

CORE EXPLORATION LIMITED

ACN 146 287 809

NOTICE OF GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Thursday 21 June 2018

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 21 June 2018 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 form part of this Notice of Meeting and contain 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 Equity Securities 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 121,699,064 Shares and 500,000 Consideration Options during the preceding 12 month period on the terms and to the parties set out in the Explanatory Notes is ratified."

Resolution 2 – Approval of issue of 58,104,000 Broker Options

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the allotment and issue of up to 58,104,000 Broker Options to the broker participants in the Company's Placement on the terms set out in the Explanatory Notes is approved."

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 5,000,000 Director Performance Rights to Mr Stephen Biggins (or his nominee) under the Core Exploration Limited Performance Share Plan."

VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS

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

Voting exclusion in relation to Resolution 1 (ratification of Equity Securities issued)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this Resolution 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 in relation to Resolution 2 (Issue of Broker Options)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) and any associate of such person, if the Resolution is passed. 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 Resolution 3 (Director remuneration Securities)

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.

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 need not 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 19 June 2018):

By mail: Core Exploration Limited
 c/- Security Transfer Australia 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

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 19 June 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Jaroslav (Jarek) Kopias
Company Secretary
Adelaide, 15 May 2018

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

Resolutions 1: Ratification of Equity Securities issued in the preceding 12 month period

Background

The Company has announced three separate issues of Equity Securities as follows:

- 23 April 2018; issue of 95,283,970 Shares (**Placement Shares**) to sophisticated, professional and institutional investors under a share placement to raise \$5,050,050.41 (before costs).
- 9 May 2018; issue of 26,415,094 Shares (**Yahua Placement Shares**) to Yahua under a share placement to raise \$1,400,000.00 (before costs).
- 9 May 2018; issue of 500,000 Consideration Options to Cannings Purple as consideration for investor relations services.

The Placement Shares were issued without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1 and with prior Shareholder approval under the Company's 10% Additional Placement Capacity under Listing Rule 7.1A. The Yahua Placement Shares and Consideration 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. Further, under Listing Rule 7.1A, as approved at the Company's 2017 Annual General Meeting held on 26 October 2017, 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, Yahua Placement Shares and Consideration Options were issued 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 95,283,970 Placement Shares issued, 49,632,086 were issued under Listing Rule 7.1A and the remaining 45,651,884 Shares were issued under Listing Rule 7.1. All of the Yahua Placement Shares and Consideration Options were issued under Listing Rule 7.1.

The Company confirms that the issue of the 45,651,884 Placement Shares, 26,415,094 Yahua Placement Shares and 500,000 Consideration Options did not breach Listing Rule 7.1 and the 49,632,086 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 this Explanatory Statement for that purpose:

- (a) 95,283,970 Placement Shares and 26,415,094 Yahua Placement Shares were issued on 23 April 2018 and 9 May 2018 respectively at a price of \$0.053 per Share. The Consideration Options were issue for nil consideration;

- (b) the Placement Shares and Yahua Placement Shares issued are fully paid ordinary shares and rank equally with other Shares on issue. The Consideration Options are unquoted securities and do not rank equally with any other securities on issue with terms as further detailed in Appendix 2. Shares issued upon the conversion of Consideration Options will be fully paid ordinary shares and rank equally with other Shares on issue;
- (c) the Placement Shares were issued to sophisticated and professional investors, the Yahua Placement Shares were issued to Ya Hua International Investment and Development Co. Ltd. and the Consideration Options were issued to Cannings Purple, none of whom are related parties of the Company;
- (d) the purpose of the funds raised upon issue of Placement Shares was to:
 - progress the Company's flagship Finnis Lithium Project towards development, including resource infill drilling at the Grants deposit and BP33 prospect;
 - completion of a preliminary feasibility study and feasibility study for the development of a spodumene concentrate and DSO operation;
 - an exploration and resource expansion drilling programs on high grade prospects within the broader Finnis Lithium Project area; and
 - provide the Company with working capital to enable it to support its current operations;
- (e) the purpose of the funds raised upon issue of Yahua Placement Shares was to expand its regional exploration and resource focussed drilling within its Finnis Lithium Project; and
- (f) there were no funds raised upon the issue of Consideration Options.

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 Securities issued in the preceding 12 month period.

Resolution 2: Approval of issue of up to 58,104,000 Broker Options

Background

On 16 April 2018, Core announced that it had completed a Placement to raise approximately \$5,050,000 by the issue of the Placement Shares on 23 April 2018. Under the terms of the Placement, broking firms were offered an attaching unquoted Broker Option as consideration for the Placement, subject to Shareholder approval. Resolution 2 seeks Shareholder approval for the issue of the unquoted Broker Options for the purposes of ASX 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. The information contained in this section is provided to meet the information requirements of ASX Listing Rule 7.3.

The maximum number of Broker Options to be issued to broking firm participants in the Placement is 58,104,000 Broker Options for nil cash consideration.

The Broker Options are expected to be issued as one issue of Securities, but may be issued progressively if required, and will be issued within 5 business days following Shareholder approval.

The Broker Options will be issued to broking firms associated with sourcing funds for the Placement. None of the parties being allotted Broker Options are related parties of the Company.

The Broker Options will not rank equally with any other Securities on issue as at the date of their issue and have an exercise price of \$0.08 and expiry of 21 June 2019 as further detailed in Appendix 1. Shares issued upon the conversion of Broker Options will be fully paid ordinary shares and rank equally with other Shares on issue.

There are no funds raised directly under the issue of Broker Options, but the issue is to participating broking firms associated with the Placement, and the funds raised under the Placement are detailed in the explanation to Resolution 1 above.

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 the issue of up to 58,104,000 Broker Options.

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 30 November 2016 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 renew an incentive based component to his remuneration package. Mr Biggins is currently remunerated via an issue of performance rights as approved by shareholders on 18 August 2016 whereby the performance conditions are measured to 30 June 2018. 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 5,000,000 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 5,000,000 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 Director Performance Rights vest upon satisfaction of the performance KPIs (summarised below), the maximum number of Shares that would be issued to Mr Biggins is 5,000,000. The Shares to be issued upon vesting of the Director 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 Director Performance Rights.

Issue Price and Exercise Price

There is no issue price and consequently there are no funds raised upon issue of the Director 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 five Key Performance Indicator hurdles are satisfied by the respective due dates – subject to the overarching share price KPI.

Where KPI's are met and Director Performance Rights are exercised, Shares on the exercise of Director Performance Rights are expected to be issued progressively over the two year period.

The Key Performance Indicators relate to Mr Biggins' and the Company's performance during the period 1 July 2018 to 30 June 2020. Each Key Performance Indicator is independent of the other Key Performance Indicators listed below.

TABLE 1

KPI	Due Date	Maximum number of Director Performance Rights which vest upon achieving KPI's by 30 June 2020
1. Completion of Full (Financeable) Feasibility Study	31 December 2018	1,000,000
2. >10Mt JORC Resource >1%	30 June 2019	1,000,000
3. Full Regulatory Approval	30 June 2019	1,000,000
4. Commencement of Mining	31 December 2019	1,000,000
5. First Production from Mine	30 June 2020	1,000,000
TOTAL		5,000,000

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) for the for the 12-month period in which the KPI is achieved commencing 1 July 2018 and ending 30 June 2019 or the 12-month period commencing 1 July 2019 and ending 30 June 2020;

- Feasibility Study KPI – 1,000,000 Director Performance Rights**
The vesting of Director Performance Rights under this KPI is tied to the completion of a Feasibility Study as approved by the Board of the Company on or before 31 December 2018.
- 10Mt JORC Resource KPI – 1,000,000 Director Performance Rights**
The vesting of Director Performance Rights under this KPI is tied to the announcement by 30 June 2019 of at least 10 million tonnes of lithium JORC resources (with at least 60% of the resources being in the measured and indicated category) grading at least 1% Li₂O from all of the Company's current or future mineral leases.
- Full Regulatory Approval KPI – 1,000,000 Director Performance Rights**
The vesting of Director Performance Rights under this KPI is tied to the grant of all regulatory and all other approvals (NT Department of Primary Industries and Resources and related environmental approvals) by 30 June 2019 permitting the commencement of mining operations at the Grants Lithium Resource.
- Commencement of Mining KPI – 1,000,000 Director Performance Rights**
The vesting of Director Performance Rights under this KPI is tied to the commencement of mining at the Grants Lithium Resource by 31 December 2019; including the commencement of any pre-strip to define the crest of the entire pit to a minimum depth of 2.5 metres related to accessing the Grants Lithium Resource.
- First Production from Mine KPI – 1,000,000 Director Performance Rights**
The vesting of Director Performance Rights under this KPI is tied to the production of the first 10,000 tonnes of saleable lithium concentrate or direct shipping spodumene ore and the date that the saleable product is receipted and paid in full by the customer/s from lithium ore sourced from the mining lease that contains the Grants Lithium Resource. The saleable lithium concentrate or direct shipping spodumene ore must be receipted and paid in full by the customer/s by 30 June 2020.

In addition to the vesting conditions detailed for KPI 1 to KPI 5 above, 50% of the Director Performance Rights will vest if a sale or farm-out is achieved on the Finnis Lithium Project whereby =>50% legal and beneficial interest in the Finnis Lithium Project is sold for at least A\$30 million by 30 June 2020 (Qualifying Transaction). The sale of =>50% of the ore from the Finnis Lithium Project under an offtake or ore sale agreement, with or without prepayment, does not count as a Qualifying Transaction. 2,500,000 Director Performance Rights will vest under this scenario to a maximum total of 5,000,000 Director Performance Rights including any KPI's that have vested prior to the sale. For the avoidance of doubt, the maximum number of Director Performance Rights that can vest during the period 1 July 2018 to 30 June 2020 is 5,000,000 Director Performance Rights.

TABLE 2

Terms	Maximum number of Director Performance Rights vesting	Grant date ¹	Vesting date	Lapsing date ²
KPI 1 - Feasibility Study	1,000,000	21 June 2018	Meeting KPI	30 Sep 2019
KPI 2 - 10Mt JORC Resource	1,000,000	21 June 2018	Meeting KPI	30 Sep 2019
KPI 3 - Regulatory Approval	1,000,000	21 June 2018	Meeting KPI	30 Sep 2019
KPI 4 - Commence Mining	1,000,000	21 June 2018	Meeting KPI	30 Sep 2020
KPI 5 - First Production	1,000,000	21 June 2018	Meeting KPI	30 Sep 2020
TOTAL	5,000,000			

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 the KPI measurement period to determine whether the rights have vested based on a KPI.

Additional terms and conditions of the Director Performance Rights under the PSP are detailed in Appendix 3.

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 employment agreement with the Company and was paid the cash amount of \$288,585 in relation to the 2016/17 financial year and \$284,700 (unaudited) in relation to the year ending 30 June 2018 (once completed).

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

TABLE 3

Type of Equity Security	Number held
Shares	8,196,347
Performance Rights (excluding performance rights the subject of this Resolution)	1,500,000

If all of the Director Performance Rights granted to Stephen Biggins vest and are exercised, then a total of 5,000,000 new Shares would be issued. This will increase the number of Shares on issue from 633,591,657 to 638,591,657 (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 0.8%.

The market price for Shares during the term of the Director 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 14 May 2018) are:

TABLE 4

	Price	Date
Highest	\$0.105	1 and 4 December 2017
Lowest	\$0.032	25 August 2017
Last	\$0.052	14 May 2018

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 Director 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 5,000,000.
- 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 30 November 2016:

TABLE 5

Name	Number of Performance Rights granted	Number of Shares issued on conversion of Performance Rights	Acquisition price of Performance Rights
Gregory English	1,200,000	Nil	Nil
Stephen Biggins	Nil	Nil	Nil
Heath Hellewell	1,200,000	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 3 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 5,000,000 Director 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 Director Performance Rights to Mr Biggins will better align the interests of Mr Biggins with those of Shareholders;
- the issue of the Director 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 Employment Agreement; and
- it is not considered that there are any significant opportunity costs to Core or benefits foregone by Core in issuing the Director 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 Director 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 Broker 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 21 June 2019 (**Expiry Date 1**). Options not exercised before the Expiry Date will lapse.
- (c) The exercise price of each Option is \$0.08 (**Exercise Price 1**).
- (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 not seek to have the Broker Options admitted to the official list of ASX and the Broker Options will not 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 Consideration 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 9 May 2020 (**Expiry Date 2**). Options not exercised before the Expiry Date will lapse.
- (c) The exercise price of each Option is \$0.10 (**Exercise Price 2**).
- (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 not seek to have the Consideration Options admitted to the official list of ASX and the Consideration Options will not 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.

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 3

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.

Broker Options means unquoted options with an exercise price of \$0.08 and expiry of 12 months from the date of their issue.

Consideration Options means unquoted options with an exercise price of \$0.10 and expiry of 9 May 2020.

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.

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

Exercise Price 1 means \$0.08 per option.

Exercise Price 2 means \$0.10 per option.

Expiry Date 1 means 5:00pm Adelaide time on 21 June 2019.

Expiry Date 2 means 5:00pm Adelaide time on 9 May 2020.

Feasibility Study means a study that:

- (a) addresses the general results of exploration and an analysis of estimated recoverable reserves;
- (b) includes a program for development work, a budget, a proposed production schedule and estimated operating expenses;
- (c) considers, without limitation, mine planning, access (including native title and tenure), transportation of ore to port and market, offtake issues and conclude that these matters have been satisfactorily finalised or state that there are reasonable expectations that they will be satisfactorily finalised;
- (d) assesses the material risks associated with the above-mentioned program for development work including, where applicable, any factors mitigating those risks; and
- (e) be of a standard normally acceptable to a bank or other financial institution for the purpose of providing finance, on a project loan basis, for the development, construction and operation of the mining operation at Grants (with or without a processing facility).

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 21 June 2018 at 11:00 am (Adelaide time).

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

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.

Placement means the placement of Shares completed by the Company on 23 April 2018.

Placement Shares means the Shares issued under the Placement.

PSP means the Performance Share Plan as approved by shareholders at the 2016 annual general meeting held on 30 November 2016.

Resolution means a resolution referred to in this Notice.

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

Yahua means Ya Hua International Investment and Development Co. Ltd.

Yahua Placement means the placement of Shares completed by the Company on 9 May 2018 to Yahua.

Yahua Placement Shares means the Shares issued under the Yahua Placement.

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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»



«Post_zone»
«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 Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

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.

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 ACST on Thursday 21 June 2018 at Core Exploration, 26 Gray Court, Adelaide, South Australia 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	For	Against	Abstain*
1. Ratification of Equity Securities issued in the preceding 12 month period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of issue of 58,104,000 Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Director Performance Rights to Mr Stephen Biggins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 Australia Pty Ltd no later than 11:00am ACST on Tuesday 19 June 2018.

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My/Our contact details in case of enquiries are:

Name:

Number:

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 Australia 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 Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

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

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia 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 Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

