



Practical Solutions - Innovative Technology

21 February 2012

Mr Mauro Piccini
Adviser, Issuers (Perth)
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

By facsimile 9221 2020

Dear Mauro

We refer to your letter dated 16 February 2011 referring to the Appendix 4C lodged by the Company on 31 January 2012 for the period ending 31 December 2011 ("Letter").

In response to your questions outlined in the Letter, we provide the following information:

1. It should be noted that the December 2011 Appendix 4C report includes a footnote comment indicating that whilst the income actually received for the quarter was nil, the revenue earned at the Newcrest drilling contract during the December 2011 quarter will be realized in the March 2012 quarter. This is largely due to invoice and payment timing. The Company is also historically an R&D company and as such has not generated significant revenue other than incidental revenue thus, like all other R&D companies, it is dependent upon generating fresh capital to fund its objectives.
2. The Company does not expect that it will have negative operating cashflows similar to those reported in the December 2011 Appendix 4C. As recently announced, following the purported termination of its Intellectual Property Agreement with Strange Investments (WA) Pty Ltd atf The Strange Family Trust, which the Company contends was unlawful, Coretrack is in the process of downsizing its wholly owned subsidiary, Globe Drill Pty Ltd, and is about to commence selling drilling and workshop equipment, which is currently listed on its balance sheet at approximately \$11 million. The Company believes that the realizable market values of the equipment will be less than this amount but will still be significant enough to provide a sizeable cash injection into the Company. This information has previously been announced to the market.
3. Given that the drilling contract commenced by the Company in the December 2011 quarter was based on a 30 day invoicing and payment regime, the Company expected that there was very little chance of the revenues generated in the December 2011 quarter actually being paid until the March 2012 quarter. The Company is currently in negotiations with Newcrest regarding the final payments, some elements of which are contested. Expenses for the quarter were in line with expectations.
4. N/A

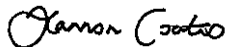
5. The Board and management have taken action to reduce expenditure by significantly downsizing Globe Drill and by commencing the sale process for its drilling and workshop equipment. The Company is also in the process of re-negotiating the terms of its existing Convertible Note facility.

Disclosure of the above mentioned activities will be made as and when required under Listing Rule 3.1.

6. The Company can confirm that it is in compliance with the Listing Rules, and in particular Listing Rule 3.1.
7. The Company continues to operate with significantly more assets than liabilities and is currently re-negotiating the terms of its Convertible Note. Importantly, many of the expenses incurred in the December 2011 quarter related to the operation of the GT3000 drilling rig and it is not anticipated that these expenses will be recurring due to the purported cancellation of the Intellectual Property Agreement relating to the drill rig.

Please do not hesitate to contact me if further information is required.

Yours sincerely



Shannon Coates
Company Secretary



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

16 February 2012

Ms. Shannon Coates
Company Secretary
Coretrack Limited
Ground Floor, 3 Richardson Street
West Perth WA 6005

By email: shannon@evolutioncapital.com.au

Dear Shannon

Coretrack Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2011, released to ASX Limited ("ASX") on 31 January 2012 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$0.
2. Net negative operating cash flows for the quarter of \$2,013,000
3. Cash at end of quarter of \$3,755,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

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

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than half an hour before the commencement of trading (6:30 am WST) on Wednesday, 22 February 2012**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0000.

Yours sincerely,

[sent electronically without signature]

Mauro Piccini
Adviser, Listings (Perth)