurally controlled malachite within coarse grained quartz + garnet + biotite gneiss and fine grained garnet + biotite + quartz gneisses, possibly in a litho-chemically controlled structural setting. Malachite is observed staining or disseminated within "linear" N-S trending bodies, controlled by either structures and/or lithological contacts. Currently the highest rock chip result from the Paradise Well prospect is 2.94% copper.

Jay Prospect

Core found outcrop grading up to 8.9% copper at the newly identified Jay prospect. Core's geologists were following up on a copper in soil anomaly overlying a 2km long "J" shaped magnetic feature by the Company's recent soil survey in the Greater Paradise Well area when they found malachite and azurite (copper minerals) replacing primary sulphides at the northern end of the copper in soil target. The same host rock – a coarse grained garnet gneiss ± iron oxide altered granite – was also associated with similar copper mineralisation found 1.5km to the south, near the hinge of the connecting magnetic "J" feature (Figure 12).



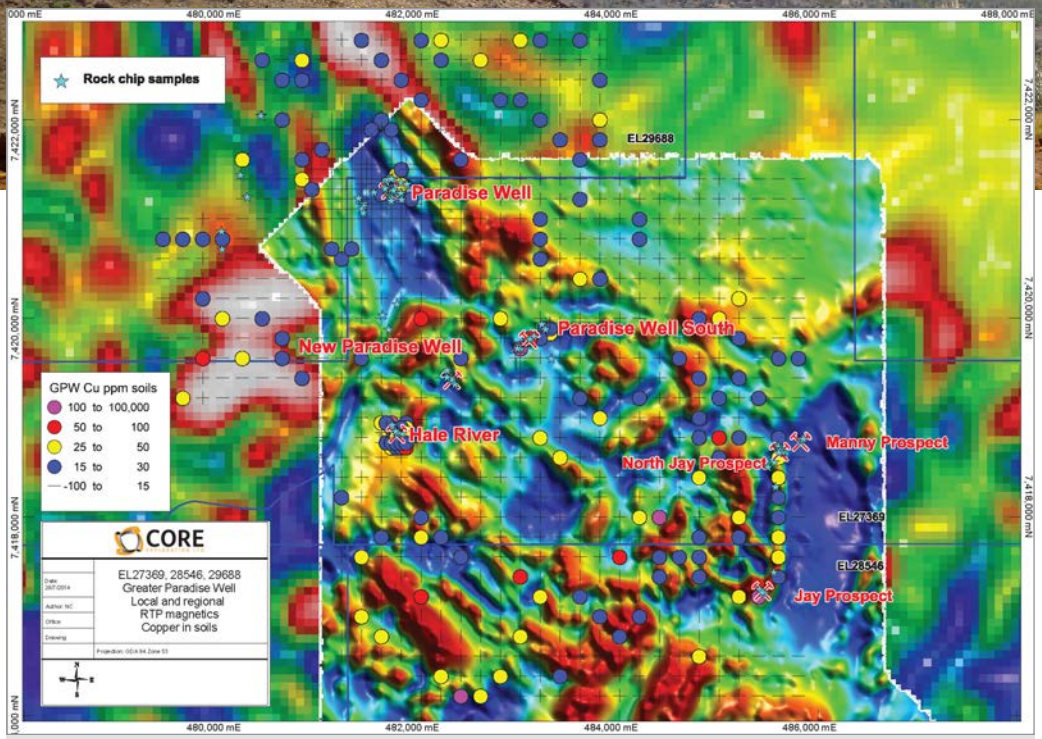


Figure 11 *Local and regional RTP magnetics and copper in soils, Greater Paradise Well, Northern Territory.*

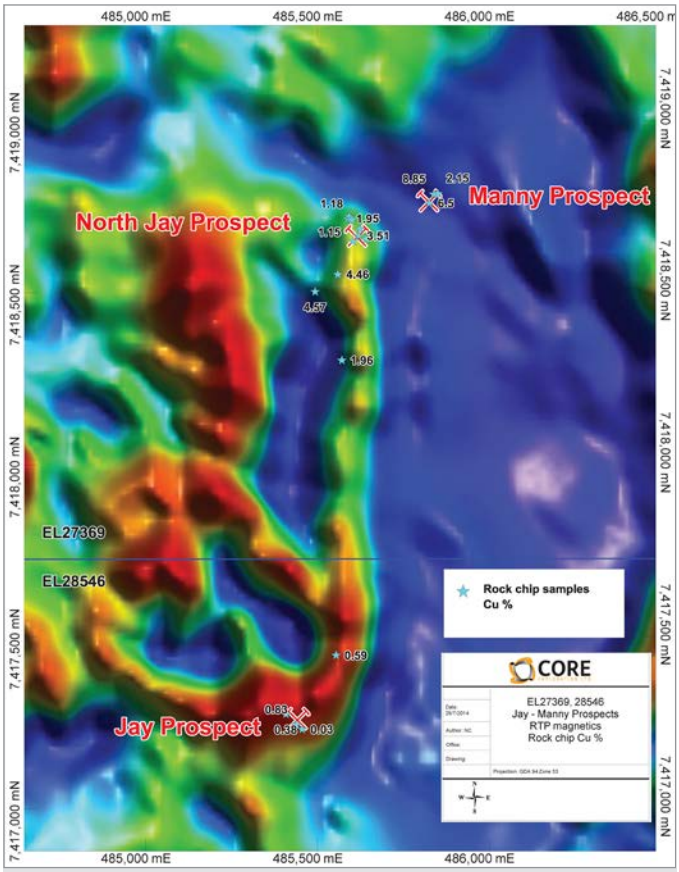


Figure 12 *RTP magnetics and rock chip Cu%, Jay and Manny Prospects, Northern Territory.*



Project Overview





ROXBY PROJECT

EL 4906 and EL 4816, South Australia

CXO 100%

Core's Roxby Project covers more than 400km^2 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 (Figure 13).

Geophysical modelling and review of previous and recent exploration data conducted by Core during the reporting period has identified high priority drill targets which the Company considers are yet to be adequately defined and drill tested.

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 drill holes on the potential large scale IOCG targets. Exploration targets are beneath more than 500m of cover sediment in most locations.

Tenements in this highly sought after geological domain are receiving increased attention following the recent release of the Woomera $2m gravity survey conducted by DMITRE and Geoscience Australia and also positive announcements by BHP Billiton of it's Wirrda Well IOCG project and OZ Minerals' Khamsin IOCG discovery in the surrounding area during the reporting period.

Core's neighbouring Roxby project covers a large prospective area only 10km from Wirrda Well and near BHP Billiton's Olympic Dam mine in northern South Australia. The Roxby South tenements are located approximately 40 kilometres south of the Olympic Dam copper gold uranium mine.

Core's 100%-owned Roxby project is one of the few independent projects covering the highly prospective geology between BHPB's Olympic Dam mine and its Wirrda Well project and Oz Minerals' Carrapateena project and as such, Core has been and is continuing discussions with a number of Australian and International parties who have expressed interest in this highly prospective and sought-after Tier 1 IOCG terrain.

There are a number of examples in the Olympic Dam domain, famously at the Prominent Hill mine and most recently at Oz Minerals Khamsin project, where a major IOCG discovery has been made by drilling a few hundred meters from previous drilled holes in areas which contain high priority geophysical targets.

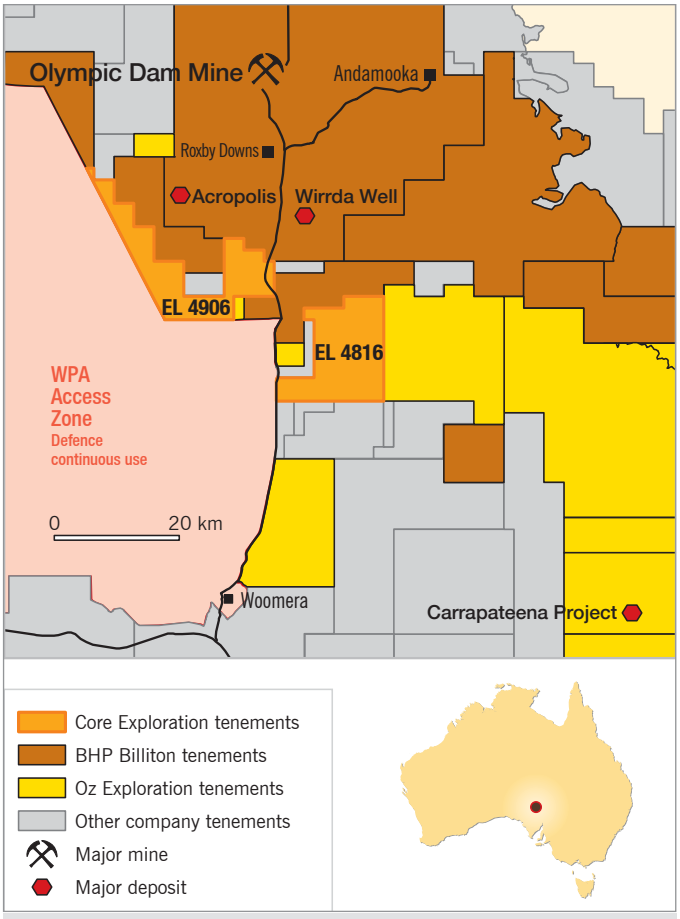


Figure 13 *Roxby Project, South Australia.*







FITTON

EL 4569, South Australia

CXO 100%

Core discovered uranium at Fitton in November 2012 in its first drilling campaign on the project. The company's second RC drilling program in March 2013 hit thick and high grade uranium intercepts which have continued to extend uranium mineralisation (Figure 14).

Best intersections of high grade shallow uranium mineralisation at Core Exploration's Fitton Project include 11m @ 1309ppm U_3O_8 (across strike) and 60m @ 482ppm U_3O_8 (down plunge) (Figure 15).

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
- exploration potential for repeated mineralised structures

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 three operating uranium mines:

- Beverley Mine
  (46Mlb U_3O_8 Resource
  7.7Mt @ 0.27% (21,000T U_3O_8)
- Beverly North Mine
  (8.8Mlb U_3O_8 Resource
  2.2Mt @ 0.18% (4,000T U_3O_8)
- Four Mile Mine
  (71Mlb U_3O_8 Resource
  9.8Mt @ 0.33% (32,000T 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 Beverly, Berney North and Four Mile uranium mines. The Mt Painter Inlier is rich in uraniferous Proterozoic granites which have acted as source lithologies for secondary palaeochannel uranium deposits.

Uranium 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 conduit and reductant host which has formed a chemical trap for uranium rich fluid likely to be sourced from the uranium rich granites of the Mt Painter Inlier.

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 Unconformity 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.

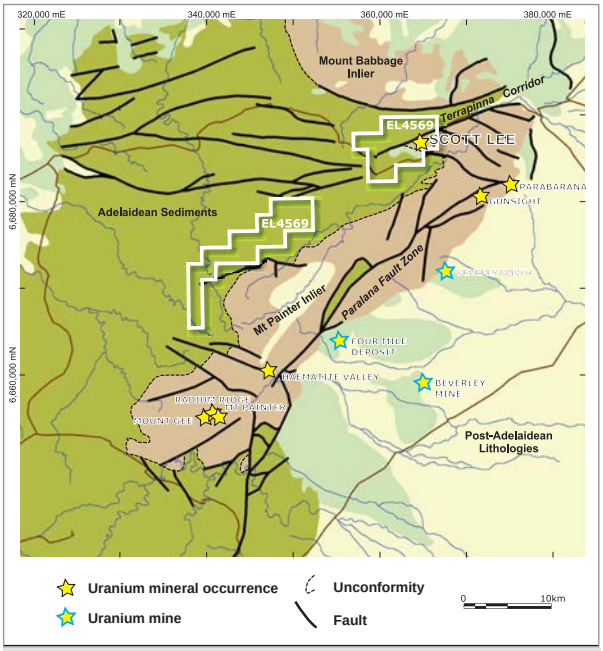


Figure 14 *Location of Fitton Project, South Australia.*

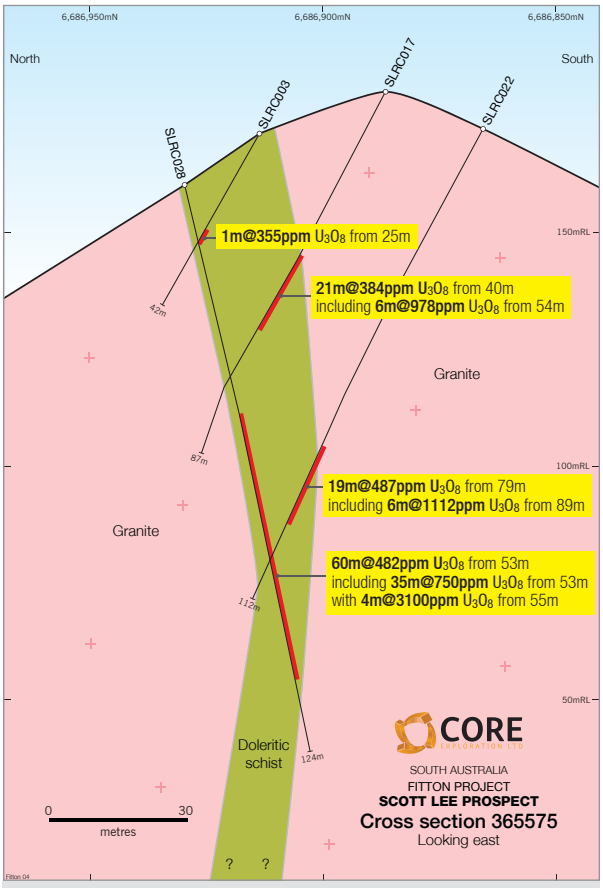


Figure 15 *Cross section 365575, Fitton Project, South Australia.*







YERELINA

EL 5015, South Australia

100% CXO

Core's Yerelina Project comprises 999km^2 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 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, 2013 and 2014 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 (Figure 16). Assay results also show that high grade mineralisation 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 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.

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.

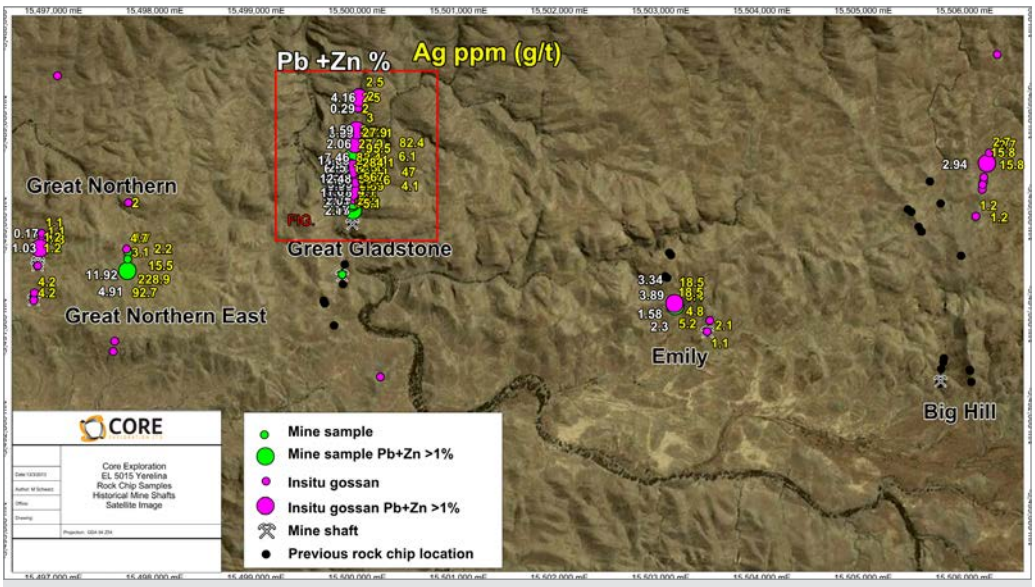


Figure 16 *Location of rock chip samples Yerelina, South Australia.*

Tenement Schedule

TENEMENT NAME	TENEMENT NUMBER	STATUS	EQUITY
South Australia			
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%
Billy Springs	EL 5375	Granted	100%
Northern Territory			
Mordor	EL28940	Granted	100%
Jervois	EL29579	Granted	100%
Jervois	EL29580	Granted	100%
Jervois	EL29581	Granted	100%
Riddoch	EL29667	Granted	100%
Riddoch	EL29668	Granted	100%
Jervois	EL29669	Granted	100%
Laughlen	EL29687	Granted	100%
Riddoch	EL29688	Granted	100%
Riddoch	EL29689	Granted	100%
Mt Russell	EL27369	Granted	100%*
Pattersons	EL27709	Granted	100%*
White Range East	EL28029	Granted	100%*
Blueys	EL28136	Granted	100%*
Star Creek	EL28546	Granted	100%*
Gough Dam	EL28852	Granted	100%*
No 1 Tank	EL28853	Granted	100%*
Mt Johnstone	EL28854	Granted	100%*
Woolgathering	EL29280	Granted	100%*
Brumby Dam	EL29304	Granted	100%*
Yambla	EL29347	Granted	100%*
Mt George	EL29389	Granted	100%*
Daicos	EL29512	Granted	100%*
Mt Emma	EL29514	Granted	100%*

* Subject to Ministerial consent.

Core advises that no work has been performed or is required to further evaluate historical estimates previously announced by the Company. As and when announcements relating to historical estimates are released by Core, the required disclosure under JORC 2012 will be made.

Historical estimates in relation to the Yorke Peninsula project have not been verified in accordance with JORC 2012 where exploration activities were performed more than three years earlier (prior to 2011/12) as further exploration has not been undertaken on these projects since Core has been required to report under JORC 2012. The historical estimates will be reported under JORC 2012 at the next opportunity that Core undertakes further exploration in this project area.

Directors' Report

Core's Directors have pleasure in submitting their report on the Company and its subsidiaries, for the year ended 30 June 2014.

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 Ltd (ASX:AXE) and was a Director of Gawler Resources Ltd (ASX:GRL) prior to its merger with Elixir Petroleum Ltd (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 / PERFORMANCE RIGHTS

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.

1,000,000 Unlisted Performance Rights subject to various vesting criteria.

Stephen Biggins, MBA, BSc (Hons) Geol, MAusIMM
Managing Director (appointed 10 September 2010)

EXPERIENCE AND EXPERTISE

Stephen has accumulated broad experience as a 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.

Stephen applied his MBA (Master of Business Administration), as the Managing Director of Southern Gold Ltd, to the finance and management of exploration and resources projects (2005-2010).

Stephen was also a Non-executive Director of Investigator Resources Ltd (2007-2009) (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.

4,000,000 Unlisted Performance Rights subject to various vesting criteria.

Michael Schwarz, BSc (Hons) Geology, AIG
Executive Director – Exploration (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.

As the former Managing Director of Monax Mining Ltd, Michael has been responsible for building a portfolio of highly prospective tenements with a focus on iron-oxide copper-gold and uranium. From this base, the Company successfully listed on the ASX in 2005 with an oversubscribed $5 million IPO. During his time with the Company, he was instrumental in the discovery of both the Punt Hill IOCG project and Waddikee Manganese project with over $10 million of equity finance raised to develop these projects.

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

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 an entity 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 an entity in which Mr Schwarz has a beneficial interest.

3,500,000 Unlisted Performance Rights subject to various vesting criteria.

Heath Hellewell, BSc (Hons) MAIG
Non-executive Director (appointed 15 September 2014)

EXPERIENCE AND EXPERTISE

Heath is an exploration geologist with over 20 years of experience in gold, base metals and diamond exploration predominantly in Australia and West Africa. Heath has previously held senior exploration positions with a number of successful mining and exploration groups including DeBeers Australia and Resolute Mining. Heath joined Independence Group in 2000 prior to the Company's IPO and was part of the team that identified and acquired the Tropicana project area, eventually leading to the discovery of the Tropicana and Havana gold deposits. Most recently Heath was the co-founding Executive Director of Doray Minerals, where he was responsible for the Company's exploration and new business activities. Following the discovery of the Andy Well gold deposits, Doray Minerals was named "Gold Explorer of the Year" in 2011 by The Gold Mining Journal and in 2014 Heath was the co-winner of the prestigious "Prospector of the Year" award, presented by the Association of Mining and Exploration Companies.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

None.

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Executive Director of Doray Minerals Ltd, appointed 20 August 2009 and resigned 30 June 2014.

INTEREST IN SHARES

None.

INTEREST IN OPTIONS / PERFORMANCE RIGHTS

None.

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

COMPANY SECRETARY

Jaroslaw (Jarek) Kopias, BCom, CPA, AGIA, ACIS
Company Secretary / Chief Financial Officer (appointed 21 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, is a Chartered Secretary and a member 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 2014, was $1,118,141 (2012/13 $1,937,088) after providing for income tax – a decrease of $818,947.

The key contributor to the decreased loss for the year was a reduction in impairment of $676,088. Impairment is assessed from year to year and projects are assessed independently to prior years. Impairment expense is incurred where projects or tenements are relinquished and based on a prospectivity assessment for each project. The directors assessed the prospectivity of the Company's Yorke Peninsula project and on that basis determined to write-down the project by $497,751 during the year. In the prior year, Core relinquished the Amadeus Project in NT and 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 2012/13.

In addition, the income tax benefit increased by $196,548 primarily due to an increase in Research and Development tax credit.

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.

The risks associated with the projects listed below are those common to exploration activities generally. Exploration targets are conceptual in nature such that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

The main environmental and sustainability risks that Core currently faces are through ground disturbance when undertaking sampling or drilling activities. The Company's approach to exploration through environmental, heritage and other clearances allows these risks to be minimised.

The financial impact of the projects listed below is a requirement for further expenditure where successful exploration leads to follow-up activities. All exploration activities may be funded by the Company's own cash reserves or through joint venture arrangements.

ALBARTA PROJECT

Northern Territory

Core Exploration executed tenement acquisition agreements during the 2014 reporting period to take the Company to 100% ownership of exploration interests in its larger Albarta Project that covers over 2,000km^2 of the newly recognised, highly prospective IOCG Aileron Province, 100km NE of Alice Springs in the Northern Territory.

Core's recent exploration has identified highly prospective drill targets in the Northern Territory and this acquisition gives Core shareholders the maximum exposure to the upside.

Given the outstanding exploration results received to date across our Albarta Tenements, the acquisition of these tenements gives the Company the flexibility to deal with the multi-commodity exploration strategies evolving within the Albarta Project. Core's tenements include a number of significant copper, silver, PGE, REE and uranium mineral occurrences.

The Company believes that the existing evidence of mineralisation and recently confirmed IOCG prospectivity by Geoscience Australia and NTGS verifies the strategy that Core has pursued to take a strong position in an area that is becoming Australia's new exploration province.

The future strategy for Core is to undertake additional drilling in the area on priority targets. The main prospective areas in the Northern Territory are the Inkheart Blueys Prospects in EL 28136, Virginia and Copper Queen Prospects in EL 29689 and the Jervois Domain comprising EL 29579, EL 29580, EL 29581 and EL 29669.

Further technical detail on each of the prospects is located in the Project Overview of the Annual Report.

REGIONAL EXPLORATION ALBARTA

Northern Territory

During the 2014 Annual reporting period, systematic exploration by Core has made a number of new discoveries of outcropping copper mineralisation in the NT.

Soil surveys, geological mapping and sampling, acquisition of ground geophysics and interpretation of airborne geophysics and remote sensing were utilised to make these discoveries in the under explored east Arunta.

Core has discovered five new copper prospects in the Greater Paradise Well area alone within the Company's Albarta Project.

These prospects comprise Paradise Well, Paradise Well South, Hale River Prospect (formerly Paradise Well South) and the Jay Prospect and any future work on these prospects will be prioritised as appropriate within the Company's exploration activities.

ROXBY PROJECT

EL 4906 and 4816, South Australia

Core's Roxby Project covers more than 400km^2 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.

Geophysical modelling and review of previous and recent exploration data conducted by Core during the reporting period has identified high priority drill targets which the Company considers are yet to be adequately defined and drill tested.

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 drill holes on the potential large scale IOCG targets. Exploration targets are beneath more than 500m of cover sediment in most locations.

Tenements in this highly sought after geological domain are receiving increased attention following the recent release of the Woomera $2m gravity survey conducted by DMITRE and Geoscience Australia and also positive announcements by BHP Billiton of it's Wirrda Well IOCG project and OZ Minerals' Khamsin IOCG discovery in the surrounding area during the reporting period.

Core's neighbouring Roxby project covers a large prospective area only 10km from Wirrda Well and near BHP Billiton's Olympic Dam mine in northern South Australia. The Roxby South tenements are located approximately 40 kilometres south of the Olympic Dam copper-gold-uranium mine.

Core's 100%-owned Roxby project is one of the few independent projects covering the highly prospective geology between BHPB's Olympic Dam mine and its Wirrda Well project and Oz Minerals' Carrapateena project and as such, Core has been and is continuing discussions with a number of Australian and International parties who have expressed interest in this highly prospective and sought-after Tier 1 IOCG terrain.

FITTON

EL 4569, South Australia

Core discovered uranium at Fitton in November 2012 in its first drilling campaign on the project. The company's second RC drilling program in March 2013 hit thick and high grade uranium intercepts which have continued to extend uranium mineralisation.

Best intersections of high grade shallow uranium mineralisation at Core Exploration's Fitton Project include 11m @ 1309 ppm U_3O_8 (across strike) and 60m @ 480 ppm U_3O_8 (down plunge).

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 Beverly, Berney North and For Mile Uranium mines. The Mt Painter Inlier is rich in uraniferous Proterozoic granites which have acted as source lithologies for secondary palaeochannel uranium deposits.

Uranium 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 conduit and reductant host which has formed a chemical trap for uranium rich fluid likely to be sourced from the uranium rich granites of the Mt Painter Inlier.

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 Unconformity 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.

Further technical detail is located in the Project Overview of the Annual Report.

Core is monitoring recent increases in the uranium price and will look to increase exploration activity again at Fitton if uranium prices continue to increase.

YERELINA

EL 5015, South Australia

Core's Yerelina Project comprises 999km^2 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 eight 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 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, 2013 and 2014 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 continues between and beyond the historic mineralisation, which was of initial interest to Core.

Core is considering prospect scale geophysical surveys to develop drill targets and geophysical signatures of mineralisation to enable regional mapping of the mineralised system at Yerelina.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no 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 Placement on 22 August 2014 raising $1.0 million before costs.

On 15 September 2014, the Company announced that Mr Heath Hellewell joined the Board of Directors as a new, independent Non-executive Director.

On 23 September, the Board determined that the Managing Director, Stephen Biggins, met the Finance related KPI and is entitled to 100% of the performance rights for this KPI in the current year (total of 500,000 performance rights) as approved by shareholders at the 2013 AGM. The performance rights offered to the Managing Director under the Performance Rights Plan will vest upon acceptance.

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, including drilling of key prospects on the Albarta Project. As well as ongoing exploration from time to time Albarta, Roxby, 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	10	10
SR Biggins	10	10
MP Schwarz	10	10

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	NUMBER UNDER OPTION
11 November 2010	31 October 2014	$0.2463	1,500,000
17 April 2014	31 October 2015	$0.0750	200,000
17 April 2014	31 October 2015	$0.1000	1,000,000
Total unlisted options			2,700,000
12 July 2013	31 October 2014	$0.1000	32,720,296
Total listed options			32,720,296

Following a rights issue undertaken by the Company, closing on 4 July 2013, the exercise price of all unlisted options on issue at the time reduced by $0.0037 per share (announced on 9 September 2013).

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

E. Other information

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

The Company's remuneration policy has been designed to align objectives of key management personnel with objectives of shareholders and the business, by providing a fixed remuneration component and offering specific long-term incentives through the issue of options and / or performance rights. 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, options and performance rights. 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 the Company's Share Option Plan and Performance Share Plan as approved by shareholders at the 2013 AGM held on 14 November 2013.
- 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, except in relation to share-price based KPI performance rights. 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, performance reviews of senior executives were not conducted.

Performance based remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and other key management personnel. Currently, this is facilitated through the issue of options and/or performance rights 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. There is currently no relationship of board policy for KMP remuneration and the entity's performance for the last 5 years.

Voting and comments made at the company's 2013 Annual General Meeting

Core received more than 93% of "yes" votes on its remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM on its remuneration 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

2014	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		% OF REMUNERATION THAT IS EQUITY BASED
	SALARY AND FEES $	CONTRACT PAYMENTS $	SUPERANNUATION $	OPTIONS AND PERFORMANCE RIGHTS[1] $	TOTAL $	
Non-executive Directors						
G English	-	60,000	-	4,920	64,920	8%
Executive Directors						
S Biggins	-	300,000	-	45,540	345,540	13%
M Schwarz	176,201	-	16,299	37,920	230,420	16%
Other key management personnel						
J Kopias[2]	-	80,190	-	2,460	82,650	3%
TOTAL	176,201	440,190	16,299	90,840	723,530	

2013	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS		% OF REMUNERATION THAT IS EQUITY BASED
	SALARY AND FEES $	CONTRACT PAYMENTS $	SUPERANNUATION $	OPTIONS $	TOTAL $	
Non-executive Directors						
G English	-	60,000	-	-	60,000	0%
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[2]	-	87,277	-	-	87,277	0%
TOTAL	207,951	401,295	18,716	13,468	641,430	

1 Performance rights issued in 2014 and options issued in 2013.

2 Fees paid to Kopias Consulting and Barker Wentworth – entities associated with Mr Kopias.

There have been no changes in KMP during the year.

All KMP have been issued with performance based rights. The KPI's associated with the rights are detailed in section D below.

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] – Managing Director	$300,000	per annum contract	2 years	Three months[2]	Three months' notice[2]
M Schwarz[3] – Exploration Director	$200,000	per annum salary	3 years	Three months	Three months' notice
J Kopias – CFO & Company Secretary	Variable	Hourly rate contract	Unspecified	One month	None

1 Mr Biggins is to provide on average 4 days per week, during normal working hours and agreed to a new contract with the Company on similar terms commencing on 1 July 2014.

2 Mr Biggins is entitled to six months' termination benefits in the case where the Company terminates the contract prior to 1 January 2015.

3 M Schwarz provides 4 days per week service to the Company.

D. Share-based remuneration

There were no options granted over ordinary shares in the Company to KMP as remuneration during the year.

All performance rights refer to a right to convert one right to one ordinary share in the Company, under the terms of the agreements.

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

	GRANTED					
2014	NUMBER GRANTED	GRANT DATE	FAIR VALUE AT GRANT DATE		FIRST VESTING DATE[1]	LAST VESTING DATE
			PER RIGHT	FULL VALUE $		
G English	500,000	19/11/2013	$0.074	3,700	1 Share Price 14	31/12/2014
G English	500,000	19/11/2013	$0.090	4,500	1 Share Price 15	31/12/2015
S Biggins	500,000	19/11/2013	$0.074	3,700	1 Share Price 14	31/12/2014
S Biggins	500,000	19/11/2013	$0.090	4,500	1 Share Price 15	31/12/2015
S Biggins	500,000	19/11/2013	$0.237	11,850	2 Finance 14	31/12/2014
S Biggins	500,000	19/11/2013	$0.237	11,850	2 Finance 15	31/12/2015
S Biggins	500,000	19/11/2013	$0.215	10,750	3 Joint Venture 14	31/12/2014
S Biggins	500,000	19/11/2013	$0.225	11,250	3 Joint Venture 15	31/12/2015
S Biggins	500,000	19/11/2013	$0.215	10,750	4 Project / Bus Dev 14	31/12/2014
S Biggins	500,000	19/11/2013	$0.225	11,250	4 Project / Bus Dev 14	31/12/2015
M Schwarz	500,000	19/11/2013	$0.074	3,700	1 Share Price 14	31/12/2014
M Schwarz	500,000	19/11/2013	$0.090	4,500	1 Share Price 15	31/12/2015
M Schwarz	1,250,000	19/11/2013	$0.215	26,875	5 Exploration 14	31/12/2014
M Schwarz	1,250,000	19/11/2013	$0.225	28,125	5 Exploration 15	31/12/2015
J Kopias	250,000	19/11/2013	$0.074	1,850	1 Share Price 14	31/12/2014
J Kopias	250,000	19/11/2013	$0.090	2,250	1 Share Price 15	31/12/2015
TOTAL	9,000,000					

1 Meeting criteria of the KPI Type listed determines vesting of rights – 50% of each KPI is measured in each of the years ending 31 December 2014 and 31 December 2015.

Remuneration Report (Audited)

KPI related performance rights were granted to all KMP during the year and those issued to Directors were approved at the 2013 AGM. The KPI conditions related to these rights are listed below:

KPI	MAXIMUM NUMBER OF KMP RIGHTS VESTED UPON ACHIEVING KPI			
	G ENGLISH	S BIGGINS	M SCHWARZ	J KOPIAS
1. Share price	1,000,000	1,000,000	1,000,000	500,000
2. Finance	-	1,000,000	-	-
3. Joint Venture	-	1,000,000	-	-
4. Project and Business Development	-	1,000,000	-	-
5. Exploration	-	-	2,500,000	-
TOTAL	1,000,000	4,000,000	3,500,000	500,000
GRAND TOTAL				9,000,000

1. Share price KPI

The vesting of Director Performance Rights under this KPI is tied to achieving a Share price as follows:

- Core's Share price of at least 10 cents per Share based on the 45 day VWAP commencing on 1 November 2014.
- Core's Share price of at least 15 cents per Share based on the 45 day VWAP commencing on 1 November 2015.

2. Finance KPI

The vesting of Director Performance Rights under this KPI is tied to raising in excess of $2 million per annum commencing 1 January 2014 to 31 December 2015 at pricing (using the weighted average if multiple transactions):

- 0-15 % discount to 20-day VWAP then 100% of rights issued.
- 15-30% discount to 20-day VWAP then 50% of rights issued.

3. Joint Venture KPI

The vesting of Director Performance Rights under this KPI is tied to Mr Biggins recommending and the Board approving a joint venture or farmout project as listed:

- Execution and completion of a farm-out or joint venture transaction satisfactory to the Board greater than or equal to $4 million then 100% of the rights issued.
- Execution and completion of a farm-out or joint venture transaction satisfactory to the Board greater than or equal to $1 million then 50% of the rights issued.

4. Project and Business Development KPI

The vesting of Director Performance Rights under this KPI is tied to Mr Biggins recommending, the Board approving and the Company executing and completing a transaction for the acquisition of an interest in a new region to the Company that is:

- not within 50km of an existing tenement currently held by Core; and
- not an Exploration Licence Application.

5. Exploration KPI

The vesting of Director Performance Rights under this KPI is tied to achieving exploration results as listed:

Mr Schwarz will be entitled to 50% of his exploration Performance Rights in each year subject to achieving one of a number of possible drill intersections, based on assay results, listed below. This KPI can only be achieved once within a prospect area (within 5km radius of the drillhole).

- 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
- 2,500g.m silver (Ag) or equivalent drill intersection. For example, a drill intersection of 10 metres at 250 grams per tonne silver; 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.

Mr Schwarz will be entitled to 100% of his exploration Performance Rights in each year subject to achieving one of a number of possible drill intersections, based on assay results, listed below. This KPI can only be achieved once within a prospect area (within 5km radius of the drillhole).

- 40%.m copper (Cu) or equivalent drill intersection. For example, a drill intersection of 10 metres at 4% copper; or
- 200g.m gold (Au) or equivalent drill intersection. For example, a drill intersection of 10 metres at 20 grams per tonne gold; or
- 10,000g.m silver (Ag) or equivalent drill intersection. For example, a drill intersection of 10 metres at 1,000 grams per tonne silver; or
- 4.0 m%GT (grade thickness) uranium (U_3O_8) or equivalent drill intersection. For example, a drill intersection of 10 metres at 0.4% U_3O_8.

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:

2014 DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2013	MOVEMENT DURING YEAR[1]	OPTIONS EXERCISED	HELD AT 30 JUNE 2014
G English	5,665,000	400,000	-	6,065,000
S Biggins	5,941,000	166,667	-	6,107,667
M Schwarz	250,000	333,334	-	583,334
J Kopias	60,000	166,667	-	226,667
TOTAL	11,916,000	1,066,668	-	12,982,668

1 Movement represents participation in the Company's rights issue through either entitlement or underwriting.

Option 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 KMP, including their personally-related entities as at reporting date, is as follows:

Unlisted options

2014 DIRECTORS	HELD AT 30 JUNE 2013	ACQUIRED DURING YEAR	DISPOSED DURING YEAR[1]	EXERCISED	HELD AT 30 JUNE 2014	VESTED AND EXERCISABLE AT 30 JUNE 2014
G English	3,000,000	-	(3,000,000)	-	-	-
S Biggins	3,000,000	-	(3,000,000)	-	-	-
M Schwarz	3,000,000	-	(3,000,000)	-	-	-
TOTAL	9,000,000	-	(9,000,000)	-	-	-

1 Disposal represents the forfeiture of 2,000,000 by M Schwarz upon the issue of performance rights on 19 November 2013 and the lapse on 7,000,000 options on 30 June 2014.

Remuneration Report (Audited)

Listed options

2014 DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2013	ACQUIRED DURING YEAR[2]	DISPOSED DURING YEAR	EXERCISED	HELD AT 30 JUNE 2014	VESTED AND EXERCISABLE AT 30 JUNE 2014
G English	-	400,000	-	-	400,000	400,000
S Biggins	-	166,667	-	-	166,667	166,667
M Schwarz	-	333,334	-	-	333,334	333,334
J Kopias	-	166,667	-	-	166,667	166,667
TOTAL	-	1,066,668	-	-	1,066,668	1,066,668

2 Movement represents participation in the Company's rights issue through either entitlement or underwriting.

There were no listed options on issue during 2012/13.

Performance rights holdings of key management personnel

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

2014 DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2013	ACQUIRED DURING YEAR[1]	DISPOSED DURING YEAR	EXERCISED	HELD AT 30 JUNE 2014	VESTED AT 30 JUNE 2014
G English	-	1,000,000	-	-	1,000,000	-
S Biggins	-	4,000,000	-	-	4,000,000	-
M Schwarz	-	3,500,000	-	-	3,500,000	-
J Kopias	-	500,000	-	-	500,000	-
TOTAL	-	9,000,000	-	-	9,000,000	-

1 Represents issue of performance rights issued to Directors following shareholder approval at the 2013 AGM and to the Company Secretary under Company's Performance Share Plan.

E. Other information

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 year totalling $300,000 (2013: $254,018). The total amount of fees due to BR1 Holdings Pty Ltd as at 30 June 2014 was $Nil (2013: $Nil).

Gregory English

Core Exploration engages Piper Alderman during 2013/14, a firm in which Mr English is a partner, and Norman Waterhouse Lawyers during 2012/13, a firm in which Mr English was a partner, on commercial terms for the provision of legal advice. Core exploration has incurred $12,110 (2013: $16,998) of legal fees during the financial year. The total amount of fees due to the legal firms as at 30 June 2014 was $Nil (2013: $7,273).

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 year totalling $80,190 (2013: $87,277) and are disclosed in the remuneration report. The total amount of fees due to Kopias Consulting as at 30 June 2014 was $6,728 (2013: $9,783).

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 year, 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 indemnity 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 15 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 34 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 2001 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

25 September 2014

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 2014, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 25 September 2014

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 one day 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	-
Senior management	1	-
Other employees	3	2
Total	7	2

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 to 4.3	The Board should establish an audit committee.	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 2014

	NOTES	2014 $	2013 $
Interest income		29,384	70,137
Other income		1,658	-
Administration costs		(517,642)	(512,525)
Employee benefits expense	18(a)	(321,491)	(256,571)
Exploration expense		(25,612)	(81,455)
Impairment expense		(497,751)	(1,173,839)
Depreciation expense	8	(25,391)	(37,296)
Share based payments expense	12	(7,262)	-
Other expenses		(5,043)	-
Loss before tax		(1,369,150)	(1,991,549)
Income tax benefit	3	251,009	54,461
Loss for the year from continuing operations		(1,118,141)	(1,937,088)
Other comprehensive income		-	-
Total comprehensive Income for the year		(1,118,141)	(1,937,088)
Loss attributable to:			
Owners of the parent entity		(1,118,141)	(1,937,088)
Total comprehensive income attributable to:			
Owners of the parent entity		(1,118,141)	(1,937,088)
Earnings per share from continuing operations	4		
Basic loss – cents per share		1.27	4.64
Diluted loss – cents per share		1.27	4.64

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

Statement of Financial Position

As at 30 June 2014

	NOTES	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	5	683,138	570,257
Trade and other receivables	6	390,638	74,112
Total current assets		1,073,776	644,369
Non-current assets			
Exploration and evaluation expenditure	7	4,470,318	3,800,341
Plant and equipment	8	60,304	90,179
Total non-current assets		4,530,622	3,890,520
TOTAL ASSETS		5,604,398	4,534,889
LIABILITIES			
Current liabilities			
Trade and other payables	9	161,780	209,822
Employee provisions	10	44,826	35,725
Total current liabilities		206,606	245,547
TOTAL LIABILITIES		206,606	245,547
NET ASSETS		5,397,792	4,289,342
EQUITY			
Issued capital	11	9,757,722	7,631,419
Reserves	12	514,335	414,047
Accumulated losses		(4,874,265)	(3,756,124)
TOTAL EQUITY		5,397,792	4,289,342

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 2014

2014	SHARE CAPITAL $	OPTION / RIGHTS RESERVE $	RETAINED EARNINGS $	TOTAL EQUITY $
Balance at beginning of year	**7,631,419**	**414,047**	**(3,756,124)**	**4,289,342**
Issue of placement, rights issue and share purchase plan shares	2,231,609	-	-	2,231,609
Issue costs (net of tax)	(105,306)	-	-	(105,306)
Issue of options to employees and contractors	-	100,288	-	100,288
Transactions with owners	9,757,722	514,335	(3,756,124)	6,515,933
Comprehensive income:				
Total profit or loss for the reporting year	-	-	(1,118,141)	(1,118,141)
Total other comprehensive income for the reporting year	-	-	-	-
Balance 30 June 2014	**9,757,722**	**514,335**	**(4,874,265)**	**5,397,792**

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
Comprehensive income:				
Total profit or loss for the reporting year	-	-	(1,937,088)	(1,937,088)
Total other comprehensive income for the reporting year	-	-	-	-
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 2014

	NOTES	2014 $	2013 $
Operating activities			
Interest received		28,360	81,594
Research and development tax benefit		-	101,228
Payments to suppliers and employees		(735,820)	(891,921)
Net cash used in operating activities	13	(707,460)	(709,099)
Investing activities			
Payments for plant and equipment		(7,758)	(21,400)
Payments for capitalised exploration expenditure		(1,144,873)	(1,372,589)
Net cash used in investing activities		(1,152,631)	(1,393,989)
Financing activities			
Proceeds from issue of share capital		2,219,623	500,000
Subscriptions for rights issue received		-	11,986
Capital raising costs		(246,651)	(59,678)
Net cash from financing activities		1,972,972	452,308
Net change in cash and cash equivalents		112,881	(1,650,780)
Cash and cash equivalents, beginning of year		570,257	2,221,037
Cash and cash equivalents, end of year	5 (a)	683,138	570,257

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 2014

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 2014 were approved and authorised by the Board of Directors on 25 September 2014.

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 2013 is for the full year commencing on 1 July 2012.

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 2014. Subsidiaries are all entities (including structured entities) over which the Group control. The Group controls an entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is fully transferred to the Group. They are deconsolidated from the date that control ceases. All subsidiaries have a reporting date of 30 June.

A list of controlled entities is contained in note 14 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 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 profit or loss 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.

Interest income is recognised as it accrues in the statement of profit or loss, 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 profit or loss 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 profit or loss.

f) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that 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 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 settled, 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 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 profit or loss.

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 profit or loss.

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.

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.

The Research & Development tax credit is brought to account as a tax benefit and offsets any tax losses during the reporting period.

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. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

l) 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 fair value in relation to performance rights is calculated using a Monte Carlo simulation.

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 Monte Carlo simulation used in pricing the performance rights takes into account the target share price resulting from meeting the KPI, the term of the right, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The fair value of the options and performance rights 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 and performance rights that are expected to become exercisable / vested. At each balance date, the entity revises its estimates of the number of options and performance rights that are expected to become exercisable / vested.

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 are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result on the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Group does not expect all annual leave for all employees to be used wholly within 12 months of the end of the reporting period. Annual leave liability is still presented as a current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

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 key management personnel 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 or Monte Carlo valuation method as appropriate 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 12. 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

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 2013:

- AASB 10 Consolidated Financial Statements;
- AASB 12 Disclosure of Interests - Other; and
- AASB 13 Fair Value Measurement.

Management has reviewed the requirements of the above standards and has concluded that there was no effect on the classification or presentation of balances.

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 2014, 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 (December 2010). Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australian Accounting Standards.

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.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

The Group has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018).

ii) 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 ending 30 June 2015, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

iii) AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets

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 developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets.

When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the Group given that they are largely of the nature of clarification of existing requirements.

iv) AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)

These amendments:

- add a new chapter on hedge accounting to AASB 9 Financial Instruments, substantially overhauling previous accounting requirements in this area;
- allow the changes to address the so-called 'own credit' issue that were already included in AASB 9 to be applied in isolation without the need to change any other accounting for financial instruments; and
- defer the mandatory effective date of AASB 9 from '1 January 2015' to '1 January 2017'.

Note that, subsequent to issuing these amendments, the AASB has issued AASB 2014-1 which defers the effective date of AASB 9 to '1 January 2018'.

The Group has not yet assessed the full impact of these amendments.

v) AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the Group.

Other standards not yet issued and not expected to impact on the Group:

- *AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)*

Other standards issued by the IASB, but not yet by the yet AASB:

- *Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*
- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)*

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 GOING CONCERN BASIS OF ACCOUNTING

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2014 the consolidated group recorded a net cash outflow from operating and investing activities of $1,860,091 and an operating loss of $1,118,141.

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 financial report. No allowance for such circumstances has been made in the financial report.

3 INCOME TAX EXPENSE

	2014 $	2013 $
a) The components of income tax expense comprise:		
Current income tax expense / (benefit)	(251,009)	(54,461)
b) The prima facie tax loss from ordinary activities before income tax is reconciled to the income tax (benefit) / expense as follows:		
Net gain / (loss)	(1,369,150)	(1,991,549)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(410,745)	(597,465)
Deferred tax assets associated with capital raising costs recognised direct to equity but not meeting the recognition criteria	(45,131)	(46,767)
Tax benefit received in relation to Research and Development	296,140	101,228
Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	(208,386)	(133,404)
Deferred tax asset not realised as recognition criteria not met	368,122	676,408
Subtotal	-	-
Tax portion of capital raising cost	45,131	46,767
Tax benefit in relation to research and development	(296,140)	(101,228)
Income tax (benefit) / expense	(251,009)	(54,461)
c) Deferred tax assets have not been recognised in respect of the following:		
Tax losses	2,631,029	2,209,683
Deferred tax asset has not been recognised	8,770,097	7,365,611

4 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:

	2014 #	2013 #
Weighted average number of shares used in basic earnings per share	88,151,220	41,710,993
Weighted average number of shares used in diluted earnings per share	89,894,508	55,338,156
Loss per share – basic (cents)	1.27	4.64
Loss per share – diluted (cents)	1.27	4.64

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

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	2014 $	2013 $
Cash at hand and in bank:		
Cash at bank	643,188	530,307
Short-term deposits	39,950	39,950
Cash and cash equivalents	683,138	570,257

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	683,138	570,257

6 TRADE AND OTHER RECEIVABLES

Trade and other receivables include the following:

	2014 $	2013 $
Interest receivable	3,550	2,526
Drilling bond receivable	28,809	-
GST receivable	62,139	71,586
Research and development tax incentive receivable	296,140	-
Total receivables	390,638	74,112

The Research & Development refundable tax incentive of $296,140 was received by the Company on 1 July 2014.

No receivables are considered past due and / or impaired.

7 EXPLORATION AND EVALUATION EXPENDITURE

	2014 $	2013 $
Opening balance	3,800,341	3,359,841
Expenditure on exploration during the year	1,193,340	1,695,794
Impairment of capitalised exploration	(497,751)	(1,173,839)
Exploration expenditure expensed	(25,612)	(81,455)
Closing balance	4,470,318	3,800,341

The impairment of capitalised exploration represents the write down of $497,751 of the Yorke Peninsula project based on a prospectivity assessment.

8 PLANT AND EQUIPMENT

2014	EXPLORATION EQUIPMENT $	OFFICE AND IT EQUIPMENT $	LEASEHOLD IMPROVEMENTS $	TOTAL $
Gross carrying amount				
Opening balance	38,587	121,357	31,297	191,241
Additions	517	7,240	-	7,757
Disposals	(6,834)	(9,674)	-	(16,508)
Balance 30 June 2014	32,270	118,923	31,297	182,490
Depreciation and impairment				
Opening balance	(14,899)	(70,031)	(16,132)	(101,062)
Depreciation1	(7,199)	(20,854)	(4,537)	(32,590)
Disposals	3,930	7,536	-	11,466
Balance 30 June 2014	(18,168)	(83,349)	(20,669)	(122,186)
Carrying amount 30 June 2014	14,102	35,574	10,628	60,304

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

1 Exploration equipment depreciation is charged to exploration assets. The remaining depreciation of $25,391 (2013: $37,296) is charged to the statement of profit or loss and other comprehensive income.

9 TRADE AND OTHER PAYABLES

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

	2014 $	2013 $
Trade and other payables	144,780	181,836
Accrued expenses	17,000	16,000
Rights issue subscriptions received	-	11,986
Total trade and other payables	161,780	209,822

10 SHORT TERM PROVISIONS

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

	2014 $	2013 $
Opening balance	35,725	24,340
Additional provisions – employee entitlements	9,101	11,385
Closing balance	44,826	35,725

11 ISSUED CAPITAL

2014	NUMBER OF SHARES	$
a) Issued and paid up capital		
Fully paid ordinary shares	106,800,740	9,757,722
	106,800,740	9,757,722
b) Movements in fully paid shares		
Opening balance	49,080,444	7,631,419
Rights issue – including placement of shortfall	32,720,296	981,609
Share placement	15,000,000	750,000
Share purchase plan – including placement of shortfall with underwriter	10,000,000	500,000
Issue costs (net of tax)	-	(105,306)
Balance as 30 June 2014	106,800,740	9,757,722

2013	NUMBER OF SHARES	$
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

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.

The Group is not subject to any external capital restrictions.

12 RESERVES

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

RECONCILIATION OF OPTIONS / RIGHTS RESERVE	2014 $	2013 $
Opening balance	414,047	398,316
Issue of options during the year	9,448	15,731
Issue of performance rights during the year	90,840	-
Closing balance	514,335	414,047

2014 – SHARE OPTION RESERVE	NUMBER OF OPTIONS	2014 $	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance	10,750,000	414,047	$0.238
Issued to employees	200,000	2,186	$0.075
Issued to contractors	1,000,000	7,262	$0.100
Cancelled / lapsed	(9,250,000)	-	$0.233
Balance at 30 June 2014	2,700,000	423,495	$0.179

2013 – SHARE OPTION RESERVE	NUMBER OF OPTIONS	2013 $	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance	8,675,000	398,316	$0.250
Issued to Executive director	2,000,000	13,468	$0.200
Issued to employees	75,000	2,263	$0.130
Balance at 30 June 2013	10,750,000	414,047	$0.238

During 2013/14, 200,000 unlisted options were issued to an employee as remuneration under their employment agreement and a further 1,000,000 unlisted options in relation to contractor remuneration.

During 2013/14 9,250,000 unlisted options were forfeited or lapsed.

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.

PERFORMANCE RIGHTS RESERVE	NUMBER OF RIGHTS	2014 $
Opening balance	-	-
Issued to KMP	9,000,000	90,840
Balance at 30 June 2014	9,000,000	90,840

Performance rights were issued as KMP remuneration with related KPI's as detailed in the Directors' Report.

There were no performance rights issued in 2012/13.

Nature and purpose of reserves

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

13 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

OPERATING ACTIVITIES	2014 $	2013 $
Loss after tax	(1,118,141)	(1,937,088)
Share based payments expense	100,288	15,731
Exploration impairment	497,751	1,173,839
Depreciation expense	25,391	37,296
Net change in working capital	(212,749)	1,123
Net cash used in operating activities	(707,460)	(709,099)

14 INVESTMENTS IN CONTROLLED ENTITIES

a) Controlled entities

The Company has the following subsidiaries:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE HELD 2013 AND 2014
Sturt Exploration Pty Ltd	Australia	Ordinary	100%
DBL Blues Pty Ltd	Australia	Ordinary	100%

15 AUDITOR REMUNERATION

	2014 $	2013 $
Audit services		
Auditors of Core Exploration Limited – Grant Thornton		
Audit and review of Financial Reports	27,500	26,750
Audit services remuneration	27,500	26,750
Other services		
Auditors of Core Exploration Limited – Grant Thornton		
Taxation compliance	4,700	7,150
Total other services remuneration	4,700	7,150
Total remuneration received by Grant Thornton	32,200	33,900

16 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:

	2014 $	2013 $
Within one year	51,883	51,883
Within two years to five years	-	-
Greater than five years	-	-
	51,883	51,883

The Group's operating lease agreements do not contain any contingent rent clauses. The rental lease has been renewed during the year for a term of 12 months to 1 June 2015.

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.

17 RELATED PARTY TRANSACTIONS

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

a) Transactions with key management personnel

Key Management Personnel remuneration includes the following are is disclosed in detail in the remuneration report:

	2014 $	2013 $
Short-term benefits	616,391	609,246
Post-employment benefits	16,299	18,716
Share based payments	90,840	13,468
Total remuneration	723,530	641,430

The following transactions occurred with KMP:

	2014 $	2013 $
Payment for professional services to entities associated with related parties	452,300	418,293
Payables for professional services at balance date	6,728	17,056

18 EMPLOYEE REMUNERATION

a) Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2014 $	2013 $
Salaries / contract payments for Directors and employees	706,308	671,731
Share based payments – Director and employee options and performance rights	93,026	15,731
Defined contribution superannuation expense	35,305	35,511
Employee entitlement provisions	34,312	32,979
Less: Transfer to exploration assets	(547,460)	(499,381)
	321,491	256,571

b) Share based employee remuneration

As at 30 June 2014 the Group maintained a share option plan and performance share plan for employee and director remuneration. There were 9,000,000 performance rights granted to KMP during the year, 200,000 options were granted to an employee and 1,000,000 options were granted to contractors as remuneration.

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

	RANGE OF VALUES
Fair value	$0.007 to $0.011
Exercise price	$0.075 to $0.10
Option life	1.5 years
Underlying share price	$0.05
Expected share price volatility	70%
Risk free interest rate	2.72%

The table below outlines the inputs used in the Monte Carlo fair value calculation for the performance rights:

	RANGE OF VALUES
Exercise price	Nil
Right life	1.1 to 2.1 years
Underlying share price	$0.038
Expected share price volatility	76%
Risk free interest rate	2.62%

Details of options and rights issued to KMP are provided in the remuneration report.

Share options and weighted average exercise prices are as follows:

2014	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE ($)
Opening balance - remuneration options	5,250,000	0.23
Granted as remuneration during 2013/14	200,000	0.08
Forfeited	(5,075,000)	0.23
Expired	(175,000)	0.15
Outstanding as at 30 June 2014	200,000	0.08

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

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.

Fair value of performance rights granted
The fair value at grant date of the KMP performance rights has been determined using a Monte Carlo pricing model that takes into account the term of the right, the impact of dilution, the impact of the KPI on the underlying share price, the non-tradeable nature of the right, 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 right.

19 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	2014 $	2013 $
Financial assets			
Cash and cash equivalents	5	683,138	570,257
Trade and other receivables	6	390,638	74,112
		1,073,776	644,369
Financial liabilities			
Trade and other payables	9	161,780	209,822

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 2014 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.

2014		EFFECT ON:	
	SENSITIVITY*	PROFIT $	EQUITY $
Interest rate	+ 1.50%	+9,000	+9,000
	- 1.50%	-9,000	-9,000

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

* 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.

d) Net fair values of financial assets and financial liabilities

Fair value is the price that would be required to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

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.

20 PARENT ENTITY INFORMATION

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

	2014 $	2013 $
Statement of financial position		
Current assets	1,073,776	644,369
Total assets	5,604,398	6,317,151
Current and total liabilities	206,606	245,547
Issued capital	9,757,722	7,631,419
Retained losses	4,874,266	1,973,862
Share based payment reserve	514,335	414,047
Statement of profit of loss and other comprehensive income		
Loss for the period	2,900,403	763,248

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.

21 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.

22 EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Since the end of the financial year, the Company completed a Placement on 22 August 2014 raising $1.0 million before costs.

On 15 September 2014, the Company announced that Mr Heath Hellewell joined the Board of Directors as a new, independent Non-executive Director.

On 23 September, the Board determined that the Managing Director, Stephen Biggins, met the Finance related KPI and is entitled to 100% of the performance rights for this KPI in the current year (total of 500,000 performance rights) as approved by shareholders at the 2013 AGM. The performance rights offered to the Managing Director under the Performance Rights Plan will vest upon acceptance.

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 2014 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 2014.

The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

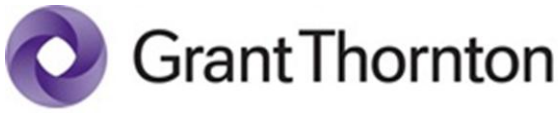


Stephen Biggins
MANAGING DIRECTOR

Adelaide

25 September 2014

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 2014, the consolidated statement of profit or loss 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 2014 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 2 in the financial report which indicates that the company incurred a net loss of $1,118,141 during the year ended 30 June 2014 and, as of that date, the company's net cash outflow from operating and investing activities is $1,860,091. These conditions, along with other matters as set forth in Note 2, 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.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The Directors of the Company re 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 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 25 September 2014

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 5 September 2014.

The Company is listed on the Australian Securities Exchange.

SUBSTANTIAL SHAREHOLDERS

There are no substantial shareholders at the date of this report.

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.

Performance rights No voting rights.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

DISTRIBUTION OF EQUITY BY SECURITY HOLDERS

HOLDING	ORDINARY SHARES (QUOTED)	OPTIONS (QUOTED)[1]	OPTIONS (UNQUOTED)	PERFORMANCE RIGHTS (UNQUOTED)
1 – 1,000	24	-	-	-
1,001 – 5,000	25	4	-	-
5,001 – 10,000	112	8	-	-
10,001 – 100,000	457	32	3	-
100,001 and over	216	57	6	4
Number of holders	834	101	9	4

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 50 holders of less than a marketable parcel of ordinary shares ($500 amounts to 5,813 shares).

There are no restricted securities on issue.

There are 2,700,000 options and 9,000,000 performance rights 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 <Nowak S/F A/C>	5,791,000	4.63
2	GDE Exploration (SA) Pty Ltd <A1 English Family A/C>	4,000,000	3.20
3	Mersound Pty Ltd	3,928,421	3.14
4	Carnethy Evergreen Pty Ltd <Carnethy Evergreen A/C>	3,630,000	2.90
5	Amalgamated Dairies Ltd	2,666,667	2.13
6	Muffet Sean	2,349,411	1.88
7	LEC Nominees Pty Ltd <LEC S/F A/C>	2,025,000	1.62
8	Pershing Aust Nom Pty Ltd <Argonaut Account>	2,000,000	1.60
9	Palazzo Corp Pty Ltd	2,000,000	1.60
10	Webster Louise Amanda <L Webster Family A/C>	1,706,667	1.37
11	Comsec Nom Pty Ltd	1,652,749	1.32
12	Allstates Finance Ltd	1,600,000	1.28
13	Ajava Hldgs Pty Ltd	1,600,000	1.28
14	Blackman Andrew William	1,483,333	1.19
15	Tromso Pty Ltd	1,398,000	1.12
16	Goodfellow William D	1,333,334	1.07
17	Kahala Keys Pty Ltd	1,314,000	1.05
18	Crawford Jonathan Murray	1,300,000	1.04
19	Smundin Grp Pty Ltd	1,200,000	0.96
20	Cruden Matthew Raymond	1,200,000	0.96
		44,178,582	35.34
	Total ordinary shares on issue	124,982,558	100.00

TWENTY LARGEST HOLDERS OF QUOTED OPTIONS – $0.10 EXPIRY 31 OCTOBER 2014

		NO. OF OPTIONS HELD	% HELD
1	M & K Korkidas <M&K Korkidas P/L S/Fund A/C>	4,390,001	13.42
2	PM Options Pty Ltd <Dreamstar S/F A/C>	2,350,000	7.18
3	Carnethy Evergreen Pty Ltd <Carnethy Evergreen Fund A/C>	1,870,000	5.72
4	Lu Shu-Lin Chou	1,814,666	5.55
5	Goddard Murray & M & J <Draddog Yarrum S/F A/C>	1,166,666	3.57
6	Mersound Pty Ltd	1,080,000	3.30
7	Tromso Pty Ltd	1,000,000	3.06
8	Muffet Sean	1,000,000	3.06
9	Jomot Pty Ltd	850,000	2.60
10	Sheedy Kristy Leanne	802,000	2.45
11	Daniel Mark W & S L <M & S Daniel S/F A/C>	800,000	2.44
12	Thorpe Peter Damien	769,334	2.35
13	Webster Louise Amanda <L Webster Fam A/C>	766,667	2.34
14	Amalgamated Dairies Ltd	666,667	2.04
15	Dull Brass Pty Ltd	650,000	1.99
16	Byrne Simon Gary	537,000	1.64
17	Bandy Jonathan Thomas	500,000	1.53
18	Rontziokos Maria & F	500,000	1.53
19	Jones Anthony Nicholas	468,505	1.43
20	Riceman Holdings Pty Ltd	439,020	1.34
		22,420,526	68.54
	Total quoted options on issue	32,720,296	100.00