

CORE EXPLORATION LIMITED

ACN 146 287 809

NOTICE OF GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Thursday 18 August 2016

Time of Meeting

11:00 am (Adelaide time)

Place of Meeting

Core Exploration
26 Gray Court,
Adelaide, South Australia

CORE EXPLORATION LIMITED
ACN 146 287 809

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Core Exploration Ltd ("Company") will be held at the offices of the Company, 26 Gray Court, Adelaide, South Australia on Thursday 18 August 2016 at 11:00 am (Adelaide time).

The business to be considered at the General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Notes, which forms part of this Notice of Meeting and contains information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the Resolutions set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Defined terms used in this Notice of Meeting have the meanings given to those terms in the Glossary at the end of the Explanatory Notes.

ORDINARY RESOLUTIONS

Resolution 1 – Ratification of Shares issued in the preceding 12 month period

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the allotment and issue of 52,585,715 Shares during the preceding 12 month period on the terms and to the parties set out in the Explanatory Notes is ratified."

Resolution 2 – Ratification of Quoted Options issued in the preceding 12 month period

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the allotment and issue of 2,000,000 Quoted Options during the preceding 12 month period on the terms and to the parties set out in the Explanatory Notes is ratified."

Resolution 3 – Issue of Director Performance Rights to Mr Stephen Biggins

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 10.14, approval is given for the issue and allotment of 3,000,000 Director Performance Rights to Mr Stephen Biggins (or his nominee) under the Core Exploration Limited Performance Share Plan."

Voting exclusions and restrictions

Voting exclusion in relation to Resolutions 1 and 2 (ratification of Shares and Quoted Options issued)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on these Resolutions by any person who participated in the issue and any associate of such persons. However, the Company need not disregard a vote if:

- a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting exclusions and voting restriction in relation to Director remuneration (Resolution 3)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this Resolution by Mr Biggins, Mr English and Mr Hellewell and any associates of Mr Biggins, Mr English and Mr Hellewell. However, the Company need not disregard a vote if:

- a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, in accordance with the Corporations Act, a vote must not be cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) by a Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, the member or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution or by a person who is the chair of the Meeting at which the Resolution is voted on and the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a Key Management Personnel.

By order of the Board

Jaroslav (Jarek) Kopias
Company Secretary
Adelaide, 14 July 2016

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your Shareholding and your vote is important.

VOTING AND PROXY

A Member who is entitled to attend and cast a vote at the Meeting and who wishes to vote on the Resolutions contained in this Notice should either attend in person at the time, date and place of the Meeting set out above or appoint a proxy or proxies to attend or vote on the Member's behalf.

For the convenience of Members, a Proxy Form is enclosed. In completing the attached Proxy Form, Members must be aware that where the Chairman of the Meeting is appointed as their proxy, they will be directing the Chairman to vote in accordance with the Chairman's voting intention unless you indicate otherwise by marking the "For", "Against" or "Abstain" boxes. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. Members should note that they are entitled to appoint the Chairman as a proxy with a direction to cast the votes contrary to the Chairman's voting intention, or to abstain from voting, on any Resolution in the Proxy Form. Also, Members may appoint, as their proxy, a person other than the Chairman.

A proxy does not need to be a Member of the Company. A Member who is entitled to attend and cast two or more votes is entitled to appoint two proxies. Where two proxies are appointed, each appointment may specify the proportion or number of voting rights each proxy may exercise. If the Member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes able to be cast by the appointing Member.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. In order to be valid, the Proxy Form must be received by the Company at the address or facsimile number specified below, along with any power of attorney or certified copy of a power of attorney (if the Proxy Form is signed pursuant to a power of attorney), by no later than 48 hours before the Meeting (i.e., by no later than 11:00am Adelaide time on 16 August 2016):

By mail: Core Exploration Limited
 c/- Security Transfer Registrars Pty Ltd
 PO BOX 52
 Collins Street West VIC 8007

By hand: Exchange Tower, Level 9, Suite 913
 530 Little Collins Street
 MELBOURNE VIC 3000 AUSTRALIA

By facsimile: +61 8 9315 2233

Any Proxy Forms received after that time will not be valid for the Meeting.

A Member who is a body corporate may appoint a representative to attend the Meeting in accordance with the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the Meeting.

For the purpose of determining the voting entitlements at the Meeting, the Directors have determined that Shares will be taken to be held by the registered holders of those Shares at 6:30pm Adelaide time on 16 August 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

GENERAL MEETING - EXPLANATORY NOTES

These Explanatory Notes accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting, and should be read in conjunction with this Notice of Meeting.

Introduction

These Explanatory Notes have been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be considered at the General Meeting of the Company. The Directors recommend Shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

Terms defined in the Notice of Meeting have the same meaning in these Explanatory Notes.

GENERAL BUSINESS

Resolution 1: Ratification of Shares issued in the preceding 12 month period

Background

On 27 April 2016, Core announced that the Company had issued 52,585,715 Shares (**Placement Shares**) to sophisticated, professional and institutional investors under a share placement to raise \$2,208,600 (before costs). The Placement Shares were issued without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1 and the Company's 10% Additional Placement Capacity under Listing Rule 7.1A.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue the Placement Shares as follows:

- (a) 30,751,429 Shares issued under the Company's placement capacity pursuant to Listing Rule 7.1; and
- (b) 21,834,286 Shares issued under the Company's placement capacity pursuant to Listing Rule 7.1A.

Reason for approval

Under ASX Listing Rule 7.1, the Company may not, without Members' approval, issue Equity Securities of more than 15% of its total issued Securities within a 12-month period. Further, under Listing Rule 7.1A, as approved at the Company's 2015 Annual General Meeting held on 29 October 2015, the Company may issue a further 10% of Shares on issue under the 10% Additional Placement Capacity.

Listing Rule 7.4 permits ratification of previous issues of Securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

Under Listing Rule 7.1A.2, any securities issued under the 10% Additional Placement Capacity will be counted toward the 10% limit pursuant to Listing Rule 7.1A for a period of 12 months from the date of issue unless Shareholders approve the issue of those securities.

The Placement Shares were issued on 27 April 2016 without Shareholder approval pursuant to Listing Rules 7.1 and 7.1A and thus the Company is seeking ratification of the issue at this Meeting.

Of the 52,585,715 Placement Shares issued, 21,834,286 Shares were issued under Listing Rule 7.1A and the remaining 30,751,429 Shares were issued under Listing Rule 7.1.

The Company confirms that the issue of the 30,751,429 Placement Shares did not breach Listing Rule 7.1 and the 21,834,286 Placement Shares did not breach Listing Rule 7.1A at the date of issue.

Listing Rule 7.5 contains certain requirements as to the contents of a Notice sent to Shareholders for the purpose of Listing Rule 7.4 and the following information is included in these Explanatory Notes for that purpose:

- (a) 52,585,715 Placement Shares were issued on 27 April 2016, consisting of 30,751,429 Shares issued under the Company's placement capacity under Listing Rule 7.1 and 21,834,286 Shares issued under the Company's placement capacity under Listing Rule 7.1A;
- (b) the Placement Shares were issued at a price of \$0.042 per Share;
- (c) the Placement Shares issued are fully paid ordinary shares and rank equally with other Shares on issue;

- (d) the Placement Shares were issued to sophisticated and professional investors, none of whom are related parties of the Company ; and
- (e) the purpose of the funds raised upon issue of Placement Shares was to:
 - accelerate evaluation of lithium tenements in the Northern Territory, initially focussing on the Finnis Lithium Project in the Bynoe Pegmatite Field and the Anningie Lithium Project in the North Arunta Pegmatite Province; and
 - provide the Company with working capital to enable it to support the further development of its Lithium projects.

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 1.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the ratification of Shares issued in the preceding 12 month period.

Resolution 2: Ratification of Quoted Options issued in the preceding 12 month period

Background

On 13 April 2016, the Company issued 2,000,000 Quoted Options to InSync Equity Services Pty Ltd (and its nominee) under a prospectus issued on 5 April 2016 in lieu of contractor fees and for nil cash consideration. The Quoted Options were issued without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1.

Reason for approval

Under ASX Listing Rule 7.1, the Company may not, without Members' approval, issue Equity Securities of more than 15% of its total issued Securities within a 12-month period.

Listing Rule 7.4 permits ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

The Quoted Options were issued on 13 April 2016 without Shareholder approval pursuant to Listing Rule 7.1 and thus the Company is seeking ratification of the issue at this Meeting.

The Company confirms that the issue of the 2,000,000 Quoted Options did not breach Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a Notice sent to Shareholders for the purpose of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

- (a) 2,000,000 Quoted Options were issued on 13 April 2016;
- (b) the Quoted Options were issued for nil cash consideration;
- (c) the Quoted Options issued are quoted on ASX and rank equally with other Quoted Options on issue (ASX code CXOOA);
- (d) the Quoted Options were issued to InSync Equity Services Pty Ltd (and its nominee), none of whom are related parties of the Company; and
- (e) there were no funds raised upon issue of Quoted Options which were issued as contractor remuneration.

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 2.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the ratification of Quoted Options issued in the preceding 12 month period.

Resolution 3: Issue of Director Performance Rights to Mr Stephen Biggins

Background

Shareholders approved the Company's Performance Share Plan (PSP) at the annual general meeting held on 14 November 2013 as part of the overall remuneration strategy of the Company. The PSP provides for the issue of Performance Rights to Directors, senior executives and employees of the Company and its associated bodies corporate.

The PSP is designed to provide the Company's employees, directors and executives with an incentive to maximise the return to Members over the long term and to assist in the attraction and retention of key employees, directors and executives.

Mr Stephen Biggins is an Executive Director of the Company with responsibility for the management and oversight of the Company's operations. Mr Biggins' remuneration comprises a base remuneration component and other cash benefits. In order to remunerate Mr Biggins based on his qualifications and experience within the minerals exploration market and the desire to preserve cash, the Board has determined to include an incentive based component to his remuneration package. Mr Biggins has been invited by the board of the Company to participate in the PSP and to be issued with Director Performance Rights if approved by Members at this Meeting.

Reason for approval

ASX Listing Rule 10.14 requires Shareholder approval for the issue of securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Mr Biggins is a Director of the Company. Accordingly, shareholder approval is sought for the issue of a total of 3,000,000 Director Performance Rights to Mr Biggins (or his nominee) on the terms set out below. The Director Performance Rights to be granted to Mr Biggins are in effect conditional entitlements, which may vest subject to the satisfaction of performance hurdles, details of which are summarised below. If approval of the issue of the Performance Rights is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1. The issue of the Performance Rights to Mr Biggins will therefore not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Issue of Director Performance Rights

Upon approval at this Meeting, the Company intends to issue 3,000,000 Director Performance Rights to Mr Biggins within 5 business days of the Meeting. The Performance Rights will vest in tranches upon each performance hurdle being met as approved by the Board. The Company will not issue the Director Performance Rights later than 12 months after the Meeting.

In the event that all Performance Rights vest upon satisfaction of the performance KPIs (summarised below), the maximum number of Shares that would be issued to Mr Biggins is 3,000,000. The Shares to be issued upon vesting of the Performance Rights will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

The Company advises that there are no loans provided to Mr Biggins in relation to the issue of Performance Rights.

Issue Price and Exercise Price

There is no issue price and consequently there are no funds raised upon issue of the Performance Rights as they are issued for nil consideration. Each Director Performance Right issued to Mr Biggins will have a nil exercise price.

Key Performance Indicators

The Director Performance Rights vest and become exercisable if the three Key Performance Indicator hurdles are satisfied over two 12 month periods – subject to the overarching share price KPI.

The Key Performance Indicators relate to Mr Biggins' and the Company's performance during the period 1 July 2016 to 30 June 2018. Each Key Performance Indicator is independent of the other Key Performance Indicators listed below.

TABLE 1

KPI	Maximum number of Director Performance Rights which vest upon achieving KPI in Year 1	Maximum number of Director Performance Rights which vest upon achieving KPI in Year 2
1. Capital Management	500,000	500,000
2. Joint Venture	500,000	500,000
3. Project and Business development	500,000	500,000
TOTAL	1,500,000	1,500,000

Subject to the overarching share price KPI of the Core Exploration Limited share price performance (12 month VWAP) not being substantially (more than 20%) below the S&P ASX Small Resources Index (XSR:ASX);

1. *Capital Management KPI – 500,000 Director Performance Rights per annum*

The vesting of Director Performance Rights under this KPI is tied to having at least a minimum Net Cash Balance of \$600,000 at any point between 1 July 2016 - 30 June 2017 (Year 1) and 1 July 2017 - 30 June 2018 (Year 2) and raising in excess of \$2.0 million capital at pricing (using the weighted average if multiple transactions over the 12 month period):

- o 0-15% discount to 20-day VWAP then 100% of Performance Rights vest.
- o 15-30% discount to 20-day VWAP then 50% of Performance Rights vest.

For example, if the Company raises, in excess of \$2.0 million in two tranches between 1 July 2017 and 30 June 2018 at an average discount of 20% to the 20-day VWAP at time of issue of each tranche, then 250,000 Performance Rights will vest (50% of that year's maximum).

2. *Joint Venture KPI - 500,000 Director Performance Rights per annum*

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

- o Execution and completion of a project farm-out or joint venture transaction satisfactory to the Board (and subject to the JV KPI Table 2) greater than or equal to \$4 million or sale of the Company's project for cash/shares in excess of \$1 million then 100% of Performance Rights vest.
- o Execution and completion of a project farm-out or joint venture transaction satisfactory to the Board (and subject to the JV KPI Table 2) greater than or equal to \$1 million and less than \$4 million or sale for cash/shares in excess of \$250,000 but less than \$1 million then 50% of Performance Rights vest.

For example, if Mr Biggins introduces a joint venture whereby the farminee party agrees to contribute \$5 million to Core projects, then 500,000 Performance Rights will vest (100% of that year's maximum) if the party does not withdraw within 12 months of execution of agreement.

TABLE 2

Transaction - Joint Venture KPI	Vesting of Director Performance Rights
Execute farmout agreement that has conditions precedent	No
Farmout agreement where conditions precedent have all been satisfied but farmin party withdraws before 12 months of execution of agreement	No
Farmout agreement where conditions precedent have all been satisfied but farmin party withdraws after 12 months of agreement	Yes
Execute unconditional tenement sale agreement and completion takes place	Yes
Sale agreement where all conditions precedent have been satisfied and completion takes place	Yes
Any of the above agreements becomes unconditional but is subsequently terminated by Core for any reason (including default of other party)	Yes

3. *Project and Business Development KPI – 500,000 Director Performance Rights per annum*

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

- o not within 50km of an existing granted tenement currently held by Core;
- o not an Exploration Licence Application; and
- o with a transaction value greater than \$100,000.

The KPI is not met if the Board/Vendor withdraws from the transaction during related/current 12 month KPI period.

For example, if Mr Biggins introduces, and the Board approves, executes and completes an acquisition of new tenements comprising a new project to the Company for \$200,000 that is not within 50km of existing Core granted tenements then 500,000 Performance Rights will vest in that 12 month period.

TABLE 3

Terms	Maximum number of Director Performance Rights vesting	Grant date¹	Vesting date	Lapsing date²
KPI 1 - Capital Management	500,000	18 Aug 2016	Meeting KPI	30 Sep 2017
KPI 1 - Capital Management	500,000	18 Aug 2016	Meeting KPI	30 Sep 2018
KPI 2 - Joint Venture	500,000	18 Aug 2016	Meeting KPI	30 Sep 2018
KPI 2 - Joint Venture	500,000	18 Aug 2016	Meeting KPI	30 Sep 2019
KPI 3 - Project & Business Development	500,000	18 Aug 2016	Meeting KPI	30 Sep 2017
KPI 3 - Project & Business Development	500,000	18 Aug 2016	Meeting KPI	30 Sep 2018
TOTAL	3,000,000			

¹ Within 5 business days of receipt of Shareholder approval.

² Director Performance Rights will expire within 3 months of Mr Biggins ceasing employment with the Company if earlier than lapsing date. The Board will have 3 months from the end of Year 1 and Year 2 to determine whether the rights have vested based on a KPI, and a further 12 months from the end of Year 1 and Year 2 on a KPI requiring monitoring for a 12-month withdrawal period to determine whether the rights have vested.

Additional terms and conditions of the Director Performance Rights under the PSP are detailed in Appendix 2.

Should Mr Biggins cease to be an officer of the Company, the Director Performance Rights will expire within 3 months of his departure.

S Biggins interests and remuneration

Mr Biggins has signed an Executive Services Agreement with the Company and was paid the cash amount of \$285,549 in relation to the 2014/15 financial year and \$278,120 (unaudited) in relation to the 2015/16 financial year.

Mr Biggins has the following relevant interest in Equity Securities of the Company:

TABLE 4

Type of Equity Security	Number held
Shares	7,007,667
Quoted Options	2,100,000
Performance Rights (excluding performance rights the subject of this Resolution)	Nil

If all of the Performance Rights granted to Stephen Biggins vest and are exercised, then a total of 3,000,000 new Shares would be issued. This will increase the number of Shares on issue from 270,928,583 to 273,928,583 (assuming that no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 1.1%.

The market price for Shares during the term of the Performance Rights will affect the value of the perceived benefit given to Mr Biggins. If, at any time any of the Performance Rights vest, then there may be a perceived cost to Core. The trading history of Shares on ASX in the 12 months before the date of this Notice (to 13 July 2016) are:

TABLE 5

	Price	Date
Highest	\$0.064	20 Apr 2016
Lowest	\$0.011	14 Jan 2016, 18 Jan 2016 and 21 Jan 2016
Last	\$0.036	13 July 2016

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Mr Biggins is a Director so is a related party of Core. In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Performance Rights, pursuant to Resolution 3, as the exception in section 211 of the Corporations Act applies. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 10.14. The Performance Rights which are proposed to be issued are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

ASX Listing Rules Requirements

ASX Listing Rule 10.14 provides that a Company must not issue or agree to issue securities under an employment incentive scheme to a Director, without first obtaining shareholder approval.

ASX Listing Rule 10.15 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 10.14:

- a) The Performance Rights will be issued to Stephen Biggins or his nominee(s).
- b) The number of Performance Rights to be issued is 3,000,000.
- c) The Performance Rights will be issued for nil consideration and no consideration is payable by Mr Biggins upon conversion of the Performance Right to a Share.
- d) The following directors, associates and other people named in Listing Rule 10.14 have received Performance Rights under the PSP since it was approved on 14 November 2013:

TABLE 6

Name	Number of Performance Rights granted	Number of Shares issued on conversion of Performance Rights	Acquisition price of Performance Rights
Gregory English	1,000,000	Nil	Nil
Stephen Biggins	4,000,000	500,000	Nil
Heath Hellewell	375,000	Nil	Nil

- e) The persons referred to in Listing Rule 10.14 whom are entitled to participate in the PSP include a full or part time employee of the Company and its related bodies corporate, a Director and or a consultant of the Company, determined as eligible by the Board from time to time.
- f) The issue of the Performance Rights subject of Resolution 3 will occur no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) but will vest upon meeting the required KPIs.
- g) There is no intention for the Company to grant a loan in relation to the Performance Rights or acquisition of Shares under the Performance Rights.
- h) See Appendix 2 for key terms of the PSP.
- i) A voting Exclusion statement is included in this Notice.

Board Recommendation

Mr Biggins declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued 3,000,000 Performance Rights should Resolution 3 be passed.

With the exception of Mr Biggins, no other Director has a personal interest in the outcome of Resolution 3. The Directors (other than Mr Biggins) recommend that Shareholders vote in favour of Resolution 3 for the following reasons:

- the issue of Performance Rights to Mr Biggins will better align the interests of Mr Biggins with those of Shareholders;
- the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow Core to spend a greater proportion of its cash reserves on its operations than it would if cash payments were given to Mr Biggins under his Executive Services Agreement; and
- it is not considered that there are any significant opportunity costs to Core or benefits foregone by Core in issuing the Performance Rights on the terms proposed.

In forming their recommendations, each Director considered the experience of Mr Biggins, the skills Mr Biggins brings to Core and the current market price of Shares when determining the number of Performance Rights to be issued.

The Board (apart from Mr Biggins, who makes no recommendation) recommends that shareholders vote IN FAVOUR of Resolution 3.

The Chairman of the Meeting intends to vote all undirected proxies IN FAVOUR of Resolution 3.

Appendix 1

Key terms of Quoted Options

- (a) Each Option will entitle the Optionholder to subscribe for one Share in the Company (subject to possible adjustments referred to in paragraph (j), (k) and (l) below).
- (b) Each Option is exercisable at any time after the date of issue and before 5:00pm Adelaide time on 31 August 2017 (**Expiry Date**). Options not exercised before the Expiry Date will lapse.
- (c) The exercise price of each Option is \$0.05 (**Exercise Price**).
- (d) Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (e) Some or all of the Options may be exercised at any one time or times prior to the Expiry Date.
- (f) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares.
- (g) The Company will seek to have the Options admitted to the official list of ASX and the Options will be listed on ASX.
- (h) Each Option will be freely transferable at any time before the Expiry Date.
- (i) Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least five business days after the date the issue is announced.
- (j) If there is a bonus issue to the holders of Shares:
 - i. the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - ii. no change will be made to the Exercise Price.
- (k) If, prior to the Expiry Date, the issued capital of the Company is reorganised, the rights of the Optionholder may be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) In the event of a pro rata issue of securities to holders of Shares, the Exercise Price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the ASX Listing Rules at the time when the Options were granted.

Appendix 2

Key terms of the PSP

1. **Eligibility**
 - a. The Board may, in its absolute discretion, grant Performance Rights to an “Eligible Employee”.
 - b. An “Eligible Employee” is a Director, senior executive or full or part time employee of the Company or its associated body corporate, who is invited by the Board to participate in the PSP.

 2. **Rights attaching to Performance Rights**
 - a. A Performance Right entitles its holder to a Share which can be exercised once the Performance Right has become exercisable and provided it has not lapsed.
 - b. The Board may determine that certain performance conditions must be satisfied before the Performance Right becomes exercisable.
 - c. If the performance conditions are satisfied, the Performance Rights vest and become exercisable.
 - d. A Performance Right does not give the holder a legal or beneficial right to Shares.
 - e. Performance Rights do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings
 - f. A Performance Right does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that performance right has vested, been exercised and a share has been issued in respect of that right.

 3. **Exercise of Performance Rights**
 - a. Performance Rights will vest and become exercisable if:
 - i. the performance conditions set by the Board at the time of the grant are met;
 - ii. an event occurs such as the winding up of the Company; or
 - iii. the Board determines that a Performance Right becomes a vested Performance Right.
 - b. Once the Performance Rights become exercisable, the holder will need to exercise those rights to acquire Shares.
 - c. The exercise of any vested Performance Right granted under the PSP will be effected in the form and manner determined by the Board.
 - d. Consideration, if any, for the issue of Performance rights will be determined by the Board.

 4. **Lapse and Forfeiture**
 - a. The Performance Rights will lapse on its expiry date.
 - b. This period may be shortened if the holder ceases to be employed under certain circumstances or where performance conditions have not been met.
 - c. A Share issued on the exercise of an option will be forfeited upon the holder perpetrating fraud as against, acting dishonestly or committing a breach of its obligations to, the Company or any of its associated bodies corporate.

 5. **Restrictions**
 - a. The maximum number of Performance Rights that can be issued under the PSP is that number which equals 5% of the total number of issued Shares in existence from time-to-time subject to the Corporations Act, the ASX Listing Rules or any other statutory or regulatory requirements. Participants in the PSP are prohibited from transferring Performance Rights without the consent of the Board.
 - b. Performance Rights will not be listed for quotation on the ASX. Shares issued on exercise of vested Performance Rights will be subject to transfer restrictions as determined by the Board at the time of granting the Performance Right.
 - c. In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Performance Rights and the exercise of those rights, the number of Shares to which the holder will become entitled on the exercise of the Performance Right or any amount payable on exercise of the Performance Right will be adjusted as determined by the Board and in accordance with the Listing Rules.
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Glossary

In the Notice of Meeting and Explanatory Notes:

10% Additional Placement Capacity means the Equity Securities issued under Listing Rule 7.1A.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors of Core.

Closely Related Party has the same meaning as in the Corporations Act.

Core or **the Company** means Core Exploration Limited (ABN 80 146 287 809).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director Performance Rights means the unlisted Performance Rights of the Company with Key Performance Indicators as listed in this Notice.

Equity Securities or Securities has the same meaning as in the Listing Rules.

Exercise Price means the exercise price of each Quoted Option is \$0.05 (five cents).

Expiry Date means 5:00pm Adelaide time on 31 August 2017.

JV means joint venture.

Key Management Personnel means a member of the key management personnel as disclosed in the Remuneration Report.

Key Performance Indicators means key performance indicators based performance hurdles and described in this Notice.

Listing Rules or **ASX Listing Rules** means the listing rules of ASX.

Meeting or **General Meeting** means the General Meeting of Shareholders to be held at the offices of the Company at 26 Gray Court, Adelaide, South Australia on Thursday 18 August 2016 at 11:00 am (Adelaide time).

Member or **Shareholder** means each person registered as a holder of a Share.

Net Cash Balance means cash at bank adjusted for current receivables and payables.

Notice or **Notice of Meeting** means this notice of General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

Performance Rights means rights with a performance based vesting condition issued pursuant to the Company's PSP.

Placement means the placement of Shares completed by the Company on 27 April 2016.

Placement Shares means the Shares issued under the Placement.

PSP means the Performance Share Plan as approved by shareholders at the 2013 annual general meeting held on 14 November 2013.

Quoted Options means options trading under ASX code CXOOA with an exercise price of \$0.05 and expiry of 31 August 2017.

Remuneration Report means the section of the directors' report of Core that is included in the Company's last Annual Report.

Resolution means a resolution referred to in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

VWAP means volume weighted average price of Shares.

Year 1 means the 12 month period from 1 July 2016 to 30 June 2017.

Year 2 means the 12 month period from 1 July 2017 to 30 June 2018.

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CORE EXPLORATION LIMITED

ACN: 146 287 809

REGISTERED OFFICE:

26 GRAY COURT
ADELAIDE SA 5000

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«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd

All Correspondence to:

PO BOX 52

Collins Street West VIC 8007

Exchange Tower, Level 9, Suite 913

530 Little Collins Street

MELBOURNE VIC 3000 AUSTRALIA

AUSTRALIA

T: +61 8 9315 2333 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

Code:

CXO

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11:00am (Adelaide time) on Thursday 18 August 2016 at Core Exploration, 26 Gray Court, Adelaide SA and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Ratification of Shares issued in the preceding 12 month period.
2. Ratification of Quoted Options issued in the preceding 12 month period.
3. Issue of Director Performance Rights to Mr Stephen Biggins.

For

Against

Abstain*

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 11:00am (Adelaide time) on Tuesday 16 August 2016.

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CXOP3180816

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Exchange Tower, Level 9, Suite 913
530 Little Collins Street
Melbourne VIC 3000 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

