2016 ANNUAL REPORT

CORE

EXPLORATION LTD

Corporate information

Core Exploration Limited ACN 146 287 809

DIRECTORS

Gregory English

Non-executive Chairman

Stephen Biggins

Managing Director

Heath Hellewell

Non-executive Director

CFO/COMPANY SECRETARY

Jaroslaw (Jarek) Kopias

REGISTERED AND PRINCIPAL OFFICE

26 Gray Court
ADELAIDE South Australia 5000

Telephone: +618 7324 2987

POSTAL ADDRESS

PO Box 12025
Sturt Street
ADELAIDE South Australia 5000

WEB ADDRESS

www.coreexploration.com.au

AUDITORS

Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Rd
WAYVILLE South Australia 5034

SOLICITORS

Piper Alderman
Level 16, 70 Franklin St
ADELAIDE South Australia 5000

HOME STOCK EXCHANGE

Australian Securities Exchange
20 Bridge Street
SYDNEY New South Wales 2000

ASX CODES

CXO – fully paid ordinary shares
CXOOA – quoted options exercisable at $0.05 by 31 August 2017

SHARE REGISTRY

Security Transfer Australia Pty Ltd
770 Canning Highway
APPLECROSS Western Australia 6153

Telephone: +618 9315 2333

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Biggins (BSc(Hons) Geol, MBA) as Managing Director of Core Exploration Ltd who is a member of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Biggins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This report also references information previously released under JORC Code 2012 to the ASX on 11/02/2016 by Altura Mining Ltd titled "*Pilgangoora Lithium Update - PFS Mining Study Results*".

The report includes results that have previously been released under JORC 2012 by Core.

23/09/2016	*High Grade Spodumene Confirms Significant Lithium Discovery*
06/09/2016	*Substantial Pegmatite Intersections Containing Spodumene*
17/08/2016	*Core Awarded $190,000 PACE Co-funding to Drill Zinc Project*
15/08/2016	*Core Exercises Option to Acquire Finniss Lithium Tenure*
05/08/2016	*Highly Prospective Lithium Drill Target at Finniss Project*
06/07/2016	*Core Doubles Lithium Landholding*
23/06/2016	*New Large Scale Lithium Pegmatite Target defined at Finniss*
06/06/2016	*Elevated Lithium Levels Identified in Core's SA tenements*
25/05/2016	*Rock chip assays confirm potential - Finniss Lithium Project*
15/03/2016	*Core Expands Dominant Position in NT Lithium Pegmatites*
02/03/2016	*CXO adds 25 historic pegmatite mines Finniss Lithium Project*
08/02/2016	*New Lithium Project includes largest tin tantalum mine in NT*
26/11/2015	*Zinc grades confirm significant system at Yerelina*
23/11/2015	*Jervois reconnaissance drill results exceed expectations*
21/10/2015	*Second zone of breccia and veining intersected at Yerelina*
12/10/2015	*Drilling intercepts mineralised breccia zone at Yerelina*
07/07/2015	*Large zinc and lead anomaly targeted at Yerelina*
16/06/2015	*Further Zinc Mineralisation Found at Yerelina*
04/06/2015	*Jervois Domain modelling identifies strong geophysical targets*
16/06/2015	*Further zinc mineralisation found at Yerelina*
02/06/2015	*10m wide gossan found at Yerelina Zinc Project*
13/05/2015	*Multiple drill targets Identified at Jervois Domain, NT*
05/05/2015	*New zinc target identified at Black Gate Prospect*
03/11/2014	*New intersections extend mineralisation at Inkheart, NT*
21/10/2014	*Additional silver lead mineralisation discovered at Inkheart*
17/06/2014	*High grade silver lead intersections from maiden drilling program at Albarta Project, NT*
10/09/2013	*Highest ever silver grades at Blueys Prospect, NT*

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 are announcements dated 13/05/2012 titled "*Thick and High Grade Uranium Intersections, Fitton Project, SA*" and 19/03/2013 titled "*High Grade Lead-Zinc-Silver Assays from SA Project*".

The Company is not aware of any new information that materially affects the information included in this announcement.

Contents

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
26 Gray Court
ADELAIDE South Australia 5000

Chairman's Letter

Dear Shareholders,

It is my pleasure to report on what has been an excellent year for the Company. Despite the continuation of very tight capital and investment markets, your Company has established itself as a successful lithium exploration company.

The 2015/16 financial year was a transformative year for the Company as it transitioned from a base metals and uranium focussed explorer to a successful lithium explorer in the highly prospective Bynoe region of the Northern Territory. The quality of the exploration projects acquired by your Company in the Northern Territory reflects the hard work and due diligence conducted by our management team during 2015/16, led by Managing Director, Stephen Biggins.

Whilst our current focus is on the developing lithium projects your Company actively explored our base metal tenements during the year. Diamond drilling completed at Yerelina Project, South Australia intercepted broad mineralised breccia zones at the Great Gladstone and Big Hill Prospects. Yerelina remains prospective for further zinc discoveries.

Whilst drilling at our Jervois Project, Northern Territory intersected numerous elevated copper zones within the 15km long Big-J target zone. Our project is well positioned being adjacent to KGL's large Jervois base metals project.

Our lithium tenements, and in particular the Finniss Project in the Bynoe region, are highly prospective for lithium. We have successfully acquired the largest tenement area in the Bynoe region and by owning 100% of all of our projects, are well placed to maximise any exploration success.

Early field work identified numerous outcropping lithium bearing pegmatites which extend over a considerable strike length. During this early work our exploration team developed techniques for identifying and assessing pegmatites in the tenement area. The hard work and ingenuity shown by our exploration team is the reason why we have had so much early success with our lithium exploration activities.

The success of the early field work at Finniss allowed us to identify numerous drill targets in accessible areas. Early drill results have exceeded expectations with the first drill holes intersecting broad zones of high grade lithium in spodumene.

Whilst our current exploration efforts remain focussed on the Bynoe region we have identified other prospective areas which also have lithium bearing potential.

The demand for lithium ion batteries is growing exponentially with new large battery "mega factories" being built in Asia and North America. Accordingly, most forecasts predict that lithium demand will exceed supply in the foreseeable future which will should lead to increasing lithium prices. We are positioning ourselves as a potential supplier to the world lithium ion battery market.

In addition to being highly prospective for lithium, the Bynoe region is within 50km of Darwin and is easily accessible by sealed road. The availability of existing infrastructure and ease of access gives Finniss a huge advantage over other lithium projects in outback Western Australia.

The proximity of the Finniss Project to Port Darwin and to Asian markets gives us an enviable head start as we develop the project further.

We are excited by the early success and long term prospectivity of our lithium projects and intend to actively explore the tenements during the coming year. Core is now a significant player in the Australian lithium scene under the stewardship of our Managing Director, Stephen Biggins.

The Board strongly believes in the mantra that exploration success will drive returns for all shareholders. Therefore, we will continue to actively explore our tenements and seek out new opportunities in an effort to continuously improve and increase the size of our mineral inventory.

In 2017, we have another exciting year ahead of us as we continue to unlock the potential of our 100% owned Finniss Project. Our immediate strategy is to unlock the value of the Company's significant lithium projects. We have the skills, teamwork and commitment to deliver on our plans, safely, profitably and sustainably.

Finally, none of our success would be possible without the support of our staff and shareholders. The past five years have been difficult operating conditions for junior explorers and we wouldn't be enjoying our current success without the support of our shareholders during this period.

We enter the ensuing year in good shape with exciting things to come.

Greg English
NON-EXECUTIVE CHAIRMAN


DO NOT OVERTAKE
TURNING VEHICLE

Managing Director's Report

Lithium Projects

Core initiated and expanded its strategic lithium projects in four known pegmatite provinces in the Northern Territory during 2016.

The Company is advancing these lithium projects through on-ground activities aimed at quickly assessing the economic and development potential of these large pegmatites fields.

Recently, Core's first drilling campaign on the Finniss Lithium Project in the NT has hit substantial pegmatite intersections containing significant spodumene mineralisation.

Core's Finniss Lithium Project also has substantial infrastructure advantages; being close to grid power, gas and rail and within easy trucking distance by sealed road to Darwin Port – Australia's nearest port to Asia.

Core is aiming to deliver a high quality lithium project with significant infrastructure advantages in an expedited timeframe.

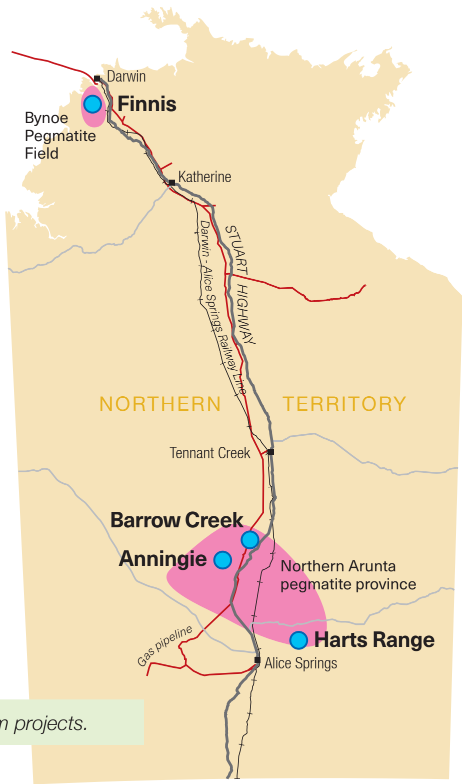


Figure 1 *Location of lithium projects.*

"Lithium has outperformed in both demand and price growth compared to other metal and mineral markets since 2011 through a combination of sectoral strength, producer discipline and delays to new supply…"

Project Overview

FINNISS PROJECT

Northern Territory

CXO 100%

Introduction

Core's most advanced lithium project is the Finniss Lithium Project located in the lithium-rich Bynoe Pegmatite Field immediately south of Darwin in the Northern Territory.

During the reporting period, Core strengthened its tenure position in this field. In addition to exercising the option agreement to purchase 100% of the 32.5km^2 EL 29698, Core now has 454km^2 of granted exploration licences and applications, covering 25 historically producing tin tantalum mines in the Bynoe Pegmatite Field (Figure 2). These collectively comprise the Finniss Lithium Project.

Core's Finniss Lithium Project covers a large portion of the Bynoe Tin-Tantalum-Lithium Pegmatite field. Bynoe is one of the most prospective areas for lithium in the NT and has many similarities to Greenbushes in WA, one of the world's largest and highest grade spodumene deposits.

As with Greenbushes, before economic lithium was recognised, Core's Finniss Lithium Project also has a 100 year history of tin and tantalum mining.

The historic Mount Finniss Mine is within the area of Core's tenure and is listed by the Northern Territory Geological Survey as the largest overall single producer of tin and tantalum in the Northern Territory.

The strong endowment of tin and tantalum in pegmatites at the Mount Finniss Mine and surrounding Observation Hill area suggest high potential for economic lithium grades.

The Bynoe Pegmatite Field is a 15-20 kilometre wide belt of more than 90 tin and tantalum prospects and mines which stretches over a distance of 75 kilometres from Mount Tolmer to Port Darwin in the north with Core's tenements covering the northern end of the Bynoe Pegmatite Field.

Core's Finniss Lithium Project has substantial infrastructure advantages; being close to grid power, gas and rail infrastructure and within easy trucking distance by sealed road to the multi-user port facility at Darwin Port – Australia's nearest port to Asia.

At the time of writing, Core's first lithium drilling program at the Finniss Lithium Project in the Northern Territory has hit substantial pegmatite intersections at the first two lithium prospects drilled to date.

Spodumene mineralisation has been identified at both BP33 and Grants Prospects drilled to date within broad pegmatite intersections.

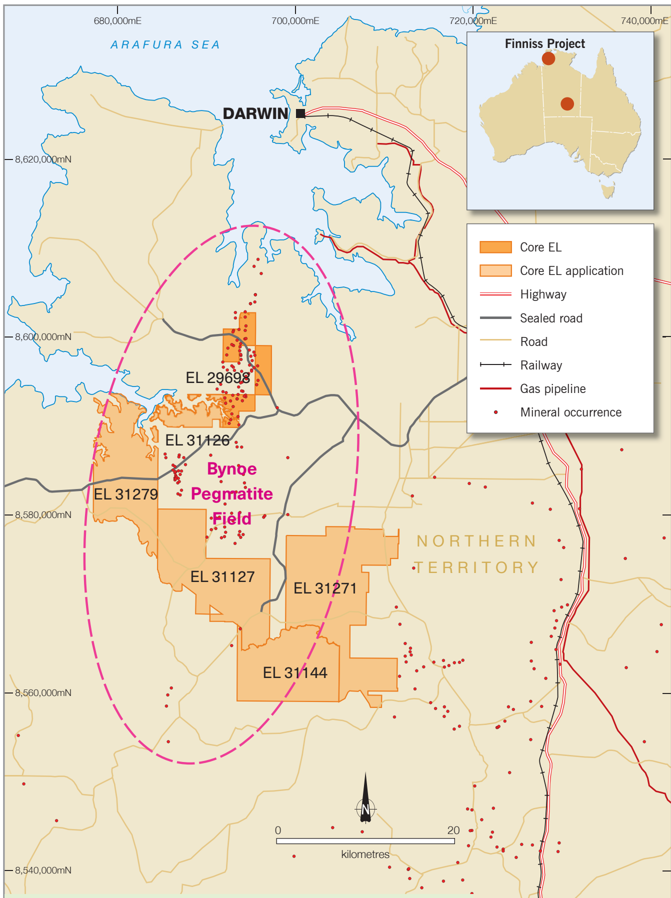


Figure 2 *Regional location of Finnis Lithium Project.*

Figure 3 *Drill cuttings from drilling program showing substantial pegmatite.*

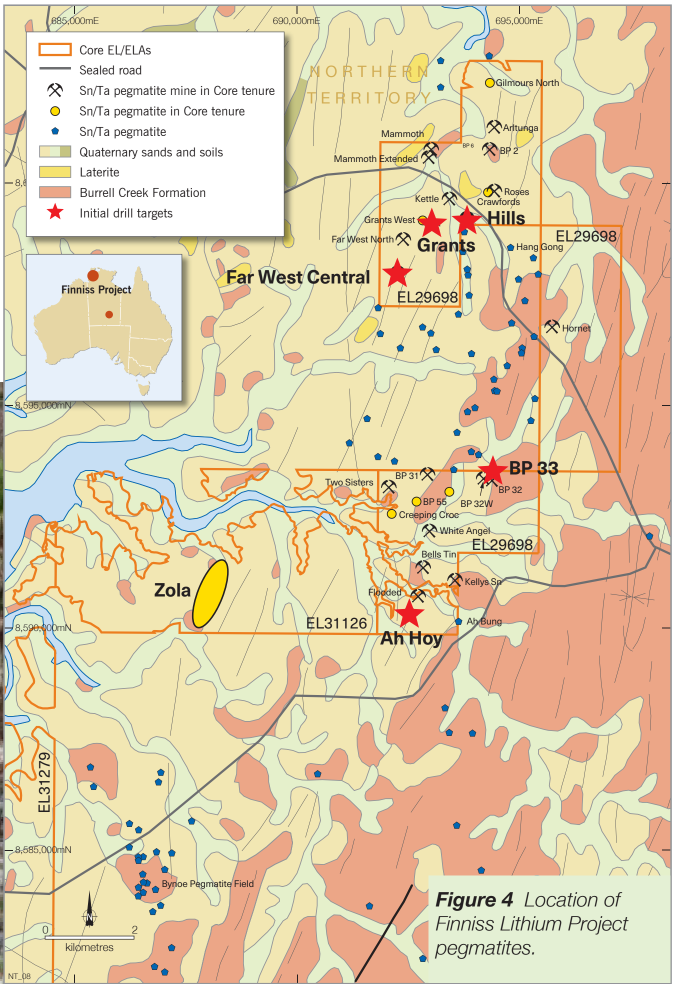


Figure 4 Location of Finniss Lithium Project pegmatites.

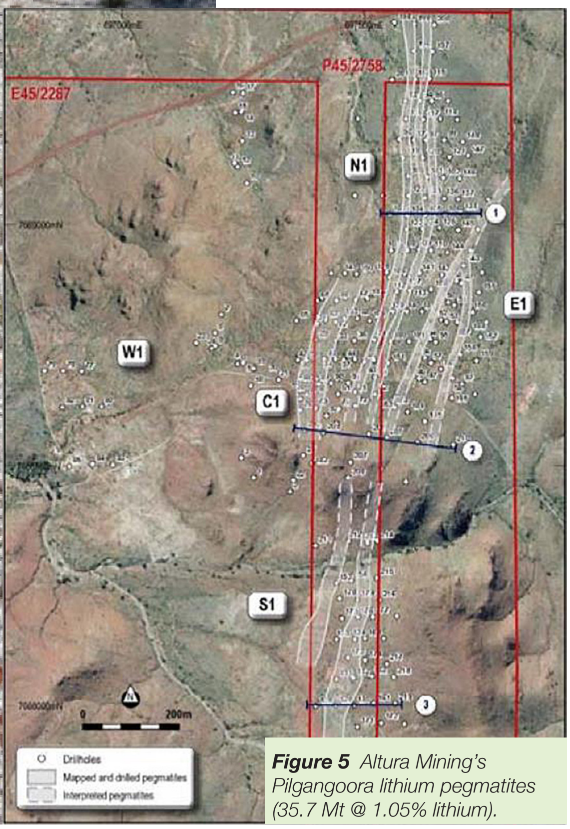


Figure 5 Altura Mining's Pilgangoora lithium pegmatites (35.7 Mt @ 1.05% lithium).

Large-scale Lithium Pegmatite Targets: Zola

Core's work during the reporting period on the Finniss Project has led to the discovery of exceptionally large pegmatite swarms within the Finniss Lithium Project near Darwin in the Northern Territory.

The Zola Pegmatite is unusually large by world standards and represents an outstanding exploration target for lithium. The Zola Pegmatite prospect includes a north-south trending system of pegmatites covering an area conservatively estimated at between 1-2km^2.

The most important aspect of Zola is the scale. The outcrop of decomposed pegmatite and quartz blows extend for up to 1,500m NS.

Pegmatite material extends EW for at least 450m at surface, suggesting a substantial swarm of highly fractionated pegmatites at Zola.

The scale of the Zola Pegmatite prospect is directly comparable to the scale of pegmatites hosting large resources in the Pilgangoora region in Western Australia (Figures 5 and 6).

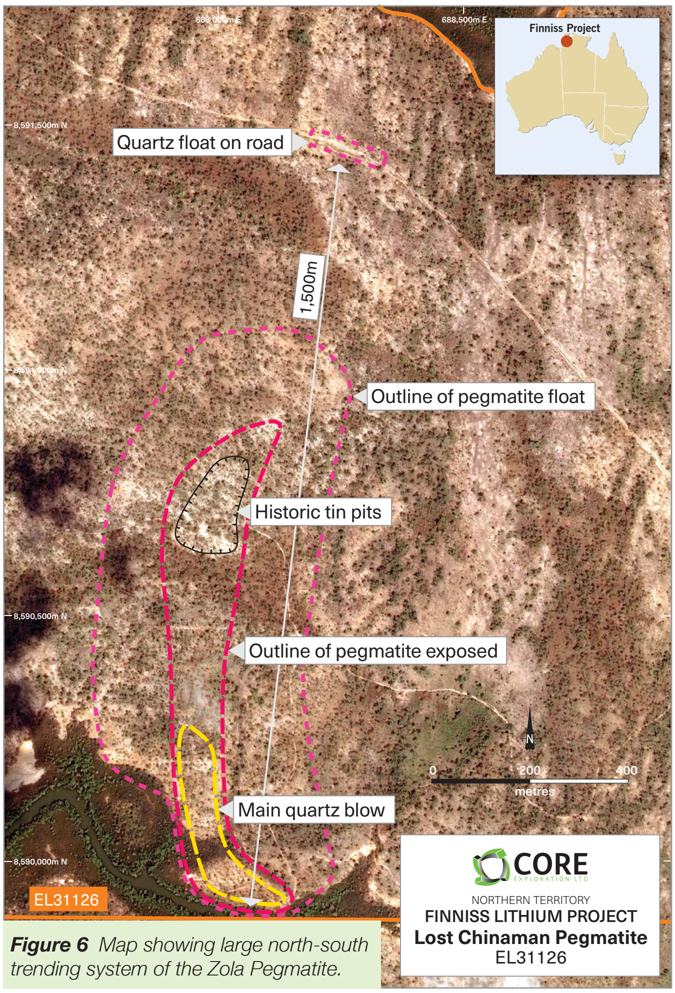
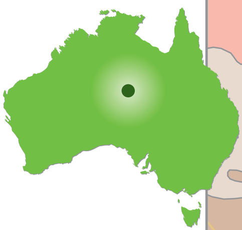


Figure 6 Map showing large north-south trending system of the Zola Pegmatite.

ANNINGIE AND BARROW CREEK PROJECT

Northern Territory

(CXO 100%)



The Northern Arunta pegmatite province occurs in well-defined clusters in the Barrow Creek and Anningie pegmatite fields.

These projects encompass four Exploration Licence applications covering approximately 2,500km^2 in and around the Anningie and Barrow Creek Tin-Tantalum-Pegmatite fields in the north Arunta Region of the NT, which are considered highly prospective for lithium.

The first reported occurrence of alluvial tin mining from tin-bearing pegmatites in the Arunta Region was not until 1935, when shallow alluvial deposits were worked on leases southwest of Barrow Creek Township at what was to become the Anningie Tin Field.

As with Greenbushes in WA, before economic lithium was recognised, the northern Arunta also has a long history of tin and tantalum mining. It is also evident that the pegmatites in the Anningie and Barrow Creek fields are enriched with lithium as evidenced by economic lithium minerals spodumene as well as highly elevated lithium in geoscientific sampling of source granites and pegmatites.

To date lithium has not been explored for in the north Arunta and the potential of the area is yet to be properly assessed given all of the historical work only focused on tin-tantalum. The pegmatites that have been recognised and exploited to date are only the near surface expression and there is high potential for larger mineralised bodies at depth.

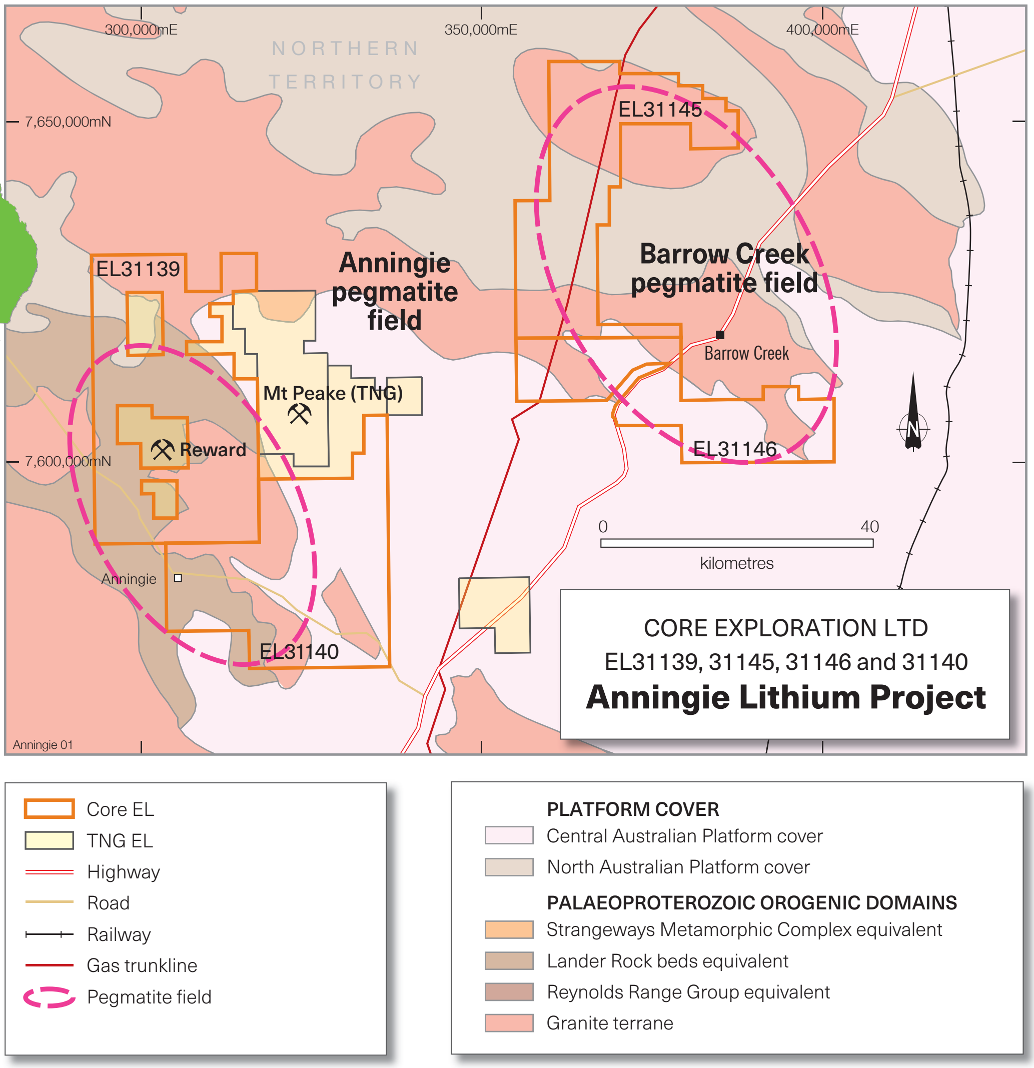


Figure 7 *Regional map showing the Anningie and Barrow Creek Project.*

Anningie Pegmatite Field

The Anningie Tin Field is located southwest of TNG Ltd's (ASX:TNG) Mt Peake Vanadium Project approximately 80km west of Barrow Creek in NT.

Alluvial tin was discovered at the site of what was to become the Reward Lease in 1935.

The lithium minerals spodumene, elbaite and lepidolite are reported to occur in pegmatite a few kilometres east of the Anningie Tin Field.

Located toward the centre of the field, the Reward mine (within excised area – Figure 7) is reported to contain the largest of the tin-tantalum bearing pegmatites. The main workings occurred in alluvium and that mineralisation was the result of the shedding of tin-tantalum from outcropping pegmatite dykes.

Barrow Creek Pegmatite Field

A number of tin-tantalum-bearing pegmatites intrude the Palaeoproterozoic Bullion Schist within 30km of Barrow Creek.

Tin tantalum concentrate production commenced in the 1940s from the Barrow Creek pegmatite field from weathered pegmatite and elluvium.

NTGS and other geoscientific research highlights that the Barrow Creek Suite source granites have enriched lithium contents comparable with the highest lithium granites in the NT.

ZINC PROJECTS

YERELINA PROJECT

South Australia (EL 5015)

CXO 100%

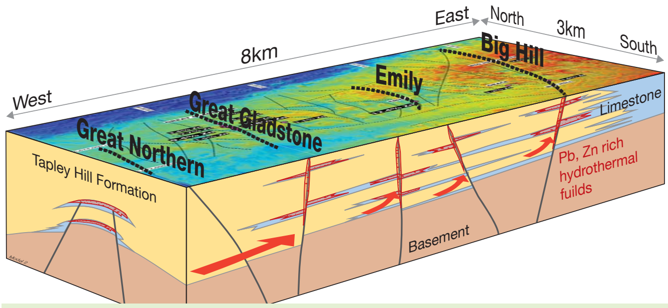


Figure 8 *Block diagram showing structual concepts of possible mineral systems.*

Zinc assays from broad mineralised breccia zones drilled by Core during the 2016 reporting period indicate that Core Exploration Ltd has possibly discovered a new sedimentary-hosted zinc system on the Yerelina Zinc Project, which covers a total area of 1,000km^2 in northern South Australia.

Core has also been awarded $190,000 of co-funding from the South Australian Government as part of the SA Government's PACE Discovery Drilling 2016 program to drill the Company's Yerelina Zinc Project on EL 5015, which covers a 1,000km^2 area in northern South Australia.

The PACE assisted drilling project comprises seven angled diamond core holes (up to a total of approx. 2,000m). Drilling is targeted proximal to known mineralised structures, zinc geochemical anomalies and reef limestones as stratiform targets for mineralisation.

At the Great Gladstone prospect, a 17m intersection from 145m depth of mineralised breccia and veining averages a zinc plus lead grade of 1.4% and 19g/t silver and includes higher grade zones of 4m at 3% zinc, 1% lead and 59g/t silver from 150-154m.

The 33m intersection (approx. true width) of oxidised breccias and veining at Big Hill prospect, 5km to the east of Great Gladstone, also contained consistently elevated zinc levels. Due to the near surface oxidation of base metals sulphides, zinc levels at Big Hill were lower and averaged 0.2% zinc over 33m from 14m-47m depth - YRDH005.

The mineralised zones intersected are located down dip of outcropping mineralised gossans. Surface channel sampling of these gossans at Great Gladstone and Big Hill returned significant zinc, lead and silver assays. The gossans are interpreted as the mineralised surface expression of a fault zones mapped at surface and by magnetics over 1km-3km.

Of the 38 samples taken along a 1km section of fault zone at Great Gladstone, 34 returned combined lead and zinc assays in excess of 1% and over 1g/t silver with the best assay at 14.7% zinc. Lead values peaked at 12.7% and silver at 567g/t (Figure 11).

Core's analysis of modern satellite imagery and the Company's detailed heli-borne magnetic and radiometric survey data have identified that historic workings at Great Gladstone, Big Hill and other prospects are hosted by a large-scale 3km x 8km system of repeated north/south regional structures.

Many sediment hosted zinc deposits (e.g. Lennard Shelf in WA) have strong structural control or influence on mineralising fluid movement through the sedimentary package. Often this is associated with mineralised breccias and veining and alteration in fault zones and zones of shearing as observed at Yerelina.

Typically the economic scale of these deposits is driven by stratiform (often flat lying) deposits proximal to the identified discordant mineralised structures /transport system.

The geology and system at Yerelina has potential to host large stratiform deposits in association within the known calcareous and reef limestone host facies within the Tapley Hill Formation proximal to recently drilled and also other known mineralised discordant structures (Figure 9).

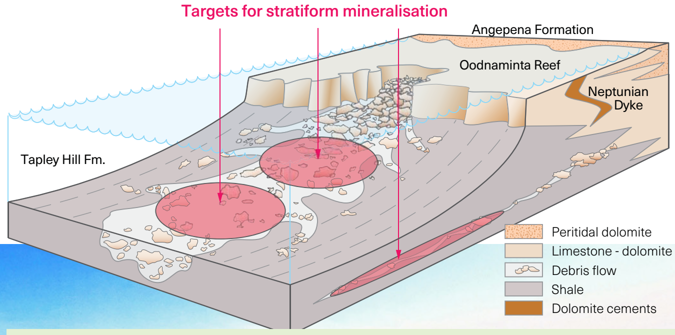


Figure 9 *Block diagram showing the depositional environment of the formation of host facies for possible stratiform mineralisation.*

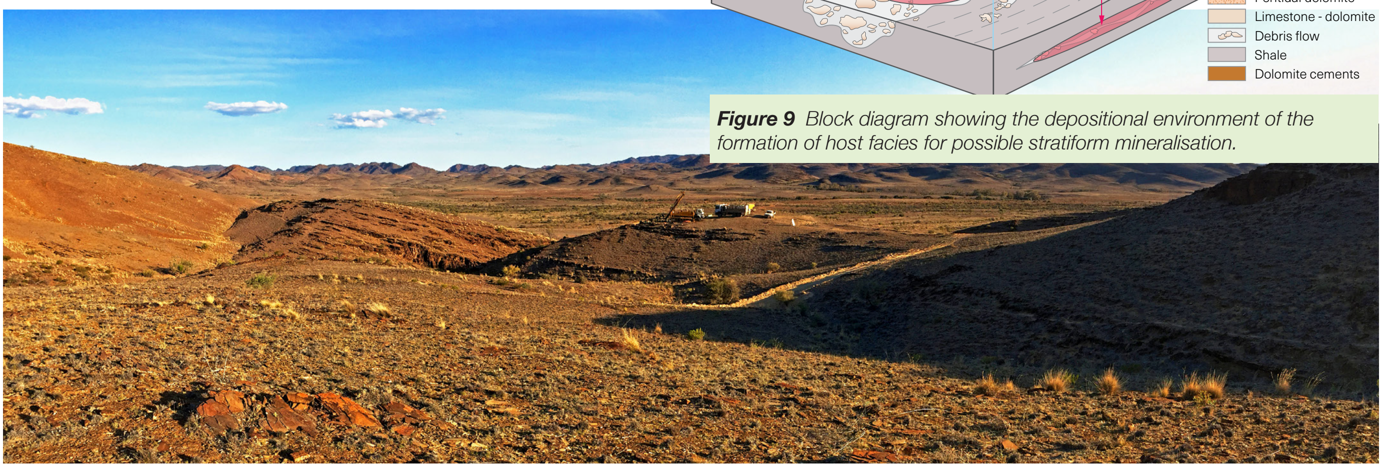


__Figure 10__ Core from drillhole YRDH003 showing drusy quartz voids in mineralised breccia.

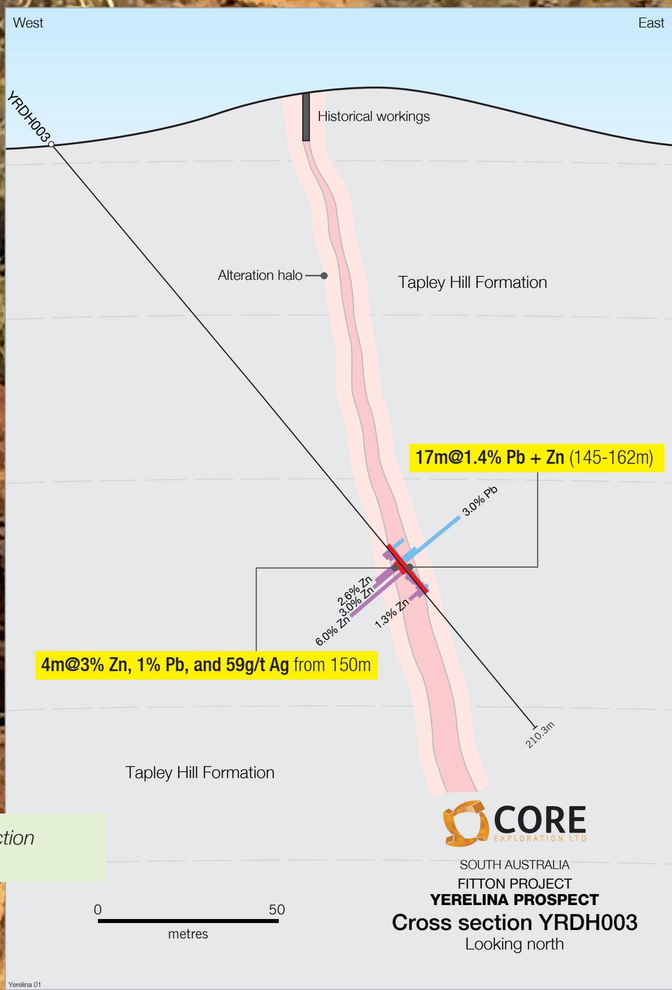


__Figure 11__ Yerelina Prospect, cross section through YRDH003 looking north.

SILVER, LEAD, ZINC PROJECTS

BLUEYS AND INKHEART PROSPECTS

EL 28136, Northern Territory

CXO 100%

Core received impressive silver and lead results in its second reverse circulation (RC) drilling at its Inkheart Prospect in the Northern Territory. Core's RC drilling in 2014 intersected additional broad zones of silver and lead mineralisation including high grades up to 268g/t silver (Ag) and 8% lead (Pb) at Inkheart and Blueys.

The mineralised zone was intercepted consistently for at least 500m along strike at Inkheart and contained wide and high-grade intersections mostly within the host carbonates of the Bitter Springs Formation.

The grade and continuity of mineralisation intersected by Core's drilling, along with growing confidence in a predictable exploration model for high grade silver lead mineralisation at Inkheart strengthen the potential for further success in this new exploration province in the Northern Territory.

Thick zones of mineralisation were intersected in drill sections to the south west of the original discovery drilling by Core at Inkheart in 2014. Drillhole IKRC016, 250m south west of the discovery drilling, intersected 12m @ 82g/t Ag and 1.4% Pb including 3m @ 198g/t Ag and 4.1% Pb (Figure 12 and Table 1).

IKRC022 intersected 36m @ 20g/t Ag and 0.3%Pb within a substantial 60m wide intersection (63-123m) of altered, veined and mineralised rocks containing elevated silver, lead, zinc and copper. This is the first evidence of large-scale alteration and mineralisation processes identified by Core.

The mineralised zones at Inkheart are open to the north east, at depth and potentially to the south west.

Core believes there is potential for further mineralisation over a much larger area within the target Bitter Springs Formation geology. This reinforces the tenement wide and regional potential of the Bitter Springs Formation for the discovery of economic precious and base-metal deposits.

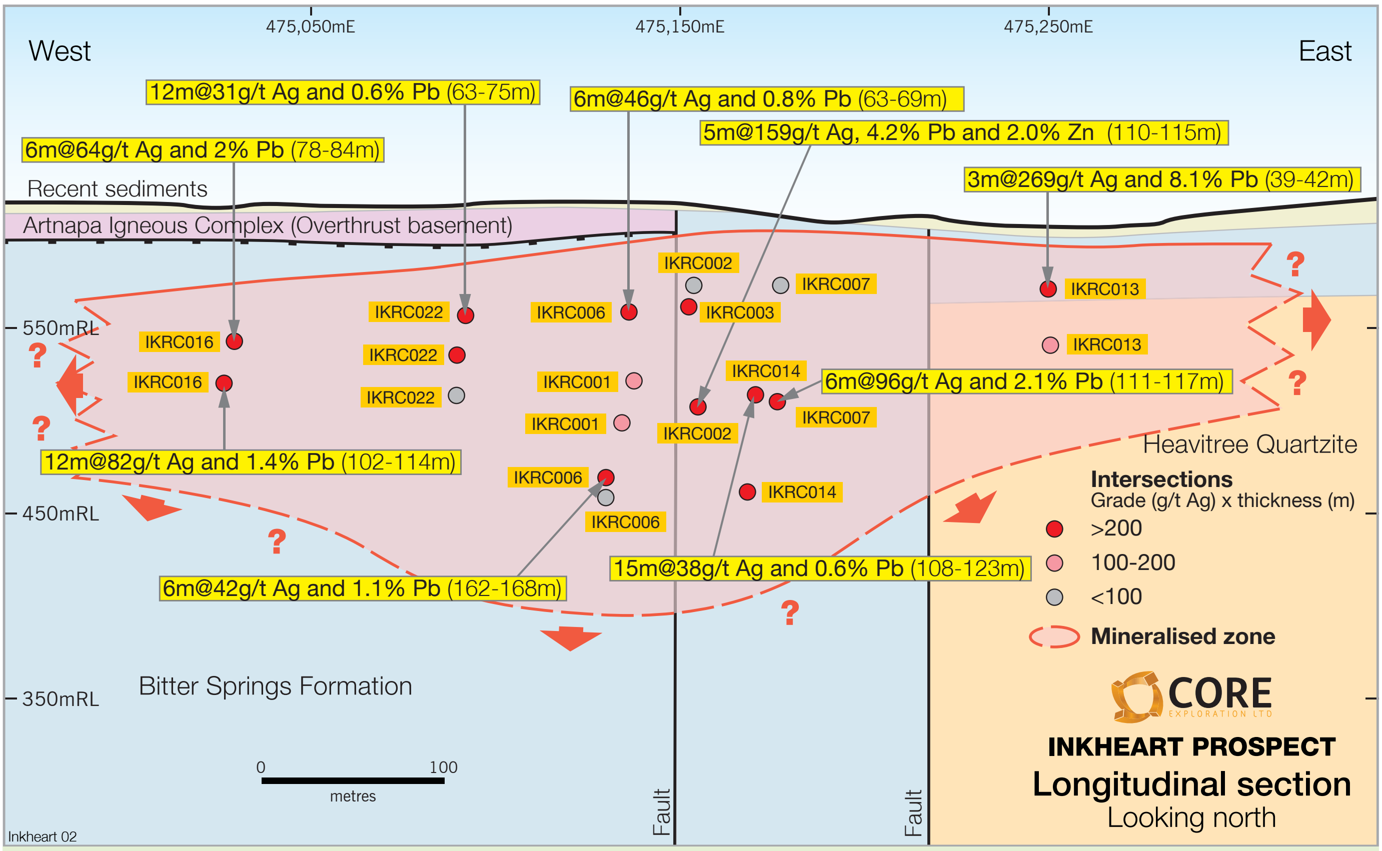


Figure 12 *Longitudinal section of Inkheart drill results.*

Assay results and drilling

Table 1. Significant drill intersections from Core's September–October 2015 RC drilling program at Inkheart and Blueys Prospects, Northern Territory.

Hole_ID	Intersection	Including
BLRC013	9m @ 27g/t Ag & 0.4% Pb [48-57m]	inc 3m @ 42g/t Ag & 0.4% Pb [48-51m]
	3m @ 10g/t Ag & 0.1% Pb [75-78m]	
IKRC006	6m @ 46g/t Ag & 0.8% Pb [63-69m]	
	3m @ 72g/t Ag & 2.1% Pb [162-165m]	
	3m @ 14g/t Ag & 0.2% Pb [174-177m]	
IKRC007	3m @ 15g/t Ag & 0.2% Pb [42-45m]	
	6m @ 96g/t Ag & 2.1% Pb [111-117m]	inc 3m @ 177g/t Ag & 4.1% Pb [114-117m]
IKRC009	6m @ 18g/t Ag & 0.3% Pb [9-15m]	
IKRC010	3m @ 17g/t Ag & 0.3% Pb [33-36m]	
	3m @ 19g/t Ag [69-72m]	
IKRC011	6m @ 31g/t Ag & 0.1% Pb [15-21m]	
IKRC013	3m @ 269g/t Ag & 8.1% Pb [39-42m]	
	6m @ 19g/t Ag & 0.2% Pb [72-78m]	
IKRC014	15m @ 38g/t Ag & 0.6% Pb [108-123m]	
	27m @ 13g/t Ag & 0.3% Pb [168-195m]	inc 6m @ 38g/t Ag & 0.9% Pb [174-180m]
IKRC016	6m @ 64g/t Ag & 2.0% Pb [78-84m]	inc 3m @ 114g/t Ag & 3.7% Pb [78-81m]
	12m @ 82g/t Ag & 1.4% Pb [102-114m]	inc 3m @ 198g/t Ag & 4.1% Pb [105-108m]
IKRC017	6m @ 96g/t Ag[78-84m]	
IKRC022	36m @ 20g/t Ag & 0.3% Pb [63-99m]	inc 12m @ 31g/t Ag & 0.6% Pb [63-75m]
		inc 3m @ 61g/t Ag & 1.2% Pb [66-69m]
		inc 6m @ 34g/t Ag & 0.5% Pb [93-99m]
	3m @ 15g/t Ag & 0.1% Pb [120-123m]	

Inkheart Prospect mineralisation and geology

Mineralisation at Inkheart is interpreted to be structurally controlled and likely related to the over-thrusting of the older (Mesoproterozoic) Artnarpa Igneous Complex over the younger (Neoproterozoic) Bitter Springs Formation (BSF) and (Heavitree Quartzite (HTQ) (Amadeus Basin). This over-thrusting has provided a fluid pathway for metal-bearing fluids to interact with reactive (carbonate) lithologies of the BSF, therefore providing a trap to accumulate base metals and silver.

The favourable structural environment has been further enhanced by internal rheological contrasts in part between the mechanically brittle underlying HTQ and the overlying variably ductile BSF. More importantly, internal rheological contrasts with the BSF are now considered a key controlling factor providing localised dilation zones as carbonate and fissile carbonaceous shale facies ductility contort and fold around the more competent units.

The implications for the mineralising model for Inkheart and Blueys have potential to be significant. If mineralisation is localised in or at the margin to brittle rocks within the highly contorted BSF, rather than more limited cross-cutting vein structures, there is potential for significant broad zones of mineralisation in fold hinges internally within the BSF (e.g. IKRC022 36m @ 20g/t Ag and 0.3% Pb [63-99m]).

Mineralisation is often visible as galena (lead sulphide) and is generally accompanied by increased abundance of pyrite. There is a strong association of silver with lead whereas copper and zinc levels are more variable and early indications suggest these metals may be zoned along strike.

Blueys Prospect

Drilling at the Blueys Prospect in 2014 confirmed the source of extremely anomalous silver in soils and high-grade mineralisation at surface and induced polarisation (IP) targets identified by Core.

Drill hole 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. Drill hole 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.

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.

COPPER PROJECTS

JERVOIS DOMAIN

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

CXO 100%

Assays from the Company's first shallow RAB drilling of its 100%-owned Jervois Domain tenements during the 2016 reporting period north-east of Alice Springs in the Northern Territory have exceeded expectations.

Core drilling has confirmed the 20km Big-J target zone has the geology, geophysics and indications of near surface copper mineralisation consistent with KGL Resources neighbouring Jervois project on a larger exploration scale.

Core's first pass shallow drilling program (average drill hole depth of 10m at 50m spacing) found elevated copper on all five traverses drilled across a 15km section of the Big-J target zone.

Visible copper mineralisation as malachite was also observed near surface and over intersections several metres wide in a number of drill holes.

Much of the Big-J target geology is buried under a very shallow cover of sand and soil and the primary purpose of the drilling was to determine geology and the depth of this cover. Whilst the drilling determined that the cover was shallow, the number of holes that intersected copper mineralisation and the grade of that mineralisation far exceeded the Company's expectations.

Core's copper assays are comparable in magnitude with KGL's nearby surface copper exploration results in and around KGL's J-fold line of lode which hosts the Jervois Copper Project, but represent a much larger area of prospective geology.

Previous explorers had disregarded the huge potential of this area as earlier exploration and development activity has focused on nearby areas of outcropping mineralisation.

Drilling intersected a range of psammatic and pellitic schists, calc-silicates, pegmatites, mafic schists and occasional andalusite and porphryblastic schists typical of the Bonya Metamorphics suite of rocks.

Given the encouragement of these excellent results, a range of drilling and exploration opportunities open up to Core to further prove up the copper potential and scale of Big-J.

Obvious large untested 2,000m to 6,000m gaps within the 20km length of the Big-J are targets for infill reconnaissance drilling.

In addition, Core anticipates follow-up deeper drilling to test the depth extensions of identified near surface copper mineralisation.

KGL's nearby work has also shown the success of applying geophysics to find deeper deposits at Jervois, so Core intends to complement its near surface exploration with additional geophysics to aid drill targeting and interpretation.

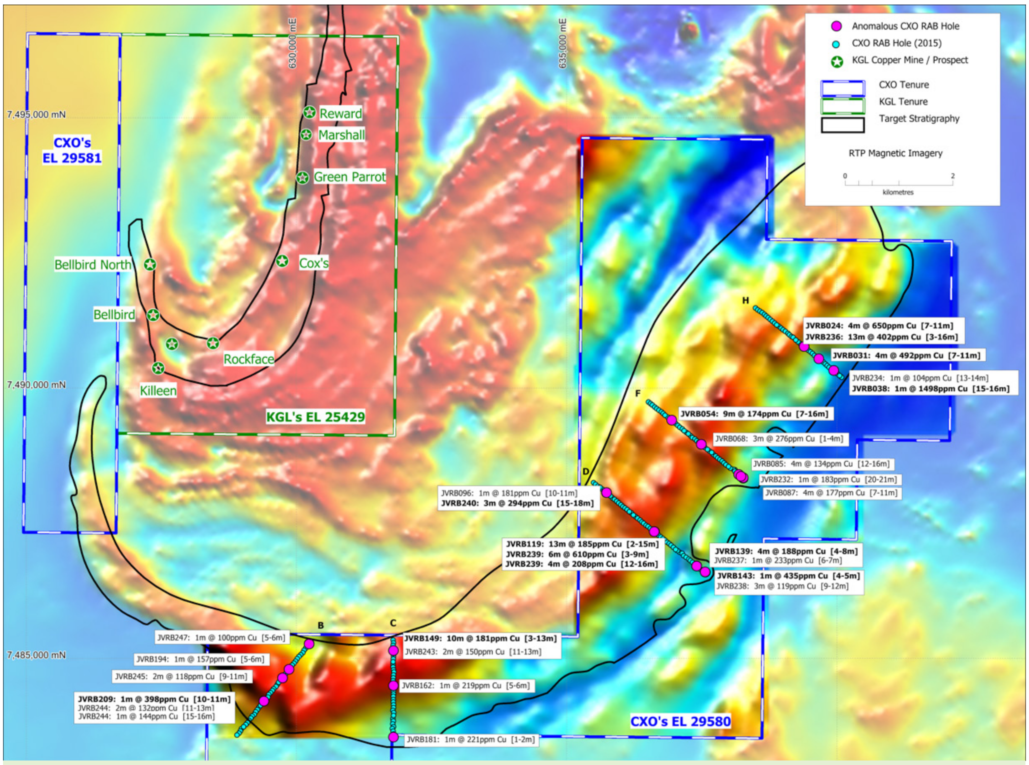


Figure 13 *Plan showing Jervois RAB Cu Intersections on RTP Mags inc KGL.*

Project Overview

URANIUM PROJECTS

FITTON PROJECT

EL 4569, South Australia

CXO 100%

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

Core believes the recent increase in M&A transactions in uranium exploration and mining bodes well for Core's nearby Fitton Uranium Project (Figure 14).

Core has previously made an outstanding discovery of shallow, high grade uranium at Scott Lee on the 100% owned Fitton Project adjacent to Four Mile.

Best intersections include 11m @ 1309ppm U_3O_8 and 60m @ 480ppm U_3O_8 (Figure 15 and Table 2).

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)

Uranium mineralisation at Scott Lee is associated with reductant mafic schist within and adjacent to a shear zone system which is interpreted to penetrate both the uranium rich crystalline basement and the nearby major unconformity with overlying sediments. Notably, Scott Lee and Hamilton prospects are positioned only a few hundred metres below the major unconformity between the uranium rich Mesoproterozoic Mt Painter Inlier granites and the overlying upper Proterozoic Adelaidean sediments.

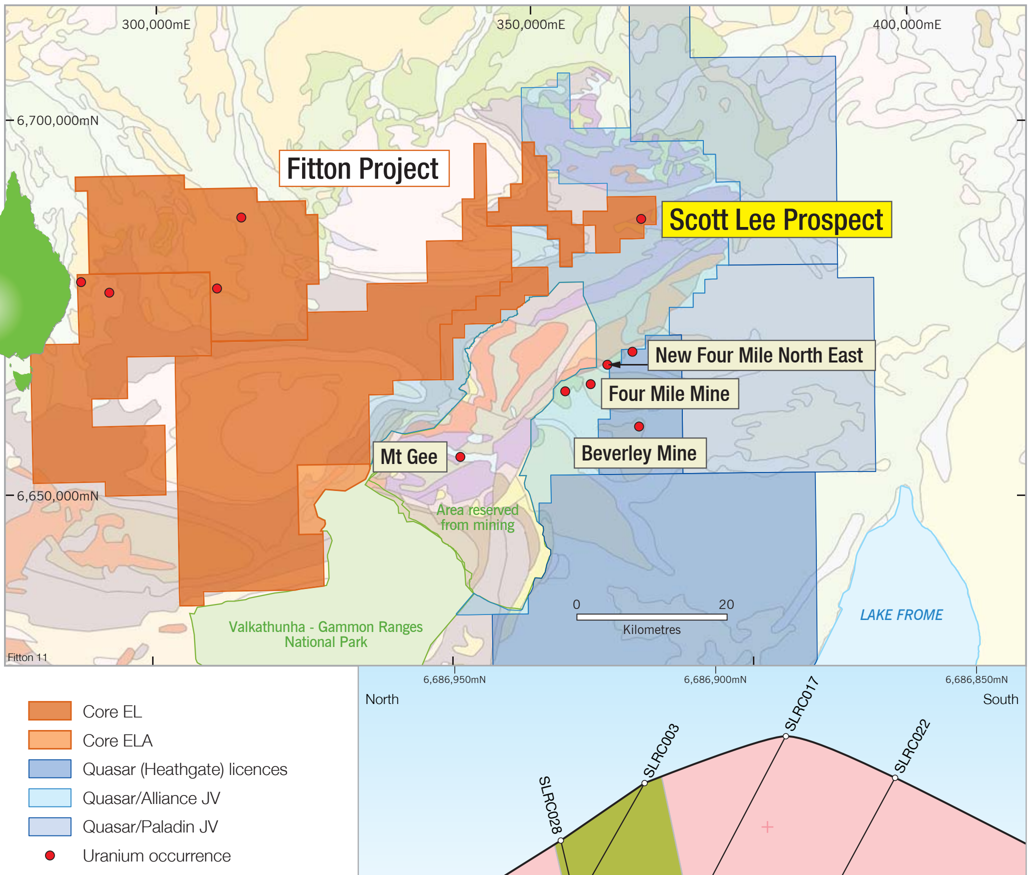


Figure 14 *Location of tenure and major uranium deposits, Fitton Project, South Australia.*

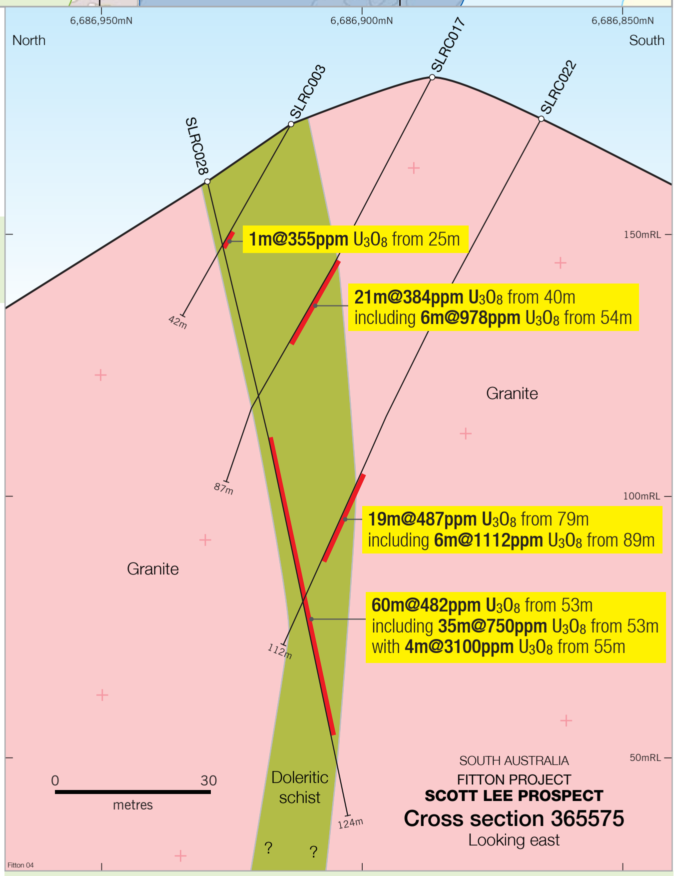


Figure 15 *Cross section 365575, Scott Lee Prospect.*

Table 2 Key drill intersections at Scott Lee Prospect, Fitton Project, South Australia.

Hole SLRC017	**21m @ 384ppm (0.04%) U_3O_8 from 40m** Inc. 6m @ 978ppm (0.10%) U_3O_8 from 54m
Hole SLRC022	**19m @ 487ppm (0.05%) U_3O_8 from 79m** Inc. 6m @ 1,112ppm (0.11%) U_3O_8 from 89m
Hole SLRC028	**60m @ 482ppm (0.05%) U_3O_8 from 53m** Inc. 35m @ 750ppm (0.08%) U_3O_8 from 53m Inc. 4m @ 3,100ppm (0.31%) U_3O_8 from 55m
Hole SLRC029	**75m @ 268ppm (0.03%) U_3O_8 from 82m** Inc. 31m @ 452ppm (0.05%) U_3O_8 from 126m

Tenement Schedule

as at 30 September 2016

TENEMENT NAME	TENEMENT NUMBER	STATUS	EQUITY
South Australia			
Billy Springs	EL5375	Granted	100%
Calcutta	EL5192	Granted	100%
Fitton	EL5731	Granted	100%
Mt Lyndhurst	EL5809	Granted	100%
Roxby Downs	EL4906	Granted	100%
Yerelina	EL5015	Granted	100%
Yorke Peninsula	EL5320	Granted	100%
Northern Territory			
Anningie	ELA31139	Application	100%
Anningie	ELA31140	Application	100%
Barrow Creek	ELA31145	Application	100%
Barrow Creek	ELA31146	Application	100%
Blueys	EL28136	Granted	100%
Blueys	ELA30519	Application	100%
Blueys	ELA30670	Application	100%
Blueys	ELA30820	Application	100%
Daicos	EL29512	Granted	100%
Finniss	EL29698	Granted	Transferring 100% to CXO
Finniss	EL31126	Granted	100%
Finniss	EL31127	Granted	100%
Finniss	ELA31144	Application	100%
Finniss	ELA31271	Application	100%
Finniss	ELA31279	Application	100%
Jervois	EL29579	Granted	100%
Jervois	EL29580	Granted	100%
Jervois	EL29581	Granted	100%
Jervois	EL29669	Granted	100%
Mordor	EL28940	Granted	100%
McLeish	EL30793	Granted	100%
Mt Emma	EL29514	Granted	100%
Mt George	EL29389	Granted	100%
Mt Russell	EL27369	Granted	100%
Pattersons	EL27709	Granted	100%
Riddoch	EL29689	Granted	100%
Ross River	EL30669	Granted	100%
White Range East	EL28029	Granted	100%
Yambla	EL29347	Granted	100%

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, Fitton, Paradise Well, Blueys and Albarta projects have not been verified in accordance with JORC 2012 where exploration activities were performed more than three years earlier (prior to 2013/14) 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 these project areas.

Directors' Report

Core's Directors have pleasure in submitting their report on the Company and its subsidiaries, for the year ended 30 June 2016.

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 English is a qualified mining engineer and lawyer. Greg is a partner of Piper Alderman Lawyers and specialises in mining, commercial and securities law. He is also a qualified mining engineer, with experience on a wide variety of mining projects. Greg is also a director of ASX listed Archer Exploration Ltd and Leigh Creek Energy Limited.

Greg's experience in the mining industry, particularly in capital raising, tenement acquisition, project management and business development, and his industry knowledge and business relationships, enables Core Exploration to manage and develop its existing tenement portfolio and to identify and secure other high quality exploration assets.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Executive Director of Archer Exploration, appointed 16 February 2007, and Executive Chairman, appointed 14 July 2008 and non-executive Director of Leigh Creek Energy Limited from 22 September 2015.

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

None

INTEREST IN SHARES

6,265,000 Ordinary Shares held directly and by an entity in which Mr English has a beneficial interest.

INTEREST IN OPTIONS / PERFORMANCE RIGHTS

1,000,000 Quoted Options with exercise price of $0.05 and expiry of 31 August 2017.

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

Managing Director (appointed 10 September 2010)

EXPERIENCE AND EXPERTISE

Mr Biggins has 25 years' experience as geologist and geophysicist in mineral exploration in the mining industry in Australia and internationally.

He has applied his Honours Degree in Geology and MBA as the Managing Director of ASX-listed Southern Gold (ASX:SAU) in 2005–10, and then Core Exploration (ASX:CXO) since 2011 to the finance and management of exploration and resource definition in a range of commodities. Stephen was also a founding Director of Investigator Resources Ltd (ASX:IVR).

Mr Biggins has built prospective portfolios of gold, uranium and base metal exploration projects in Australia, Asia and Africa.

These earliest projects provided the foundation for Southern Gold Ltd and as Managing Director, Stephen led the Company to the discovery of the Cannon Gold Resource that is currently in gold production in Western Australia."

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

None

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

None

INTEREST IN SHARES

7,007,667 Ordinary Shares held by entities in which Mr Biggins has a beneficial interest.

INTEREST IN OPTIONS / PERFORMANCE RIGHTS

2,100,000 Quoted Options with exercise price of $0.05 and expiry of 31 August 2017.

3,000,000 unquoted Performance Rights subject to various performance based hurdles.

Heath Hellewell, B.Sc (Hons) MAIG

Non-executive Independent Director (appointed 15 September 2014)

EXPERIENCE AND EXPERTISE

Heath is an exploration geologist with over 22 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

Non-Executive Director of Duketon Mining Ltd (ASX:DKM) appointed 18 November 2014 and Capricorn Metals Limited (ASX:CMM) appointed 3 February 2016.

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

1,000,000 Quoted Options with exercise price of $0.05 and expiry of 31 August 2017.

1,000,000 unlisted options with exercise price of $0.10 and expiry of 31 January 2017 subject to a share price hurdle.

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 lithium, copper (+/- silver, uranium) deposits in Northern Territory and South Australia.

OPERATING AND FINANCIAL REVIEW

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

The net loss of the Company, from the year ended 30 June 2016, was $1,794,756 (2014/15 $1,274,401) after providing for income tax – an increase of $520,756.

The key contributor to the increased loss for the year was an increase in income tax expense of $341,781 due to the write-back of an R&D tax offset related to the withdrawal of a project claimed for the 2012/13 financial year of $256,853 and a reduction in R&D tax offset claimed during the 2015/16 year. Additionally, an increase in exploration expense of $144,411 due to preliminary expenditure on exploration licences not yet granted contributed to the loss. Additionally, share based payments expense increased by 135,000 primarily due to the fair value of options issued to brokers as remuneration.

The increase in expenses noted was partly offset by a reduction in employee benefits expense primarily due to a decrease in labour costs.

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.

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

LITHIUM PROJECTS

Northern Territory

Core initiated and expanded its strategic lithium projects in three known pegmatite provinces in the Northern Territory during 2016. The Company is advancing these lithium projects through on-ground activities aimed at quickly assessing the economic and development potential of these large pegmatites fields. The key lithium projects held by the Group comprise the Finniss Project located in the Bynoe Pegmatite Field immediately south of Darwin in the NT as well as the Anningie and Barrow Creek Tin Tantalum Pegmatite fields in the north Arunta Region of the NT.

Core's most advanced lithium project is the Finniss Lithium Project located in in the lithium-rich Bynoe Pegmatite Field immediately south of Darwin in the NT. During the reporting period, Core strengthened its tenure position in this field. In addition to exercising the option agreement to purchase 100% of the 32.5km^2 EL 29698, Core now has 454km^2 of granted exploration licences and applications, covering 25 historically producing tin tantalum mines in the Bynoe Pegmatite Field collectively known as the Finniss Lithium Project.

The Barrow Creek and Anningie projects encompass four Exploration Licence applications covering approximately 2,500km^2 in and around the Anningie and Barrow Creek Tin Tantalum Pegmatite fields in the north Arunta Region of the NT, which are considered highly prospective for lithium.

The future strategy for Core is to undertake additional exploration work on priority lithium targets within both regions.

ZINC PROJECTS

EL 5015, South Australia and EL28136, Northern Territory

Zinc assays from broad mineralised breccia zones drilled by Core during the 2016 reporting period indicate that Core has possibly discovered a new sedimentary-hosted zinc system on the Yerelina Zinc Project (EL5015), which covers a total area of 1,000km^2 in northern South Australia. Core has also been awarded $190,000 of co-funding from the South Australian Government as part of the SA Government's PACE Discovery Drilling 2016 program to drill the Company's Yerelina Zinc Project.

Core Silver, Lead and Zinc project received impressive silver and lead results in its second reverse circulation (RC) drilling at its Inkheart Prospect in the Northern Territory (EL28136). Core's RC drilling in September 2014 intersected additional broad zones of silver and lead mineralisation including high grades up to 268g/t silver (Ag) and 8% lead at the Inkheart and Blueys Prospects in the Northern Territory.

The future strategy at Yerelina, Inkheart and Blueys projects is for Core to focus on testing of targeted areas identified in previous drilling.

COPPER PROJECTS

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

Assays from the Company's first shallow rotary air blast (RAB) drilling of its 100%-owned Jervois Domain tenements during the 2016 reporting period north-east of Alice Springs in the Northern Territory have exceeded expectations.

Core' drilling has confirmed the 20km Big-J target zone has the geology, geophysics and indications of near surface copper mineralisation consistent with KGL Resources neighbouring Jervois project on a larger exploration scale. Core's first pass shallow drilling program (average drill hole depth of 10m at 50m spacing) found elevated copper on all five traverses drilled across a 15km section of the Big-J target zone.

The future strategy for the Jervois domain is follow-up deeper drilling to test the depth extensions of identified near surface copper mineralisation.

URANIUM PROJECTS

EL 4569, South Australia

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

Core is monitoring recent corporate activity in the uranium sector and will look to increase exploration activity again at Fitton based on uranium prices and other corporate opportunities.

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 has issued 4,000,000 performance rights to the managing director and employees on 19 August 2016 with exercise being performance based subject to vesting conditions. The Company has further issued 1,086,957 shares on 29 August 2016 as part consideration for purchase of Exploration Licence EL29698 at the Finniss Lithium Project.

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 at Finniss. As well as ongoing exploration from time to time at Yerelina, Jervois, Fitton, Albarta 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	BOARD MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS	
	MEETINGS ATTENDED	MEETINGS ENTITLED TO ATTEND	MEETINGS ATTENDED	MEETINGS ENTITLED TO ATTEND
GD English	12	12	3	3
SR Biggins	12	12	3	3
HA Hellewell	12	12	3	3

At this time there are no separate Board committees, other than the audit and risk committee, 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
2 April 2015	30 September 2016	$0.050	1,000,000
2 April 2015	30 September 2016	$0.075	1,000,000
16 October 2014	16 October 2016	$0.085	200,000
2 April 2015	31 January 2017	$0.100	1,000,000
Total unquoted options			3,200,000
2 September 2015[1]	31 August 2017	$0.050	12,000,000
25 November 2015	31 August 2017	$0.050	25,706,705
19 January 2016	31 August 2017	$0.050	17,959,369
13 April 2016	31 August 2017	$0.050	59,211,385
Exercised during the period			(12,500)
Total quoted options			114,864,959
Total options on issue			118,064,959

1 Quotation granted on 25 November 2015.

During the year 1,000,000 unlisted options were issued to a director as remuneration.

The following issues of quoted options occurred during the year:

- 12,000,000 to underwriters of the Group's share purchase plan (issued on 2 September 2015 and quotation granted on 25 November 2015);
- 43,666,074 to shareholders under a rights issue;
- 43,511,385 to shareholders that participated in a share placement;
- 12,000,000 to contractors as remuneration;
- 3,000,000 to directors as remuneration; and
- 700,000 to the company secretary and an employee as remuneration.

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

During the year 12,500 ordinary shares were issued as a result of the exercise of options.

Remuneration Report (Audited)

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

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 and options. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the Company's Share Option Plan and Performance Share Plan, which may exist from time to time.

During the reporting year, performance reviews of senior executives were not conducted.

There were no remuneration consultants used by the Group during the year.

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 2015 Annual General Meeting

Core received more than 98% of "yes" votes on its remuneration report for the 2015 financial year. The company did not receive any specific feedback at the AGM on its remuneration report.

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

2016	SHORT TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
	SALARY AND FEES $	CONTRACT PAYMENTS $	OTHER BENEFITS $	SUPERANNUATION $	OPTIONS AND PERFORMANCE RIGHTS[1] $	TOTAL $
Non-executive Directors						
G English	36,530	20,000	-	3,470	16,170	76,170
H Hellewell	-	40,000	-	-	16,297	56,297
Executive Directors						
S Biggins[2]	-	278,120	-	-	16,170	294,290
Other Key Management Personnel						
J Kopias[3]	-	90,935	-	-	8,085	99,020
C Skidmore	144,180	-	-	12,693	1,782	158,655
D Rawlings	-	56,800	-	-	-	56,800
Total	180,710	485,855	-	16,163	58,504	741,232

2015	SHORT TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
	SALARY AND FEES $	CONTRACT PAYMENTS $	OTHER BENEFITS $	SUPERANNUATION $	PERFORMANCE RIGHTS[1] $	TOTAL $
Non-executive Directors						
G English	-	60,000	-	-	-	60,000
H Hellewell	-	31,778	-	-	1,090	32,868
Executive Directors						
S Biggins[2]	-	285,549	-	-	-	285,549
M Schwarz	42,571	30,000	4,844	4,044	-	81,459
Other Key Management Personnel						
J Kopias[3]	-	61,497	-	-	-	61,497
C Skidmore	171,692	-	-	16,311	7,147	195,150
Total	214,263	468,824	4,844	20,355	8,237	716,523

1 Performance rights issued in 2015 and 2016 and options issued in 2016.
2 Contract payments are made to BR1 Holdings Pty Ltd – an entity associated with Mr Biggins.
3 Contract payments are made to Kopias Consulting – an entity associated with Mr Kopias.

During the year, there were the following changes in KMP:

- Resignation of Colin Skidmore as Exploration Manager on 29 March 2016.
- Appointment of David Rawlings as Exploration Manager on 21 March 2016.

Mr Skidmore was issued with performance based rights and options during the year. The KPI's associated with those 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*	$299,520	Per annum contract	Three months	Three months	Three months
J Kopias *CFO & Company Secretary*	Variable	Hourly rate contract	Unspecified	One month	None

1 Mr Biggins is to provide a minimum of 32 hours per week for a minimum 47 weeks of the year, during normal working hours. Mr Biggins' contract expired on 1 July 2016 and has been extended to 30 September 2016 on current terms.

D. Share-based remuneration

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

GRANTED						
2016	NUMBER GRANTED	GRANT DATE	FAIR VALUE AT GRANT DATE		FIRST VESTING DATE	LAST VESTING DATE
			PER OPTION	FULL VALUE $		
G English	1,000,000	13/04/2016	$0.0161	16,170	13/04/2016	31/08/2017
S Biggins	1,000,000	13/04/2016	$0.0161	16,170	13/04/2016	31/08/2017
H Hellewell	1,000,000	13/04/2016	$0.0161	16,170	13/04/2016	31/08/2017
H Hellewell	1,000,000	29/10/2015	$0.0006	633	KPI[1]	31/01/2017
J Kopias	500,000	13/04/2016	$0.0161	8,085	13/04/2016	31/08/2017
Total	4,500,000					

1 Meeting vesting of unlisted options issued to Mr Hellewell is tied to achieving a share price of at least 10 cents per share based on the 45 day VWAP of the Company's shares ending on 15 December 2016.

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						
2016	NUMBER GRANTED	GRANT DATE	FAIR VALUE AT GRANT DATE		FIRST VESTING DATE[1]	LAST VESTING DATE[2]
			PER RIGHT	FULL VALUE $		
C Skidmore	160,000	16/10/2015	$0.0121	1,936	1 Project & Bus Dev	16/10/2016
C Skidmore	640,000	16/10/2015	$0.0109	6,976	2 Exploration	16/10/2016
Total	800,000					

1 Meeting criteria of the KPI listed below determines vesting of rights.

2 All performance rights issued to Mr Skidmore lapsed upon his departure from the Company on 29 March 2016.

1. Project and Business Development KPI

   The vesting of Performance Rights under this KPI is tied to Mr Skidmore 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.

2. Exploration KPI

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

   Mr Skidmore will be entitled to 50% of his exploration Performance Rights 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
   - 30%.m zinc plus lead (Zn+Pb) or equivalent drill intersection. For example, a drill intersection of 10 metres at 3% combined zinc%+lead%; 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 Skidmore will be entitled to 100% of his exploration Performance Rights 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
- 120%.m zinc+ plus lead (Zn+Pb) or equivalent drill intersection. For example, a drill intersection of 10 metres at 12% combined zinc%+lead%; 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:

2016 DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2015	MOVEMENT DURING YEAR[1]	OPTIONS / RIGHTS EXERCISED	HELD AT 30 JUNE 2016
G English	6,065,000	200,000	-	6,265,000
S Biggins	6,607,667	400,000	-	7,007,667
J Kopias	226,667	-	-	226,667
Total	12,899,334	600,000	-	13,499,334

1 Movements represents participation in the Company's share purchase plan.

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:

Listed options

2016 DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2015	ACQUIRED DURING YEAR[1]	DISPOSED DURING YEAR	EXERCISED	HELD AT 30 JUNE 2016	VESTED AND EXERCISABLE AT 30 JUNE 2016
G English	-	1,000,000	-	-	1,000,000	1,000,000
S Biggins	-	2,100,000	-	-	2,100,000	2,100,000
H Hellewell	-	1,000,000	-	-	1,000,000	1,000,000
J Kopias	-	556,667	-	-	556,667	556,667
Total	-	4,656,667	-	-	4,656,667	4,656,667

1 Movement represents the issue of 1,100,000 options to S Biggins and 56,667 to J Kopias as entitlements under a rights issue conducted by the Company. Additionally, 1,000,000 options were issued to each Director and 500,000 to the Company Secretary as remuneration.

Unlisted options

2016 DIRECTORS	HELD AT 30 JUNE 2015	ACQUIRED DURING YEAR[1]	DISPOSED DURING YEAR	EXERCISED	HELD AT 30 JUNE 2016	VESTED AND EXERCISABLE AT 30 JUNE 2016
H Hellewell	-	1,000,000	-	-	1,000,000	-
Total	-	1,000,000	-	-	1,000,000	-

1 Movement represents issue of options as remuneration.

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:

2016 DIRECTORS AND COMPANY SECRETARY	HELD AT 30 JUNE 2015	ACQUIRED DURING YEAR[1]	DISPOSED DURING YEAR[2]	EXERCISED	HELD AT 30 JUNE 2016	VESTED AND EXERCISABLE AT 30 JUNE 2016
G English	500,000	-	(500,000)	-	-	-
S Biggins	2,000,000	-	(2,000,000)	-	-	-
H Hellewell	375,000	-	(375,000)	-	-	
C Skidmore	800,000	800,000	(1,600,000)	-	-	
J Kopias	250,000	-	(250,000)	-	-	-
Total	3,925,000	800,000	(4,725,000)	-	-	-

1 Represents issue of performance rights to the Exploration Manager under Company's Performance Share Plan.

2 Represents lapse of rights upon vesting condition not being met. In addition, 800,000 rights issued to the Exploration manager were forfeited following resignation from the Company.

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 in relation to the year totalling $278,120 (2015: $285,549) and is disclosed in the remuneration report. The total amount of fees due to BR1 Holdings Pty Ltd as at 30 June 2016 was $25,380 (2015: $20,000).

Gregory English

Core Exploration engaged Piper Alderman during 2015/16, a firm in which Mr English is a partner on commercial terms for the provision of legal services. Core exploration has incurred $2,500 (2015: $4,759) of legal fees during the financial year. The total amount of fees due to the legal firm as at 30 June 2016 was $Nil (2015: $Nil).

Heath Hellewell

Neogold Enterprises Pty Ltd, a company of which Mr Hellewell holds a beneficial interest, was paid Director's fees in relation to the year totalling $40,000 (2015: $31,778) and is disclosed in the remuneration report. The total amount of fees due to Neogold Enterprises Pty Ltd as at 30 June 2016 was $3,333 (2015: $Nil).

Jarek Kopias

Kopias Consulting, a business of which Jarek Kopias is a Director, was paid consulting fees in relation to the year totalling $90,935 (2015: $61,497) and is disclosed in the remuneration report. The total amount of fees due to Kopias Consulting as at 30 June 2016 was $9,555 (2015: $4,264).

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* (Cth) is included on page 29 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* (Cth) 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.

CORPORATE GOVERNANCE

The Board has adopted the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 3rd Edition" (ASX Recommendations). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and its development status.

A summary of the Company's ongoing corporate governance practices is set out annually in the Company's Corporate Governance Statement and can be found on the Company's website at *www.coreexploration.com.au.*

Signed in accordance with a resolution of the Directors.

Stephen Biggins
Managing Director

Adelaide

30 September 2016

Auditor's Independence Declaration

Level 1,
67 Greenhill Rd
Wayville SA 5034

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

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 2016, 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

Ian Kemp

I S Kemp
Partner - Audit & Assurance

Adelaide, 30 September 2016

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2016

	NOTES	2016 $	2015 $
Interest income		18,898	25,637
Other income		22,188	17,236
Administration costs	2	(517,759)	(520,804)
Employee benefits expense	18(a)	(113,493)	(183,761)
Exploration expense		(175,701)	(31,290)
Impairment expense	7	(733,587)	(737,812)
Depreciation expense	8	(20,680)	(33,108)
Share based payments expense	12	(144,080)	(9,080)
Other expenses		(792)	(13,450)
Loss before tax		(1,665,006)	(1,486,432)
Income tax benefit / (loss)	3	(129,750)	212,031
Loss for the period from continuing operations attributable to owners of the parent		(1,794,756)	(1,274,401)
Other comprehensive income attributable to owners of the parent		-	-
Total comprehensive loss for the period attributable to owners of the parent		(1,794,756)	(1,274,401)
Earnings per share from continuing operations			
Basic and diluted loss – cents per share	4	(0.92)	(0.92)

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

Statement of Financial Position

As at 30 June 2016

	NOTES	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	5	2,413,141	533,832
Trade and other receivables	6	91,121	56,205
Total current assets		2,504,262	590,037
Non-current assets			
Exploration and evaluation expenditure	7	6,253,772	5,780,273
Plant and equipment	8	71,526	87,487
Total non-current assets		6,325,298	5,867,760
TOTAL ASSETS		8,829,560	6,457,797
LIABILITIES			
Current liabilities			
Trade and other payables	9	589,028	131,137
Employee provisions	10	571	19,354
Total current liabilities		589,599	150,491
TOTAL LIABILITIES		589,599	150,491
NET ASSETS		8,239,961	6,307,306
EQUITY			
Issued capital	11	15,298,164	11,928,892
Reserves	12	461,724	527,080
Accumulated losses		(7,519,927)	(6,148,666)
TOTAL EQUITY		8,239,961	6,307,306

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 2016

2016	SHARE CAPITAL $	OPTION / RIGHTS RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at beginning of year	11,928,892	527,080	(6,148,666)	6,307,306
Rights issue, share purchase plan and settlement of invoices	3,773,450	-	-	3,773,450
Issue costs	(404,178)	65,158	-	(339,020)
Fair value and lapse of performance rights and options issued to officers, employees and shareholders	-	(130,514)	423,495	292,981
Transactions with owners	3,369,272	(65,356)	423,495	3,727,411
Comprehensive income:				
Total profit or loss for the reporting year	-	-	(1,794,756)	(1,794,756)
Total other comprehensive income for the reporting year	-	-	-	-
Balance 30 June 2016	15,298,164	461,724	(7,519,927)	8,239,961

2015	SHARE CAPITAL $	OPTION / RIGHTS RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at beginning of year	9,757,722	514,335	(4,874,265)	5,397,792
Issue of placement, rights issue and share purchase plan shares	2,257,483	-	-	2,257,483
Issue costs (net of tax)	(86,313)	-	-	(86,313)
Issue of options / rights to employees and contractors	-	12,745	-	12,745
Transactions with owners	2,171,170	12,745	-	2,183,915
Comprehensive income:				
Total profit or loss for the reporting year	-	-	(1,274,401)	(1,274,401)
Total other comprehensive income for the reporting year	-	-	-	-
Balance 30 June 2015	11,928,892	527,080	(6,148,666)	6,307,306

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

Statement of Cash Flows

For the year ended 30 June 2016

	NOTES	2016 $	2015 $
Operating activities			
Interest received		7,174	27,769
Other income received		22,188	12,263
Research and Development tax benefit		127,103	545,162
Payments to suppliers and employees		(513,528)	(749,307)
Net cash used in operating activities	13	(357,063)	(164,113)
Investing activities			
Payments for plant and equipment		(14,071)	(81,015)
Payments for capitalised exploration expenditure		(1,249,778)	(1,531,247)
Net cash used in investing activities		(1,263,849)	(1,612,262)
Financing activities			
Proceeds from issue of share capital		3,904,399	1,750,373
Capital raising costs		(404,178)	(123,304)
Net cash from financing activities		3,500,221	1,627,069
Net change in cash and cash equivalents		1,879,309	(149,306)
Cash and cash equivalents, beginning of year		533,832	683,138
Cash and cash equivalents, end of year	5 (a)	2,413,141	533,832

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

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* (Cth), 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 2016 were approved and authorised by the Board of Directors on 30 September 2016.

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 2015 is for the full year commencing on 1 July 2014.

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 2016. 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.

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

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.

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 and 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 18. 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

In the current year, there are no new and/or revised Standards and Interpretations adopted in these Financial Statements affecting presentation or disclosure and the reported result or financial position.

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 2016 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 periods but are considered insignificant to the Group.

STANDARD / INTERPRETATION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards (Part E- Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014).	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-4 'Amendments to Australian Accounting Standards-Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

We do not expect these accounting standards will have any material impact on our financial results upon adoption

2. ADMINISTRATION COSTS

	2016 $	2015 $
Compliance	79,044	71,241
KMP (not included in employee benefits expense)	176,365	149,624
Office expenses	90,671	143,043
Legal, insurance and registry	45,222	25,495
Contractors / consultants	21,709	42,277
Broker and investor relations	75,141	53,323
Other expenses	29,607	35,801
Total administration costs	517,759	520,804

3. INCOME TAX EXPENSE

		2016 $	2015 $
a)	**The components of income tax expense comprise:**		
	Current income tax expense / (benefit)	129,750	(212,031)
b)	**The prima facie tax loss before income tax is reconciled to the income tax (benefit) / expense as follows:**		
	Net gain / (loss)	(1,665,006)	(1,486,432)
	Prima facie tax benefit on loss from activities before income tax at 30%	(499,502)	(445,930)
	Deferred tax assets associated with capital raising costs recognised direct to equity but not meeting the recognition criteria	-	(36,991)
	Tax benefit received / (repaid) in relation to Research and Development	(129,750)	249,022
	Tax effect of temporary differences not brought to account as they do not meet the recognition criteria	(136,538)	(428,175)
	Distribution of Exploration Development Incentive credits	328,390	-
	Deferred tax asset not realised as recognition criteria not met	437,400	662,074
	Subtotal	-	-
	Tax portion of capital raising cost	-	36,991
	Tax expense / (benefit) in relation to research and development	129,750	(249,022)
	Income tax expense / (benefit)	129,750	(212,031)
c)	**Deferred tax assets have not been recognised in respect of the following:**		
	Deferred tax asset has not been recognised	12,346,386	11,214,834
	Tax losses	3,703,916	3,364,450

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:

	2016 #	2015 #
Weighted average number of shares used in basic earnings per share	195,013,432	138,451,072
Weighted average number of securities used in diluted earnings per share	253,195,923	149,059,565
Loss per share – basic and diluted (cents)	(0.92)	(0.92)

There were 49,003,905 options outstanding at the end of the year (2015: 10,608,493) that have not been taken into account in calculating diluted EPS due to their effect being antidilutive.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	2016 $	2015 $
Cash at hand and in bank:		
Cash at bank	213,141	492,882
Short-term deposits	2,200,000	39,950
Cash and cash equivalents	2,413,141	533,832
a) Reconciliation of cash at the end of the period.		
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Cash and cash equivalents	2,413,141	533,832

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables include the following:

	2016 $	2015 $
Interest receivable	13,142	1,418
Drilling bond receivable	14,171	33,902
GST receivable	31,894	10,027
Other receivables	31,914	10,858
Total receivables	91,121	56,205

No receivables are considered past due and / or impaired.

7. EXPLORATION AND EVALUATION EXPENDITURE

	2016 $	2015 $
Opening balance	5,780,273	4,470,318
Expenditure on exploration during the year	1,382,787	2,079,057
Impairment of capitalised exploration	(733,587)	(737,812)
Exploration expenditure expensed	(175,701)	(31,290)
Closing balance	6,253,772	5,780,273

The impairment of capitalised exploration represents the write down of tenements that have been relinquished during the financial year.

8. PLANT AND EQUIPMENT

2016	EXPLORATION EQUIPMENT $	OFFICE AND IT EQUIPMENT $	MOTOR VEHICLES $	TOTAL $
Gross carrying amount				
Opening balance	55,801	112,096	39,652	207,549
Additions	687	4,076	14,031	18,794
Disposals	(8,245)	(4,207)	-	(12,452)
Balance 30 June 2016	48,243	111,965	53,683	213,891
Depreciation and impairment				
Opening balance	(21,740)	(85,273)	(13,049)	(120,062)
Depreciation[1]	(10,231)	(10,455)	(10,225)	(30,911)
Disposals	5,713	2,895	-	8,608
Balance 30 June 2016	(26,258)	(92,833)	(23,274)	(142,365)
Carrying amount 30 June 2016	21,985	19,132	30,409	71,526

2015	EXPLORATION EQUIPMENT $	OFFICE AND IT EQUIPMENT $	LEASEHOLD IMPROVEMENTS $	MOTOR VEHICLES $	TOTAL $
Gross carrying amount					
Opening balance	32,270	118,923	31,297	-	182,490
Additions	29,462	14,130	-	39,652	83,244
Disposals	(5,931)	(20,957)	(31,297)	-	(58,185)
Balance 30 June 2015	55,801	112,096	-	39,652	207,549
Depreciation and impairment					
Opening balance	(18,168)	(83,349)	(20,669)	-	(122,186)
Depreciation[1]	(7,274)	(17,142)	(2,917)	(13,049)	(40,382)
Disposals	3,702	15,218	23,586	-	42,506
Balance 30 June 2015	(21,740)	(85,273)	-	(13,049)	(120,062)
Carrying amount 30 June 2015	34,061	26,823	-	26,603	87,487

1 Exploration equipment depreciation is charged to exploration assets. The remaining depreciation of $20,680 (2015: $33,108) is charged to the statement of profit or loss.

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:

	2016 $	2015 $
Trade and other payables	546,969	114,537
Accrued expenses	42,059	16,600
Total trade and other payables	589,028	131,137

10. SHORT TERM PROVISIONS

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

	2016 $	2015 $
Opening balance	19,354	44,826
Movement in provisions – employee entitlements	(18,783)	(25,472)
Closing balance	571	19,354

11. ISSUED CAPITAL

2016	NUMBER OF SHARES	$
a) Issued and paid up capital		
Fully paid ordinary shares	270,928,583	15,298,164
	270,928,583	15,298,164
b) Movements in fully paid shares		
Opening balance	150,486,287	11,928,892
Share purchase plan – including placement of shortfall with underwriter	24,000,008	600,000
Share placements	96,097,100	3,165,851
Consideration for services	332,688	6,925
Exercise of quoted options (including fair value)	12,500	674
Issue costs (net of tax)	-	(404,178)
Balance as 30 June 2016	270,928,583	15,298,164

2015	NUMBER OF SHARES	$
a) Issued and paid up capital		
Fully paid ordinary shares	150,486,287	11,928,892
	150,486,287	11,928,892
b) Movements in fully paid shares		
Opening balance	106,800,740	9,757,722
Share placements	33,181,818	1,750,000
Consideration for purchase of NT tenements	10,000,000	500,000
Exercise of director performance rights	500,000	7,110
Exercise of quoted options	3,729	373
Issue costs (net of tax)	-	(86,313)
Balance as 30 June 2015	150,486,287	11,928,892

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 – including through the issue of shares. 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	2016 $	2015 $
Opening balance	527,080	514,335
Issue of options during the year	450,155	11,618
Issue of performance rights during the year	1,782	8,237
Exercise of options / rights	(49)	(7,110)
Lapse of options and performance rights	(517,244)	-
Closing balance	461,724	527,080

RECONCILIATION OF SHARE BASED PAYMENTS EXPENSE	2016 $	2015 $
Options issued to directors / employees	59,956	3,628
Options issued to contractors	194,043	7,990
Performance rights issued to directors / employees	1,782	8,237
Total share based payments	255,781	19,855
Performance rights lapsed due to failing vesting condition recognised in profit or loss	(93,749)	-
Net share based payments recognised in statement of financial position	162,032	19,855
Share based payment classified as employee benefit expense in profit or loss	(17,952)	(10,775)
Net share based payment expense in profit or loss	144,080	9,080

SHARE OPTION RESERVE	NUMBER OF OPTIONS	2016 $	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance	18,400,000	435,113	$0.096
Issued to directors	4,000,000	48,637	$0.063
Issued to employees	700,000	11,319	$0.050
Issued to underwriters of share purchase plan	12,000,000	65,158	$0.050
Issued under rights issue	43,666,074	130,998	$0.050
Issued to shareholders (1 for 1 attaching option)	43,511,385	-	$0.050
Issued to contractors	12,000,000	194,043	$0.050
Exercised	(12,500)	(49)	$0.050
Cancelled / lapsed	(16,200,000)	(423,495)	$0.100
Balance at 30 June 2016	118,064,959	461,724	$0.051

SHARE OPTION RESERVE	NUMBER OF OPTIONS	2015 $	WEIGHTED AVERAGE EXERCISE PRICE
Opening balance	2,700,000	423,495	$0.179
Issued to employees	200,000	3,628	$0.085
Issued to contractors	2,000,000	7,990	$0.063
Issued to shareholders	15,000,000	-	$0.100
Cancelled / lapsed	(1,500,000)	-	$0.246
Balance at 30 June 2015	18,400,000	435,113	$0.096

During the 2015/16 year:

- 4,000,000 quoted options were issued to directors as remuneration;
- 700,000 quoted options were issued to the company secretary and an employee as remuneration;
- 12,000,000 quoted options were issued to underwriters of the Group's share purchase plan announced on 16 July 2015;
- 43,666,074 quoted options were issued to shareholders under a rights issue announced on 27 October 2015;
- 43,511,385 quoted options were issued to shareholders (on a 1 for 1 basis) that participated in the share placement completed on 25 February 2016;
- 12,000,000 quoted options were issued to contractors as remuneration;
- 12,500 quoted options were exercised by shareholders; and
- 16,200,000 unquoted options lapsed.

During the 2014/15 year:

- 200,000 unlisted options were issued to an employee as remuneration under their employment agreement;
- 2,000,000 unlisted options in relation to contractor remuneration;
- 15,000,000 unlisted options were issued to shareholders in conjunction with a share placement; and
- 1,500,000 unlisted options were forfeited or lapsed.

PERFORMANCE RIGHTS RESERVE	NUMBER OF RIGHTS	2016 $
Opening balance	3,925,000	91,967
Issued to KMP	800,000	1,782
Lapsed	(4,725,000)	(93,749)
Balance at 30 June 2016	-	-

PERFORMANCE RIGHTS RESERVE	NUMBER OF RIGHTS	2015 $
Opening balance	9,000,000	90,840
Issued to KMP	1,175,000	8,237
Exercised during the year	(500,000)	(7,110)
Lapsed	(5,750,000)	-
Balance at 30 June 2015	3,925,000	91,967

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

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	2016 $	2015 $
Loss after tax	(1,794,756)	(1,274,401)
Share based payments expense	144,080	19,855
Exploration impairment	733,587	737,812
Depreciation expense	20,680	33,108
Net change in working capital	539,346	319,513
Net cash used in operating activities	(357,063)	(164,113)

14. INVESTMENTS IN CONTROLLED ENTITIES

Controlled Entities

The Company has the following subsidiaries:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	CLASS OF SHARES	PERCENTAGE HELD	
			2015	2016
Sturt Exploration Pty Ltd	Australia	Ordinary	100%	100%
DBL Blues Pty Ltd	Australia	Ordinary	100%	100%
Lithium Developments Pty Ltd	Australia	Ordinary	0%	100%[1]

1 Lithium Developments Pty Ltd was registered on 5 May 2016.

15. AUDITOR REMUNERATION

	2016 $	2015 $
Audit services		
Auditors of Core Exploration Limited – Grant Thornton		
Audit and review of Financial Reports	28,700	28,000
Audit services remuneration	28,700	28,000
Other services		
Auditors of Core Exploration Limited – Grant Thornton		
Taxation compliance	12,800	6,000
Total other services remuneration	12,800	6,000
Total remuneration received by Grant Thornton	41,500	34,000

16. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company has entered into a two year operating lease in relation to its head office premises at 26 Gray Court, Adelaide commencing 25 May 2015. Minimum lease payments recognised as an expense during the period amount to $48,028. Remaining amounts due are:

Within one year	43,398	-
Within two years to five years	-	-
Greater than five years	-	-
	43,398	-

The Group's operating lease agreements do not contain any contingent rent clauses. The Group has entered into a lease arrangement for a term of 2 years to 24 May 2017.

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.

17. RELATED PARTY TRANSACTIONS

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

Transactions with key management personnel
Key Management Personnel remuneration includes the following are is disclosed in detail in the remuneration report:

	2016 $	2015 $
Short-term benefits	666,565	683,087
Post-employment benefits	16,163	20,355
Share based payments	58,504	8,237
Other benefits	-	4,844
Total remuneration	741,232	716,523
The following transactions occurred with KMP:		
Payment for professional services to entities associated with related parties	417,551	423,583
Payables for professional services at balance date	38,268	24,264

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 in relation to the year totalling $278,120 (2015: $285,549) and is disclosed in the remuneration report. The total amount of fees due to BR1 Holdings Pty Ltd as at 30 June 2016 was $25,380 (2015: $20,000).

Gregory English
Core Exploration engaged Piper Alderman during 2015/16, a firm in which Mr English is a partner on commercial terms for the provision of legal services. Core exploration has incurred $2,500 (2015: $4,759) of legal fees during the financial year. The total amount of fees due to the legal firm as at 30 June 2016 was $Nil (2015: $Nil).

Heath Hellewell
Neogold Enterprises Pty Ltd, a company of which Mr Hellewell holds a beneficial interest, was paid Director's fees in relation to the year totalling $40,000 (2015: $31,778) and is disclosed in the remuneration report. The total amount of fees due to Neogold Enterprises Pty Ltd as at 30 June 2016 was $3,333 (2015: $Nil).

Jarek Kopias
Kopias Consulting, a business of which Jarek Kopias is a Director, was paid consulting fees in relation to the year totalling $90,935 (2015: $61,497) and is disclosed in the remuneration report. The total amount of fees due to Kopias Consulting as at 30 June 2016 was $9,555 (2015: $4,264).

18. EMPLOYEE REMUNERATION

a) Employee benefits expense

EXPENSES RECOGNISED FOR EMPLOYEE BENEFITS ARE ANALYSED BELOW:	2016 $	2015 $
Salaries / contract payments for executive Directors and employees	617,760	737,653
Share based payments – Director and employee options and performance rights	17,952	10,775
Defined contribution superannuation expense	26,093	41,280
Employee entitlement provisions	20,070	22,659
Less: Transfer to exploration assets	(568,382)	(628,606)
	113,493	183,761

b) Share based employee remuneration

As at 30 June 2016 the Group maintained a share option plan and performance share plan for employee and director remuneration. There were 800,000 performance rights granted to KMP during the year and 4,700,000 options were granted to directors, the company secretary and an employee as remuneration.

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

	RANGE OF VALUES
Fair value	$0.0006 and $0.016
Exercise price	$0.10 and $0.05
Option life	1.3 and 1.8 years
Underlying share price	$0.025 and $0.046
Expected share price volatility	71% and 81%
Risk free interest rate	1.80% and 1.94%

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	1.0 years
Underlying share price	$0.023
Expected share price volatility	71%
Risk free interest rate	1.85%

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

Share options and weighted average exercise prices are as follows:

2016	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE ($)
Opening balance - remuneration options	400,000	0.080
Granted as remuneration during 2015/16	4,700,000	0.061
Expired	(200,000)	0.075
Outstanding as at 30 June 2016	4,900,000	0.062

2015	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE ($)
Opening balance - remuneration options	200,000	0.075
Granted as remuneration during 2014/15	200,000	0.085
Outstanding as at 30 June 2015	400,000	0.080

Fair value of options granted

The fair value at grant date of the Director options has been determined using a Black and 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	2016 $	2015 $
Financial assets			
Cash and cash equivalents	5	2,413,141	533,832
Trade and other receivables	6	91,121	56,205
		2,504,262	590,037
Financial liabilities			
Trade and other payables	9	589,028	131,137

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 monitoring 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 2016 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.

2016		EFFECT ON:	
	SENSITIVITY*	PROFIT $	EQUITY $
Interest rate	+ 1.50%	+14,500	+14,500
	- 1.50%	-14,500	-14,500

2015		EFFECT ON:	
	SENSITIVITY*	PROFIT $	EQUITY $
Interest rate	+ 1.50%	+13,600	+13,600
	- 1.50%	-13,600	-13,600

* 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).

	2016 $	2015 $
Statement of financial position		
Current assets	2,504,262	590,036
Total assets	8,829,560	6,457,796
Current and total liabilities	589,599	150,491
Issued capital	15,298,164	11,928,892
Retained losses	7,519,928	6,148,667
Share based payments reserve	461,724	527,080
Statement of profit of loss and other comprehensive income		
Loss for the period	1,794,756	1,247,401

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 has issued 4,000,000 performance rights to the managing director and employees on 19 August 2016 with exercise being performance based subject to vesting conditions. The Company has further issued 1,086,957 shares on 29 August 2016 as part consideration for purchase of Exploration Licence EL29698 at the Finniss Lithium Project.

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 2016 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 2016.

The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Stephen Biggins
Managing Director

Adelaide

30 September 2016

Level 1,
67 Greenhill Rd
Wayville SA 5034

Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

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

Report on the financial report

We have audited the accompanying financial report of Core Exploration Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, 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.

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 Limited 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 2016 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.

Grant Thornton

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Core Exploration Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner - Audit & Assurance

Adelaide, 30 September 2016

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 31 August 2016.

The Company is listed on the Australian Securities Exchange.

SUBSTANTIAL SHAREHOLDERS

There are no substantial shareholders at 31 August 2016.

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)	OPTIONS (UNQUOTED)	PERFORMANCE RIGHTS (UNQUOTED)
1 – 1,000	95	3	-	-
1,001 – 5,000	21	11	-	-
5,001 – 10,000	100	9	-	-
10,001 – 100,000	748	67	-	-
100,001 and over	483	129	4	3
Number of holders	1,447	219	4	3

There were 264 holders of less than a marketable parcel of ordinary shares ($500 amounts to 14,705 shares).

There are no restricted securities on issue subject to voluntary escrow.

There are 3,200,000 options and 4,000,000 performance rights issued but unquoted at the date of this report.

All unquoted performance rights were issued under the Company's Performance Share Plan. InSync Equity Services Pty Ltd and Mr Glen Goulds each hold 31.25% of the unquoted options on issue. The remaining unquoted options were issued under the Company's Share Option Plan.

TWENTY LARGEST HOLDERS OF ORDINARY SHARES

		NO. OF SHARES HELD	% HELD
1	Gempart NT Pty Ltd	5,950,000	2.19
2	Nowak Investments Pty Ltd <Nowak S/F A/C>	5,791,000	2.13
3	Mr Andrew Blackman	4,465,001	1.64
4	Leet Investments Pty Ltd	4,200,000	1.54
5	GDE Exploration (SA) Pty Ltd <A1 English Family A/C>	4,000,000	1.47
6	Mr David Jensen & Mrs Vanessa Jensen <Dave & Vanessa Jensen S/F A/C>	3,996,700	1.47
7	Mrs Lynette Gorry	3,090,137	1.14
8	Mr Paul Townsend	3,000,000	1.10
9	Mrs Luigina Ivory	2,700,000	0.99
10	Amalgamated Dairies Ltd	2,666,667	0.98
11	Mr Myles Johnson	2,500,000	0.92
12	LEC Nominees Pty Ltd <LEC S/F A/C>	2,225,000	0.82
13	Ms Amanda Webster <L Webster Family A/C>	2,206,667	0.81
14	Leet Investments Pty Ltd <Super Fund A/C>	2,200,000	0.81
15	Mr Ricky Maple	2,075,000	0.76
16	Mrs Maria Rontziokos & Mr Fotios Rontziokos	2,000,000	0.74
17	Mr Eugene Astley & Mrs Helen Astley	2,000,000	0.74
18	Bralich Holdings Pty Ltd	1,900,000	0.70
19	Smundin Group Pty Ltd	1,891,108	0.70
20	Mr Nicholas Axam	1,800,000	0.66
		60,657,280	22.31
	Total ordinary shares on issue	272,015,540	100.00

TWENTY LARGEST HOLDERS OF QUOTED OPTIONS

(Expiry 31 August 2017)

		NO. OF OPTIONS HELD	% HELD
1	M & K Korkidas Pty Ltd <M&K Korkidas Pty Ltd S/F A/C>	11,500,000	10.01
2	Zenix Nominees Pty Ltd	10,000,000	8.71
3	Mr Wafa Iqbal	3,555,000	3.09
4	Mr Gary Hullen	3,250,000	2.83
5	Mr Kim Herbert <No 2 A/C>	3,100,000	2.70
6	Mr Oon Yeoh & Mrs Elzbieta Yeoh	3,083,541	2.68
7	Mr John Beckman	3,050,000	2.66
8	Farjoy Pty Ltd	3,000,000	2.61
9	Mr Michael Cookson	3,000,000	2.61
10	Mr Shane Sofra	2,940,000	2.56
11	Jersia Pty Ltd	2,679,330	2.33
12	J&T Anogianakis Pty Ltd <Anogianakis Super Fund A/C>	2,641,471	2.30
13	Mrs Fiona Ceric	2,558,590	2.23
14	Mr Andrew Blackman	2,100,000	1.83
15	Mr Bruce Lee	2,000,000	1.74
16	Mr Lindsay Dudfield & Mrs Yvonne Dudfield <LG Dudfield Pension Fund A/C>	1,800,000	1.57
17	Mr Edward Sweeny	1,390,000	1.21
18	Genex Resources Pty Ltd	1,100,000	0.96
19	Mr Martin O'Duffy	1,100,000	0.96
20	Yeoh Super Pty Ltd <Yeoh Super A/C>	1,085,833	0.95
		64,933,765	56.54
	Total options on issue	114,864,959	100.00