



ACN 146 287 809

## Interim Consolidated Financial Statements

for the half-year ended 31 December 2011

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

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

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

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

## Directors' Report

The Directors of Core Exploration Ltd present their Report together with the financial statements of the consolidated entity, being Core Exploration ("the Company") and its controlled entities ("the Group") for the half year ended 31 December 2011 and the Independent Review Report thereon.

### DIRECTORS

The following persons were directors of Core since the end of the financial year.

- Gregory English
- Stephen Biggins
- Michael Schwarz

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Core Exploration has projects comprising nine tenements covering over 2,000km<sup>2</sup> which have been carefully acquired in geology which hosts world-class copper and uranium mines in South Australia and the Northern Territory that support mining of both copper and uranium.

In the half year to 31 December 2011, the Company completed infill gravity surveys and its first drilling program on the Yorke Peninsula Project where the Company is targeting exploration to discover "Hillside style" copper mineralisation.

Exploration for copper and uranium was also completed on Core's Fitton Project in northern South Australia, where soil surveys, rock chip sampling and geological mapping has identified shear related uranium and copper mineralisation at surface.

The net loss of the Company, from the six months to 31 December 2011, was \$246,927 after providing for income tax.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 2 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors.



Stephen Biggins  
**Managing Director**

28 February 2012

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CORE EXPLORATION LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Core Exploration Limited for the half-year ended 31 December 2011, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J.L. Humphrey  
Director – Audit & Assurance Services

Adelaide, 28 February 2012

## Statement of Comprehensive Income

For the half year ended 31 December 2011

	Notes	31 December 2011 \$	31 December 2010 \$
Interest income		115,906	1,672
Administration costs		(224,071)	(263,977)
Employee benefits expense		(117,982)	-
Depreciation		(19,580)	-
Other expenses		(1,200)	-
		(246,927)	(262,305)
Loss before tax		(246,927)	(262,305)
Income Tax (expense) / benefit		-	-
		(246,927)	(262,305)
Loss for the reporting period		(246,927)	(262,305)
Other Comprehensive income		-	-
		(246,927)	(262,305)
<b>Total Comprehensive loss for the reporting period</b>		<b>(246,927)</b>	<b>(262,305)</b>
Loss attributable to:			
Owners of the parent entity		(246,927)	(262,305)
Total Comprehensive Loss attributable to:			
Owners of the parent entity		(246,927)	(262,305)
Earnings Per Share from Continuing Operations			
Basic Loss – cents per share	2	0.60	7.03

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

Statement of Financial Position  
As at 31 December 2011

	Notes	31 December 2011 \$	30 June 2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,443,723	4,363,411
Trade and other receivables		111,093	111,933
<b>Total current assets</b>		<b>3,554,816</b>	<b>4,475,344</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	3	3,067,763	2,555,208
Plant and equipment		125,204	77,039
<b>Total non-current assets</b>		<b>3,192,967</b>	<b>2,632,247</b>
<b>TOTAL ASSETS</b>		<b>6,747,783</b>	<b>7,107,591</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		64,436	180,770
Employee provisions		13,681	9,440
<b>Total current liabilities</b>		<b>78,117</b>	<b>190,210</b>
<b>TOTAL LIABILITIES</b>		<b>78,117</b>	<b>190,210</b>
<b>NET ASSETS</b>		<b>6,669,666</b>	<b>6,917,381</b>
<b>EQUITY</b>			
Issued capital		7,145,760	7,146,570
Reserves		394,372	394,350
Accumulated losses		(870,466)	(623,539)
<b>TOTAL EQUITY</b>		<b>6,669,666</b>	<b>6,917,381</b>

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

Statement of Changes in Equity  
For the half year ended 31 December 2011

	Share capital	Option reserve	Retained earnings	Total equity
	\$	\$	\$	\$
Balance at registration	-	-	-	-
Issue of seed shares, net of issue costs	494,250	-	-	494,250
Issue of options to advisors and directors	-	161,400	-	161,400
Transactions with owners	494,250	161,400	-	655,650
<b><i>Other comprehensive income:</i></b>				
Total comprehensive income for the reporting period	-	-	(262,305)	(262,305)
<b>Balance 31 December 2010</b>	<b>494,250</b>	<b>161,400</b>	<b>(262,305)</b>	<b>393,345</b>
Balance at 1 July 2011	7,146,570	394,350	(623,539)	6,917,381
Issue Costs	(810)	-	-	(810)
Issue of options to employees	-	22	-	22
Transactions with owners	7,145,760	394,372	(623,539)	6,916,593
<b><i>Other comprehensive income:</i></b>				
Total comprehensive income for the reporting period	-	-	(246,925)	(246,927)
<b>Balance 31 December 2011</b>	<b>7,145,760</b>	<b>394,372</b>	<b>(870,464)</b>	<b>6,669,666</b>

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

Statement of Cash Flows  
For the half year ended 31 December 2011

	Notes	31December 2011 \$	31December 2010 \$
<b>Operating activities</b>			
Interest received		168,267	1,672
Payments to suppliers and employees		(411,430)	(57,964)
Net cash used in operating activities		<u>(243,163)</u>	<u>(56,292)</u>
<b>Investing activities</b>			
Payments for plant and equipment		(86,418)	-
Payments for capitalised exploration expenditure		(589,297)	-
Loans to third parties		-	(2,994)
Net cash used in investing activities		<u>(675,715)</u>	<u>(2,994)</u>
<b>Financing activities</b>			
Proceeds from issue of share capital		-	525,000
Share subscriptions received but not issued		-	779,500
Capital raising costs		(810)	(104,824)
Net cash from financing activities		<u>(810)</u>	<u>1,199,676</u>
<b>Net change in cash and cash equivalents</b>		<u>(919,688)</u>	<u>1,140,390</u>
Cash and cash equivalents, beginning of reporting period		<u>4,363,411</u>	-
<b>Cash and cash equivalents, end of year</b>		<u>3,443,723</u>	<u>1,140,390</u>

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

## Notes to the consolidated financial statements For the period ended 31 December 2011

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Nature of operations

Core's principal activities are the exploration for iron oxide, copper, gold, and uranium (IOCGU) deposits in South Australia.

#### b) General information and basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2011 and are presented in Australian dollars(\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with AIFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2011 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

As the company was registered on 10 September 2010 the comparative period to 31 December 2010 is from 10 September 2010 to 31 December 2010.

The interim financial statements have been approved and authorised for issue by the boards of directors on 28 February 2012.

#### c) Significant accounting Policies

The significant accounting policies that have been used in the preparation of these consolidated interim financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by the Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2011, except for the adoption of *Improvements to AASBs 2010* (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASB's. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Group for the purpose of preparation of these interim financial statements.

#### **Amendment to AASB 101 Presentation of Financial statements**

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the Statement of Changes in Equity or in the notes to the financial statements. The Group presents such reconciliations in the Consolidated Statement of Changes in Equity.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Group's circumstances since the last annual financial statements. The Group's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

#### d) 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.

## 2. 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:

	6 months to December 2011 #	6 months to December 2010 #
Weighted average number of shares used in basic earnings per share	41,500,000	3,702,703

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

### 3. EXPLORATION AND EVALUATION EXPENDITURE

	<b>31December 2011 \$</b>	<b>30 June 2011 \$</b>
Opening balance	2,555,208	-
Acquired on acquisition of subsidiaries	-	2,236,354
Expenditure on exploration during the period / year	512,555	318,854
Closing balance	<u>3,067,763</u>	<u>2,555,208</u>

### 4. 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.

### 5. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last reporting date.

### 6. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company or Group, the results of those operations or the state of affairs of the Company and Group 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 31 December 2011 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard 134 Interim Financial Reporting; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts when they become due and payable.

Signed in accordance with a resolution of the Directors:



Stephen Biggins  
Managing Director

Adelaide  
28 February 2012

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

We have reviewed the accompanying half-year financial report of Core Exploration Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity’s financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Core Exploration Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

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

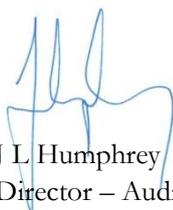
**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Core Exploration Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J.L. Humphrey  
Director – Audit & Assurance Services

Adelaide, 28 February 2012