

ASX: CXO Announcement

22 October 2021

Notice of 2021 AGM and Proxy Form

Letter to Shareholders

Core Lithium Ltd ACN 146 287 809 (**Core** or **Company**) refers to the notice of meeting and accompanying explanatory memorandum released to ASX on 22 October 2021 (together, Notice of Meeting) in respect of the annual general meeting of the Company's shareholders (Shareholders) to be held on 25 November 2021 at 10:00am (ACDT), a copy of which can be obtained from www.asx.com.au.

In reliance on section 253RA of the Corporations Act in relation to giving the document, the Company will not be posting hard copies of the Notice of Meeting to Shareholders (unless they have previously given the company notice in writing electing to receive notices of meeting in hard copy only). Instead, the Notice of Meeting can be viewed or downloaded from the Company's website on its ASX announcements page at <https://corelithium.com.au/announcements> or at www.asx.com.au.

Capitalised terms used, but not defined, in this letter have the meaning ascribed to them in the Notice of Meeting.

This announcement has been authorised for release to the ASX by the Company Secretary. For further information, please contact the Company Secretary by telephone on +61 8 8317 1700 or by email at info@corelithium.com.au.

Yours sincerely

Core Lithium Ltd

Jarek Kopias

Company Secretary



CORE LITHIUM LTD

ACN 146 287 809

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Thursday, 25 November 2021

Time of Meeting

10:00am ACDT (Adelaide time)

Place of Meeting

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

NOTICE OF 2021 ANNUAL 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 25 November 2021 at 10:00am ACDT.

The business to be considered at the Annual 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.

GENERAL BUSINESS

2021 Financial Statements

To receive, consider and discuss the Company's annual financial report including the Directors' Declaration for the year ended 30 June 2021 and the accompanying Directors' Report, Remuneration Report and Auditor's Report.

ORDINARY BUSINESS

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following Resolution as a non-binding Resolution:

"That the Remuneration Report that forms part of the annual financial report of the Company for the year ended 30 June 2021 be adopted for the purpose of section 250R(2) of the Corporations Act."

Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Gregory English as a Director of the Company

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

"That Mr Gregory English, a Director retiring by rotation in accordance with clause 13.2 of the Constitution of the Company, ASX Listing Rule 14.5 and for all other purposes, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

Resolution 3 – Re-election of Mr Malcolm McComas as a Director of the Company

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

"That Mr Malcolm McComas, a Director retiring by rotation in accordance with clause 13.2 of the Constitution of the Company, ASX Listing Rule 14.5 and for all other purposes, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

Resolution 4 – Increase in non-executive Directors’ fee pool

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

“That pursuant to and in accordance with Listing Rule 10.17, clause 13.8 of the Constitution and for all other purposes, the maximum aggregate amount of Directors’ fees payable to non-executive Directors be increased by \$400,000 from \$300,000 to \$700,000 per annum.”

Resolution 5 – Issue of and change to 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 and for all other purposes, approval is given for the issue and allotment of 750,000 Director Performance Rights and change to vesting date of Director Performance Rights to Mr Stephen Biggins (or his nominee) under the Core Lithium Ltd Performance Share Plan as described in the Explanatory Notes.”

VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS

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

Voting prohibition statement in relation to Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) in favour of the Resolution by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair of the Meeting and the appointment of the Chair of the Meeting as proxy:
 - i. does not specify the way the proxy is to vote on this Resolution; and
 - ii. expressly authorises the Chair of the Meeting to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting prohibition statement in relation to Resolution 4

A vote on Resolution 4 must not be cast (in any capacity) in favour of Resolution 4 by or on behalf of a Director or an Associate of a Director. However, this does not apply to a vote if it is cast in favour of the Resolution by:

- a) a person as a 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
- b) 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
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Additionally, the Company will disregard any votes cast on Resolution 4 by any person who is either a member of the Key Management Personnel or a Closely Related Party of such a member, unless:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) it is cast by the Chair of the Meeting as 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 5

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any person referred to in Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Performance Share Plan, or, in each case, any of their respective Associates. However, this does not apply to a vote if it is cast in favour of the Resolution by:

- a) a person as a 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

- b) 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
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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 member of the 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 these Resolutions. However, the member or any Closely Related Party of such a member may vote if:

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

Important information concerning proxy votes on Resolutions 1, 4 and 5

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the Resolutions connected directly or indirectly with the remuneration of the Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chair of the Meeting as their proxy (including an appointment by default) are encouraged to direct the Chair of the Meeting as to how to vote on all Resolutions.

If the Chair of the Meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chair of the Meeting to vote for, against or abstain from voting on Resolutions 1, 4 and 5 by marking the box opposite the Resolution on the Proxy Form. You should direct the Chair of the Meeting how to vote on this Resolution.

However, if the Chair of the Meeting is your proxy and you do not direct the Chair of the Meeting how to vote in respect of Resolutions 1, 4 and 5 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chair of the Meeting to vote your proxy in favour of the Resolution. This express authorisation acknowledges that the Chair of the Meeting may vote your proxy even if:

- (a) Resolutions 1, 4 and 5 is connected directly or indirectly with the remuneration of a member or members of the Key Management Personnel for the Company; and
- (b) the Chair of the Meeting has an interest in the outcome of Resolutions 1, 4 and 5 and that votes cast by the Chair of the Meeting for this Resolution, other than as authorised by the proxy holder, will be disregarded because of that interest.

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 Chair of the Meeting as their proxy to attend and vote on the Member's behalf. Core encourages shareholders to **appoint the Chair 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 <https://www.automicgroup.com.au/>.

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 ACDT on 23 November 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 ACDT on 23 November 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, 22 October 2021

ANNUAL 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 Annual 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.

Receiving financial statements and reports

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the Directors and auditor every year.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to approve the financial report, the Directors' report or the auditor's report. Shareholders will be given a reasonable opportunity at the Meeting to:

- a) ask questions about, or make comments on, the management of the Company; and
- b) ask a representative of the Company's Auditor, Grant Thornton, questions relevant to:
 - 1) the conduct of the audit;
 - 2) the preparation and content of the Auditor's Report;
 - 3) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - 4) the independence of the Auditor in relation to the conduct of the audit.

A Member who is entitled to cast a vote at the Meeting may submit written questions to the Company's Auditor if the question is relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report. A written question must be submitted by giving the question to the Company no later than 5:00pm ACDT on Thursday 18 November 2021, being five business days before the day on which the Meeting is to be held and, the Company will then, as soon as practicable after the question has been received, pass the question on to the Auditor.

The Chair of the Meeting will allow a reasonable opportunity at the Annual General Meeting for a representative of the Company's Auditor to answer any such written questions submitted. If the Company's Auditor has prepared written answers to written questions, the Chair of the Meeting may allow these to be tabled at the Meeting and such written answers will be available to Members as soon as practicable after the Meeting. The Company will make copies of the question list reasonably available to Members attending the Meeting.

No Resolution is required to be moved in respect of this item of general business.

GENERAL BUSINESS

Resolution 1: Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2021 is set out in the Directors' Report within the 2021 Annual Report, which is available on the Company's website: <http://www.corelithium.com.au>. The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Managing Director, and members of the Company's Key Management Personnel.

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their report for the financial year. Section 250R(2) of the Corporations Act requires the Remuneration Report to be put to a vote at the Company's Annual General Meeting. The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

Board Recommendation: The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 1.

Resolutions 2 and 3: Re-election of Mr Gregory English and Mr Malcolm McComas as Directors of the Company

In accordance with clause 13.2 of the Constitution, there must be an election of Directors at each Annual General Meeting. A retiring Director is eligible for re-election.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) in determining the number of Directors to retire, no account is to be taken of:
 - a. a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/or
 - b. a Managing Directoreach of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

Accordingly, Mr Gregory English and Mr Malcolm McComas are required to retire as Directors of the Company and being eligible, have offered themselves for re-election. A resume of Mr English and Mr McComas follows:

Mr Gregory English, B.E. (Hons) Mining, LLB (Chairman, Non-Executive Director)

Greg English is the co-founder and Chairman of Core. As Chairman of the board, he has overseen Core's transition from a base metals and uranium focused minerals exploration Company to Australia's next lithium producer. He has more than 30 years of mining engineering and legal experience where he has held several senior roles for Australian and multinational companies. He has received recognition for his work as a lawyer having recently been regularly recognised in The Best Lawyers® in Australia, in Commercial Law. He is an experienced company director and has served on the boards of ASX listed companies. He holds a bachelor's degree in mining engineering, law degree (LLB) and first class mine managers ticket (NT, WA, and SA).

The Board does not consider Mr English to be an independent Director by virtue of his holding of unquoted options in Core.

Mr English has been a Director of the Company since 10 September 2010 and was last re-elected at the Company's 2019 annual general meeting.

Mr Malcolm McComas, BEc, LLB (Non-Executive Director)

Malcolm McComas is a private investor and an experienced company director and was previously an investment banker with leadership roles at several global organisations. Specifically, he was head of investment banking at County NatWest (now Citi Group) for 10 years and a director of Grant Samuel for a similar period following earlier roles at Morgan Grenfell (now Deutsche Bank) in Melbourne, Sydney and London. He has deep experience in equity capital markets and mergers and acquisitions and has worked across many industry sectors for companies, institutional investors and governments over a 30 year career in investment banking. He was previously a lawyer specialising in tax. He has worked with many growth companies in the resources sector and was most recently a director of BC Iron, the WA based iron ore producer and Consolidated Minerals, a global manganese mining company.

The Board does not consider Mr McComas to be an independent Director by virtue of his holding of unquoted options in Core.

Mr McComas has been a Director of the Company since 17 October 2019 and was last re-elected at the Company's 2019 annual general meeting.

Board Recommendation: The Directors (other than Mr English and Mr McComas who are not entitled to make, and do not make, a recommendation in relation to their respective Resolutions) recommend that Members vote in favour of Resolutions 2 and 3.

The Chair of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr English and Mr McComas.

Resolution 4: Increase in non-executive Directors' fee pool

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the maximum aggregate amount of fees available to be paid to non-executive Directors under clause 13.8 of the Company's Constitution by \$400,000 from \$300,000 to \$700,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) to give the Board strategic flexibility to appoint additional non-executive Directors;
- (b) expected growth of the Company and increased responsibilities for non-executive Directors;
- (c) non-executive Directors fees may in the future need to be increased to retain Directors;
- (d) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company particularly in regard to mine development and operation; and
- (e) to remunerate Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate amount of fees payable to Directors has not been increased since the Company's initial public offering in 2011. It is not intended to fully utilise the increased aggregate amount of fees in the immediate future.

The total aggregate annual remuneration of the non-executive Directors for the financial year ended 30 June 2021 was \$140,534 as detailed in the Company's 2021 Annual Report. This includes all Board and committee fees paid to non-executive Directors and superannuation contributions made on behalf of the non-executive Directors.

If Shareholders approve this Resolution, the Company's non-executive Director fee pool will increase to \$700,000 and will provide the Board with flexibility to manage Director remuneration and Board members effectively.

If Shareholders do not approve this Resolution, the Company's non-executive Director fee pool will remain at \$300,000 and may impact on the Board's ability to attract and retain suitable Board members.

The only Securities that were issued to non-executive Directors under ASX Listing Rules 10.11 or 10.14 within the preceding three years were 5,000,000 unquoted options with an exercise price of 6.0 cents each and expiry of 30 June 2023 issued to each of:

- (a) Mr Gregory English;
- (b) Mr Stephen Biggins;
- (c) Mr Heath Hellewell; and
- (d) Mr Malcolm McComas

as approved by Shareholders at the Company's 2019 annual general meeting.

Board Recommendation: The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 4.

The Chair of the Meeting intends to vote all undirected proxies in favour of increase in the non-executive Directors' fee pool.

Resolution 5 Issue of and change to Director Performance Rights to Mr Stephen Biggins

Background

Shareholders approved the Company's Performance Share Plan (**PSP**) at the annual general meeting held on 28 November 2019 as part of the overall remuneration strategy of the Company. The PSP provides for the issue of Director Performance Rights to Directors, senior executives, employees and contractors of the Company and their associated bodies corporate.

The PSP is designed to provide the Company's employees, contractors, 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, contractors, 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 28 November 2019. Of the performance rights issued on 28 November 2019, 2,301,668 performance rights have lapsed, 4,198,332 performance rights have vested and 6,500,000 remain with performance conditions measured to 30 June 2023.

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 an additional 750,000 Director Performance Rights (and change to the vesting date) 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 Director Performance Rights is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1. The issue of the Director 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 750,000 Director Performance Rights, and change the associated vesting date, to Mr Biggins within 5 business days of the Meeting. The Director 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 1 month 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 750,000 Shares. 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.

Director Performance Rights Key Performance Indicators and vesting

The Director Performance Rights vest and become exercisable if the various Key Performance Indicator hurdles are satisfied by the respective due dates.

Where vesting condition is met and Director Performance Rights are exercised, Shares on the exercise of Director Performance Rights are expected to be issued progressively over a period of approximately 3 years – dependant on the timing of Mr Biggins exercising the Director Performance Rights.

At Core's 2019 annual general meeting, Shareholders approved the issue of 541,667 Performance Rights with the KPI below:

"The vesting of Director Performance Rights under the Commercial Production KPI is tied to the commencement of commercial production mining (1-month at >80% FID nameplate capacity) at the Grants Lithium Resource by 30 June 2022."

This AGM is proposing to issue a further 750,000 Director Performance Rights related to this KPI with a revised definition of Commercial Production and extended vesting period.

Commercial Production is now defined as "First concentrate shipment made ex Darwin, capital costs within 10% of FID budget and production from the Finnis Lithium Project at >80% FID nameplate capacity for a period of 1 month by 30 June 2023."

The measurement period for this KPI is from Shareholder approval on 25 November 2021 to 30 June 2023.

The lapsing date for the Director Performance Rights is 30 June 2025 – unchanged from previously approved expiry. Director Performance Rights will expire within 3 months of Mr Biggins ceasing employment with the Company, if such date is earlier than the lapsing date. The Board will have 3 months from the end of the vesting date to determine whether the rights have vested. Mr Biggins will have 3 years from the end of the measurement period to exercise the Director Performance Rights. Rights that have not vested will lapse within 3 months of the end of the measurement period.

All Director Performance Rights are expected to be granted within 5 business days of receipt of Shareholder approval.

Additional terms and conditions of the Director Performance Rights under the PSP are detailed in Appendix 1.

Should Mr Biggins cease to be an officer of the Company, the Director Performance Rights will expire within 3 months of his departure, if such date is earlier than the lapsing date.

Director interests and remuneration

Mr Biggins is engaged under an employment agreement with the Company and was paid the cash amount of \$284,700 in relation to the 2018/19 financial year, \$362,700 in relation to the 2019/20 financial year and \$298,864 in relation to the 2020/21 financial year.

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

TABLE 2

Type of Equity Security	
Shares	8,206,347
Performance Rights – vested (excluding performance rights the subject of this Resolution)	6,500,000
Performance Rights – unvested (excluding performance rights the subject of this Resolution)	4,198,332
Unquoted options with an exercise price of \$0.06 and expiry of 30 June 2023	5,000,000

If all of the Director Performance Rights granted to Mr Biggins vest and are exercised, then a total of 750,000 new Shares would be issued. This will increase the number of Shares on issue from 1,547,909,928 to 1,548,659,928 (assuming that no other performance rights or options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 0.05%.

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 Director 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 approval of this Notice (to 8 October 2021) are:

TABLE 3

	Price	Date
Highest	\$0.49	16 September 2021
Lowest	\$0.044	7 October 2020, 8 October 2020, 29 October 2020, 30 October 2020 and 2 November 2020
Last	\$0.41	8 October 2021

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 this Resolution, 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 Director 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 employee 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 Director Performance Rights will be issued to Mr Stephen Biggins, a Director of the Company, or his nominee(s), being a person who falls with ASX Listing Rule 10.14.1 or 10.14.2.
- b) The maximum number of Director Performance Rights (being the nature of the financial benefit being provided) to be granted to Mr Biggins is 750,000.
- c) Mr Biggins current remuneration package is \$284,700.
- d) The Director 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.

- e) Mr Biggins has received the following Performance Rights under the PSP since it was approved on 28 November 2019:

TABLE 4

	Value
Number of Performance Rights granted	13,000,000
Number of Shares issued on conversion of Performance Rights	Nil
Acquisition price of Performance Rights	Nil

- f) The issue of the Director Performance Rights, will occur no later than 3 years after the date of the Meeting, being 25 November 2024, (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 as they apply to the Director Performance Rights.
- g) There is no intention for the Company to grant a loan in relation to the Director Performance Rights or acquisition of Shares following exercise of Director Performance Rights.
- h) For the purposes of Listing Rule 10.15.11:
- i) details of any Performance Rights issued under the PSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
 - ii) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights pursuant to the PSP after Resolution 5 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that Listing Rule.
- i) See Appendix 1 for key terms of the Director Performance Rights proposed to be issued under the PSP.
- j) A voting exclusion statement is included in this Notice.

Board Recommendation

Mr Biggins declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued 750,000 Director Performance Rights should Resolution 5 be passed.

With the exception of Mr Biggins, no other Director has a personal interest in the outcome of Resolution 5. The Directors (other than Mr Biggins) recommend that Shareholders vote in favour of Resolution 5.

The Directors make the recommendation above for the following reasons:

- the issue of Director Performance Rights 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; 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 in relation to his own remuneration) recommends that Members vote in favour of Resolution 5.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 5.

Glossary

In the Notice of General Meeting and Explanatory Notes:

ACDT means Australian Central Daylight 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 chair of the Meeting.

Closely Related Party has the meaning given to it in the Corporations Act and the Corporations Regulations.

Constitution means the constitution of the Company.

Core or **Company** means Core Lithium Ltd (ABN 80 146 287 809).

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

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

Director means a director of the Company.

Director Performance Rights means 750,000 unlisted performance rights proposed to be issued to Director Stephen Biggins with KPI vesting criteria.

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

Explanatory Notes means these explanatory notes.

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

Key Performance Indicator means the key performance indicators described in the Explanatory Notes, and the term **KPI** has a corresponding meaning.

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

Meeting, AGM or **Annual General Meeting** means the annual general meeting of Shareholders to be held at the offices of Grant Thornton Australia Limited on Thursday 25 November 2021 at 10:00 am ACDT.

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 cast by Shareholders entitled to vote at a general meeting of Shareholders.

Performance Rights means performance rights issued pursuant to the PSP.

Performance Share Plan or **PSP** means the Company's performance share plan as approved by Shareholders the 2019 AGM as detailed in Appendix 1.

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

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 or contractor 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.
-

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 (ACDT) on Tuesday, 23 November 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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>.

