

# **CORE LITHIUM LTD**

ACN 146 287 809

## **NOTICE OF GENERAL MEETING**

## **EXPLANATORY NOTES**

## **PROXY FORM**

## **Date of Meeting**

Thursday, 6 May 2021

### Time of Meeting

10:00am ACST (Adelaide time)

## **Place of Meeting**

Offices of Grant Thornton Australia Limited Level 3, 170 Frome Street Adelaide, South Australia

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#### CORE LITHIUM LTD ACN 146 287 809

#### **NOTICE OF 2021 GENERAL MEETING**

Notice is hereby given that this General Meeting of Shareholders of Core Lithium Ltd ("Company/Core") will be held at the offices of Grant Thornton Australia Limited, Level 3, 170 Frome Street, Adelaide, South Australia on Thursday 6 May 2021 at 10:00am ACST.

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 BUSINESS**

#### Resolution 1 - Ratification of 162,007,000 Placement Shares issued on 12 February 2021

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, Shareholders ratify the issue and allotment of 162,007,000 Placement Shares on 12 February 2021 on the terms and to the parties set out in the Explanatory Notes."

#### Resolution 2 - Ratification of 81,003,467 Options issued on 12 February 2021

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, Shareholders ratify the issue and allotment of 81,003,467 Options on 12 February 2021 on the terms and to the parties set out in the Explanatory Notes."

#### **VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS**

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

#### Voting exclusion in relation to Resolutions 1 and 2

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 1 and 2 by or on behalf of participants in the Share Placement or any of their Associates.

However, this does not apply to a vote cast in favour of a Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### Voting, Attendance Entitlement 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. In the interests of public health and safety of our Shareholders, due to the current COVID-19 pandemic, the Company encourages **Shareholders to vote via proxy and not physically attend the Shareholder Meeting**.

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 appoint the Chairman of the Meeting as their proxy to attend and vote on the Member's behalf. Core encourages shareholders to appoint the Chairman of the Meeting as their proxy.

The situation regarding COVID-19 is evolving rapidly and Core is following the health advice of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements and website for any further updates in relation to arrangement for the Company's Shareholder Meeting.

Shareholders are encouraged to lodge their Proxy Forms online at <a href="https://www.automicgroup.com.au/">https://www.automicgroup.com.au/</a>.

In completing the attached Proxy Form, Members must be aware that where the Chair of the Meeting is appointed as their proxy, they will be directing the Chair of the Meeting to vote in accordance with the Chair of the Meeting's voting intention unless you indicate otherwise by marking the "For", "Against" or "Abstain" boxes. The Chair 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 Chair of the Meeting as a proxy with a direction to cast the votes contrary to the Chair of the Meeting'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 Chair of the Meeting.

A proxy need not be a Member of the Company. For the convenience of Members, a Proxy Form is enclosed. 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 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 10:00am ACST on 4 May 2021):

On-line: https://www.automicgroup.com.au/.

By mail: Automic

GPO BOX 5193 SYDNEY NSW 2001

By hand: Level 5, 126 Phillip Street

SYDNEY NSW 2000

By e-mail: meetings@automicgroup.com.au

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, including an individual, 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 ACST on 4 May 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Jaroslaw (Jarek) Kopias

Company Secretary Adelaide, 31 March 2021

#### **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.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

#### 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 and 2: Ratification of 162.007.000 Placement Shares and 81.003.467 Options issued on 12 February 2021

#### **Background**

On 4 February 2021, the Company announced an issue of 162,007,000 Placement Shares under a Share placement at a price of \$0.25 (25 cents) per share to new institutional investors, primarily located in North America, Europe and Australia raise \$40,501,750 (before costs) (**Placement**). The Placement included the issue of 81,003,467 attaching Options to the same investors on a 1 for 2 basis.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The relevant Shares issued to participants in the Share Placement did not fall within an exception and were issued without Shareholder approval under the Company's 15% placement capacity under ASX Listing Rule 7.1 and the Company's 10% placement capacity under ASX Listing Rule 7.1A. All Options were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 allows the shareholders of a listed company to subsequently ratify the previous issues of securities made without prior shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, provided the issue did not breach the maximum thresholds set by ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A and so does not reduce the company's capacity to issue further equity securities without shareholder approval under those rules.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A and thus the Company is seeking ratification of the Placement Shares issued pursuant to Resolution 1 and the Options pursuant to Resolution 2. The Company confirms that the issue and allotment of the Placement Shares and Options did not breach ASX Listing Rule 7.1 and ASX Listing Rule 7.1A at the date of issue.

If Resolutions 1 and 2 are passed, the relevant issues will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1 and 10% Additional Placement Capacity limit in ASX Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

If Resolutions 1 and 2 are not passed, the relevant issues will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1 and 10% Additional Placement Capacity limit in ASX Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

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

	Resolution 1 – Share Placement	Resolution 2 – Options
Party	New institutional investors, not requiring a disclosure statement who were identified and sourced by the lead managers to the Placement. No related parties of the Company were issued any Shares under the Share Placement.	Same investors as per Share Placement pursuant to Resolution 1 on a 1 for 2 basis.
Securities issued	62,007,000 Shares were issued under ASX Listing Rule 7.1. 100,000,000 Shares were issued under ASX Listing Rule 7.1A. The Shares are fully paid ordinary shares.	83,467,000 Options were issued under ASX Listing Rule 7.1.
Date of issue	12 February 2021	12 February 2021
Consideration	\$40,501,750 at a price of \$0.25 (25 cents) each.	Nil. Attaching to Placement Shares.
Terms	Shares rank equally with all other Shares on issue.	The Options have an exercise price of \$0.45 (45 cents) each and an expiry of 12 February 2023. Full details of the Option terms are included in Appendix 1. Shares issued upon exercise of the Options will rank equally with all other Shares on issue.
Purpose	The purpose of the issue was to advance the 100% owned Finniss Lithium Project towards development and a potential Final Investment Decision (FID), resource growth drilling aiming to increase mine life to support expanded and extended project revenues and working capital requirements.	The purpose of the issue was to advance the 100% owned Finniss Lithium Project towards development and a potential Final Investment Decision (FID), resource growth drilling aiming to increase mine life to support expanded and extended project revenues and working capital requirements.

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolutions 1 and 2.

The Chair of the Meeting intends to vote all undirected proxies in favour of the ratification of Resolutions 1 and 2.

#### **Glossary**

In the Notice of General Meeting and Explanatory Notes:

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

**ACST** means Australian Central Standard Time.

Associate has the meaning given to that term in the Corporations Act.

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

Board means the board of Directors of Core.

Chair of the Meeting means the chairman of the Meeting.

Core or Company means Core Lithium Ltd (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.

Explanatory Notes means these explanatory notes.

Listing Rules and 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 Grant Thornton Australia Limited, Level 3, 170 Frome Street, Adelaide, South Australia on Thursday 6 May 2021 at 10:00 am ACST.

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

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

**Options** means the unquoted options issued on 1 for 2 basis to participants in the Placement with an exercise price of \$0.45 (45 cents) and expiry of 12 February 2023.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast by Shareholders entitled to vote at a general meeting of Shareholders.

**Placement** means the Share placement announced by Core on 4 February 2021 to issue 162,007,000 Shares at a price of \$0.25 (25 cents) per share to investors not requiring a disclosure document.

Proxy Form means the proxy form attached to this Notice of Meeting.

Resolution means a resolution referred to in this Notice.

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

#### Appendix 1

### Terms and conditions of Options – 45.0 cents (February 2023)

- (a) Each Option will entitle the holder (**Optionholder**) to subscribe for one fully paid ordinary share (**Share**) in Core Lithium Ltd (ACN 146 287 809) (**Company**) (subject to possible adjustments referred to in paragraphs (j), (k) and (l) below).
- (b) Each Option is exercisable at any time before 5:00pm Australian Central Standard Time (ACST) on 12 February 2023 (Expiry Date).
  - Options not exercised before the Expiry Date will lapse.
- (c) The issue price of each Option is \$nil and exercise price of each Option is \$0.45 (45 cents) (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.
- (f) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares in the Company.
- (g) The Company will not seek to have the Options admitted to the official list of ASX and the Options will not be listed on ASX. The Company will make application for new Shares allotted on exercise of the Options to be admitted to the official list of entities maintained by 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 (5) 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 with the Corporations Act and ASX Listing Rules which apply at the time of the reconstruction.
- (I) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to holders of Shares after the date of issue of the Options, then the Exercise Price of the Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.



Core Lithium Ltd | ABN 80 146 287 809

## **Proxy Voting Form**

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by 10:00am (ACST) on Tuesday, 4 May 2021, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

#### **SUBMIT YOUR PROXY**

## Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

#### STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

#### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### 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 Shareholders should sign.

**Power of attorney**: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

#### **Lodging your Proxy Voting Form:**

#### Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



#### BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

#### IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

#### BY FMAII:

meetings@automicgroup.com.au

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

**WEBCHAT:** https://automicgroup.com.au/

**PHONE:** 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).