

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (**EGM** or **Meeting**) of Members of Prospech Limited (**Prospech** or the **Company**) is to be convened at Level 2, 66 Hunter Street, Sydney, NSW, 2000 on 30 November 2023 at 11.00 am.

This Notice of Extraordinary General Meeting (**Notice of Meeting**) and the enclosed Explanatory Memorandum provide additional information on matters to be considered at the EGM, being held to seek Shareholder approval to:

- Issue 1,797,706 Shares in the Company to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund>, an entity in which Director Thomas Mann has an interest, (or its nominee), as consideration for the transfer of 1,742,748 shares held in Bambra Oy (**Bambra**); and
- Issue 1,237,842 Shares in the Company to Director Jason Beckton (or his nominee), as consideration for the transfer of 1,200,000 shares held in Bambra.

The Directors have determined pursuant to regulations 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28 November 2023 at 7.00 pm (Sydney Time).

ASX takes no responsibility for the contents of this Notice of Meeting or the Explanatory Memorandum.

Director Peter Nightingale notes:

“As required by ASX Listing Rule 10.11 and for all other purposes, the Company seeks shareholder approval for the issuance of Prospech shares to entities in which Prospech Directors Tom Mann and Jason Beckton have an interest. The Prospech shares are being issued in accordance with an agreement negotiated in March 2023 as consideration for the transfer of their shares in Bambra, enabling the Company to complete the acquisition of 100% ownership interest in Bambra, and the underlying Finland Projects held by Bambra.”

Recent ASX announcements have reported spectacular Rare Earth Elements (REE) assay results from the Korsnäs Project, highlighting the quality of the acquisition opportunity.”



Level 2, 66 Hunter Street, Sydney NSW 2000 Australia



AGENDA

BUSINESS

Resolution 1: Approval to issue Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> or its nominee

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

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,797,706 new fully paid ordinary shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> or its nominee.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of:

- (a) 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> and any of its Associates; and
- (b) any person, and any Associate of those persons who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of this Resolution 1 by:

- (a) a person as proxy or attorney for a Shareholder 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;
- (b) the Chairperson as proxy or attorney for a Shareholder who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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 the directions given by the beneficiary to the holder to vote in that way.

Resolution 2: Approval to issue Shares to Jason Beckton

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

'That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,237,842 new fully paid ordinary shares to Jason Beckton.'

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 2 by or on behalf of:

- (a) Jason Beckton and any of his Associates; and
- (b) any person, and any Associate of those persons who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of this Resolution 2 by:

- (a) a person as proxy or attorney for a Shareholder 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;
- (b) the Chairperson as proxy or attorney for a Shareholder who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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 the directions given by the beneficiary to the holder to vote in that way.

Yours sincerely



Richard Edwards
Company Secretary

30 October 2023

pjn11909

**EXTRAORDINARY GENERAL MEETING
TO BE HELD ON 30 NOVEMBER 2023
EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared to assist members to understand the business to be put to members at an Extraordinary General Meeting (**EGM**) to be held at Level 2, 66 Hunter Street, Sydney, New South Wales, 2000, on 30 November 2023 at 11.00am (Sydney Time).

Resolutions 1 and 2: Approval to issue Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> and Jason Beckton

On 15 March 2023 the Company announced that it had signed an earn-in agreement with the shareholders of Bambra Oy ('Bambra'), a company incorporated in Finland, to earn up to a 100% interest in Bambra and therefore, acquire Bambra's 100% interest in the Jokikangas REE project, the Korsnas REE project and Saarenkylä lithium project in Finland (**Finland Projects**).

The Bambra shareholders include 1147 Pty Ltd <ATF The TJ & CJ Mann Superannuation Fund> ('Mann Trust'), being an entity controlled by Thomas Mann, a Director of the Company, and Jason Beckton, a Director of the Company (together, **Related Parties**).

The Related Parties held a total of 50.6% interest in Bambra and, should the Company proceed with the acquisition of 100% of Bambra, the Related Parties will receive 3,035,548 Prospech shares with an aggregate value of approximately \$63,750 ('Consideration Shares') based on the last trading price of \$0.021 on 27 October 2023 of Prospech shares which equates to approximately 1.0% of the equity interests of the Company as set out in the Company's 31 December 2022 Annual Report.

Subsequent to entering into the earn-in agreement, the Company has completed both the expenditure obligations to move to a 51% interest in Bambra (**First Option**) and now the expenditure obligations to move a 100% interest in Bambra (**Second Option**).

At 30 June 2023 the Company completed the First Option acquisition of a 51% interest in Bambra. In doing so, the Related Parties agreed to defer the issue of Prospech shares being issued as consideration for their interest in Bambra and until the Company had satisfied the earn-in agreement conditions to acquire 100% of Bambra. In doing so, the Company avoided the need and cost to hold two separate shareholder meetings.

This shareholder meeting is being held in accordance with ASX Listing Rule 10.11 and for all other purposes to approve the issue of the 3,035,548 Prospech shares to the Related Parties for their interest in Bambra. In the event that the resolutions are not approved, the Related Parties will be compensated by way of a cash consideration payment based on the 10 day volume weighted average price of Prospech shares prior to the date of the shareholders' meeting.

Overview of ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

Resolution 1: 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> Placement

Resolution 1 seeks Shareholder approval to issue 1,797,706 Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee).

Information required by Listing Rule 10.13

Under ASX Listing Rule 10.13, the following information must be provided to Shareholders in advance of seeking Shareholder approval under ASX Listing Rule 10.11 with respect to the issue of the Shares:

- (a) the Shares will be issued to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee).
- (b) 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> falls within Listing Rule 10.11.1, as an associate of Thomas Mann, a related party of the Company (as a director).
- (c) The maximum number of fully paid ordinary shares to be issued to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee) is 1,797,706.
- (d) The Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (f) The Shares are being issued as consideration for the transfer of 1,742,748 Bambra shares by 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund>.
- (g) At the last trading price of the Company's shares prior to the date of this Notice of Meeting of \$0.021 on 27 October 2023, the value of the shares being issued to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee) was \$37,752.
- (h) The proposed issue of the Shares is not intended to remunerate or incentivise Thomas Mann in his position as a director.
- (i) A voting exclusion statement is included in the Notice for Resolution 1.
- (j) Except as provided for in this Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 1.

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee) and complete the procedures necessary to move to a 100% interest in Bambra.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee) and, in order to complete the acquisition of 100% of Bambra, will compensate 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> by way of a cash consideration payment based on the 10 day volume weighted average price of Prospech shares prior to the date of the shareholders' meeting.

Board Recommendation

The Non-Conflicted Directors recommend that Shareholders vote in FAVOUR of Resolution 1.

Thomas Mann declines to give a recommendation due to the fact that he has an interest in the outcome of Resolutions 1. In order to manage any potential or perceived conflict of interest, Thomas Mann did not participate in the Board's consideration or vote in relation to the issue of the Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> (or its nominee).

The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 1.

Resolution 2: Jason Beckton Placement

Resolution 2 seeks Shareholder approval to issue 1,237,842 Shares to Jason Beckton (or his nominee).

Information required by Listing Rule 10.13

Under ASX Listing Rule 10.13, the following information must be provided to Shareholders in advance of seeking Shareholder approval under ASX Listing Rule 10.11 with respect to the issue of the Shares:

- (a) the Shares will be issued to Jason Beckton (or his nominee).
- (b) Jason Beckton falls within Listing Rule 10.11.1, as he is a related party of the Company (as a director).
- (c) The maximum number of fully paid ordinary shares to be issued to Jason Beckton (or his nominee) is 1,237,842.
- (d) The Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (f) The Shares are being issued as consideration for the transfer 1,200,000 Bambra shares by Jason Beckton.
- (g) At the last trading price of the Company's shares prior to the date of this Notice of Meeting of \$0.021 on 27 October 2023, the value of the shares being issued to Jason Beckton (or his nominee) was \$25,994.
- (h) The proposed issue of the Shares is not intended to remunerate or incentivise Jason Beckton in his position as a director.
- (i) A voting exclusion statement is included in the Notice for Resolution 2.
- (j) Except as provided for in this Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 2.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Shares to Jason Beckton (or his nominee) and complete the procedures necessary to move to a 100% interest in Bambra.

If Resolution 2 is not passed the Company will not be able to proceed with the issue of the Shares to Jason Beckton (or his nominee) and, in order to complete the acquisition of 100% of Bambra, will compensate Jason Beckton by way of a cash consideration payment based on the 10 day volume weighted average price of Prospech shares prior to the date of the shareholders' meeting.

Board Recommendation

The Non-Conflicted Directors recommend that Shareholders vote in FAVOUR of Resolution 2.

Jason Beckton declines to give a recommendation due to the fact that he has an interest in the outcome of Resolutions 2. In order to manage any potential or perceived conflict of interest, Jason Beckton did not participate in the Board's consideration or vote in relation to the issue of the Shares to Jason Beckton (or his nominee).

The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 2.



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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Tuesday, 28 November 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Prospech Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Prospech Limited to be held at Level 2, 66 Hunter Street, Sydney, NSW 2000 on Thursday, 30 November 2023 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval to issue Shares to 1147 Pty Ltd <ATF The TJ and CJ Mann Superannuation Fund> or its nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Shares to Jason Beckton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details *(Optional)*

Mobile Number Email Address
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

