

1 December 2023

Share Purchase Plan and Offer Booklet

Prospech Limited (**Prospech** or **the Company**) is pleased to announce that it will be offering existing eligible shareholders the opportunity to participate in a Share Purchase Plan (**SPP**).

The SPP enables Eligible Shareholders to acquire up to \$30,000 worth of new Prospech shares at an issue price of \$0.031 per share, representing a discount of approximately 15% to the volume-weighted average market price of the Company's shares for the five business days on which the Company's shares traded preceding 1 December 2023 and a discount of approximately 24% to the closing price of the Company's shares on 30 November 2023.

The SPP is available to shareholders with a registered address in either Australia or New Zealand (and who otherwise meet certain other conditions as set out in the SPP Offer Booklet) (**Eligible Shareholders**) on the record date of 30 November 2023.

Eligible Shareholders wishing to participate in the SPP should carefully read the SPP Offer Booklet, a copy of which is attached to this announcement. Shareholders will be sent a personalised Offer and Acceptance Form on or around 5 December 2023.

The Directors encourage all Eligible Shareholders to support the Company and take advantage of this opportunity to acquire Prospech shares without brokerage or other transaction costs and at a discount to the Company's share price.

Important Information

The offer of SPP Shares is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* which grants relief from the requirement to issue a disclosure document for the SPP.

Share Purchase Plan (SPP) Timetable

Record Date for participation in the SPP ¹	7:00 pm, Thursday 30 November 2023
Announcement date	Friday 1 December 2023
SPP Offer and Acceptance Form dispatched	Tuesday 5 December 2023
SPP Offer opens	Tuesday 5 December 2023
SPP Offer closes	5:00 pm, Wednesday 20 December 2023
Announcement results of SPP	Wednesday 27 December 2023
Issue of SPP shares	Friday 29 December 2023

¹ The date that eligibility to participate in the SPP is determined.

This timetable is indicative only and the dates are subject to change without notice. Prospech Limited may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX. All times are Sydney time.



Level 2, 66 Hunter Street, Sydney NSW 2000 Australia

ASX: PRS



www.prospech.com.au



+61 2 9300 3333



info@prospech.com.au

Purpose of the Capital Raising

The funds raised by the SPP will be used to continue the exploration of the Company projects in Finland and Slovakia and for working capital purposes.

Eligible Shareholders

The right to participate in the SPP is available to holders of fully paid ordinary shares on the record date of 30 November 2023 and whose registered address is in Australia or New Zealand (and who otherwise meet certain other conditions as set out in the SPP Offer Booklet) (**Eligible Shareholders**) and are not in the United States, and are not acting for the account or benefit of a person in the United States. If you are acting for the account or benefit of a person in the United States, you will not be eligible to participate in respect of the SPP Shares held for the account or benefit of that person. Unfortunately, it is not practical for the SPP to be offered to our shareholders with a registered address in other countries.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Edwards', enclosed in a thin black rectangular border.

Richard Edwards
Company Secretary

pjn11969



Prospech

Limited

ABN 24 602 043 265

SHARE PURCHASE PLAN OFFER BOOKLET

This is an important document and requires your immediate attention.

Each Eligible Shareholder has the opportunity to participate in the Prospech Limited Share Purchase Plan by applying for up to \$30,000 worth of new ordinary shares in Prospech Limited without incurring brokerage or other transaction costs.

Shares issued under the Prospech Share Purchase Plan will rank equally with existing Prospech Limited ordinary shares on issue.

This Offer Booklet provides details of the Share Purchase Plan and explains how shareholders can participate.

You should seek your own financial advice in relation to this offer and your participation in the Share Purchase Plan.

The Directors encourage you to read these terms and conditions carefully and in their entirety.



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ASX: PRS FSE: 1P80

Key dates

Share Purchase Plan (SPP) Timetable

Record Date for participation in the SPP ¹	7:00 pm, Thursday 30 November 2023
Announcement date	Friday 1 December 2023
SPP Offer and Acceptance Form dispatched to eligible shareholders	Tuesday 5 December 2023
SPP Offer opens	Tuesday 5 December 2023
SPP Offer closes	5:00 pm, Wednesday 20 December 2023
Announcement results of SPP	Wednesday 27 December 2023
Issue of SPP shares	Friday 29 December 2023

¹ The date that eligibility to participate in the SPP is determined.

This timetable is indicative only and the dates are subject to change without notice. Prospech Limited may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX. All times are Sydney time.

Any change in the timetable does not affect any rights or obligations you have as a result of accepting the SPP.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO UNITED STATES PERSONS.

1 December 2023

Dear Fellow Shareholder

On behalf of the Directors of Prospech Limited (**Prospech** or **the Company**), I am pleased to offer you the opportunity to participate in the Prospech Share Purchase Plan (SPP).

Further to the approval by shareholders on 30 November 2023, we are pleased to advise that the Company has now completed the acquisition of 100% ownership of Bambra Oy (**Bambra**) and the underlying Finland projects held by Bambra.

As you will be aware, Prospech has reported significant success at the Korsnäs rare earth elements (**REE**) project in Finland, one of the Bambra Finland projects now owned 100% by Prospech. I encourage you to review the Company's ASX announcements:

- 14 June 2023 (Korsnäs Sampling Returns Rare Earth Results up to 13,201 ppm TREO)
- 5 September 2023 (Spectacular REE Grades Reported at Korsnäs)
- 4 October 2023 (Korsnäs Municipality Support Expands the Korsnäs Project)
- 24 October 2023 (Spectacular Thick High-Grade REE Mineralisation at Korsnäs)
- 21 November 2023 (Korsnäs – A Major REE Discovery In Europe)

As reported in the Company's ASX announcement dated 21 November 2023, assay results from a further 832 samples taken from the drill core of 44 holes are pending. Prospech has been granted a further eight weeks of inspection at the Geologic Survey of Finland and a further 132 drill holes have been identified and prioritised for geologic logging and sampling.

Despite the success at the Korsnäs project, the Company's market capitalisation has not significantly changed and so the Directors have resolved to reward our existing Eligible Shareholders by offering the opportunity to acquire shares in the Company without incurring brokerage or other transaction costs and, in doing so, support the Company's future efforts.

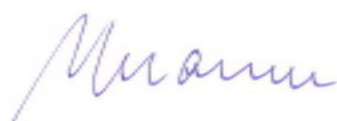
The Company is offering Eligible Shareholders the opportunity to participate in an SPP to acquire up to \$30,000 worth of new Prospech shares at an issue price of \$0.031 per share, representing a discount of approximately 15% to the volume-weighted average market price of the Company's shares for the five business days on which the Company's shares traded preceding 1 December 2023 and a discount of approximately 24% to the closing price of the Company's shares on 30 November 2023.

The Directors encourage all Eligible Shareholders to support the Company and take advantage of this opportunity to acquire Prospech shares without brokerage or other transaction costs and at a discount to the volume-weighted average market price of the Company's share price.

If you have any questions concerning how to participate in the SPP, please contact Prospech directly on +61 (02) 9300 3333 or by email at info@prospech.com.au.

On behalf of the Board, I thank you for your continued support and encourage you to participate in the SPP.

Yours faithfully,



Thomas J. Mann
Chairman

Important Information

The offer of SPP shares is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* which grants relief from the requirement to issue a disclosure document for the SPP.

Purpose of the Capital Raising

The funds raised by the SPP will be used to continue the exploration of the Company projects in Finland and Slovakia and for working capital purposes.

Eligible Shareholders

The right to participate in the SPP is available to holders of fully paid ordinary shares on the record date of 30 November 2023 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**), are not in the United States and are not acting for the account or benefit of a person in the United States. If you are acting for the account or benefit of a person in the United States, you will not be eligible to participate in respect of the SPP shares held for the account or benefit of that person. Unfortunately, it is not practical for the SPP to be offered to our shareholders with a registered address in other countries.

Under the SPP, Eligible Shareholders are entitled to purchase up to \$30,000 worth of new Prospech shares at \$0.031 per share, representing a discount of approximately 15% to the volume-weighted average market price of the Company's shares for the five business days preceding 1 December 2023 and a discount of approximately 24% to the closing price of the Company's shares on 30 November 2023 and without having to pay any brokerage or other transaction costs.

Joint Holders/Custodians

If two or more persons are registered on the Register as jointly holding shares, they are taken to be a single registered holder of shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.

Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding shares.

How to Participate in the SPP

Participation in the SPP by Eligible Shareholders is entirely optional. If you are in any doubt about your participation in the SPP, then you should contact a professional adviser. The offer is non-renounceable, which means that you cannot transfer your right to purchase shares under the SPP to another person or entity. Eligible Shareholders may subscribe for a parcel of SPP shares valued at \$10,000, \$20,000 or \$30,000. The maximum subscription amount of \$30,000 will apply even if you receive more than one offer from the Company.

If you choose not to participate in the SPP, your right to participate lapses on the Closing Date (or such other date as the Company determines).

Issue Price of Shares

The issue price of shares under the SPP is \$0.031 per share. This price has been set at a discount of approximately 15% to the volume-weighted average market price of the Company's shares on ASX calculated over the five business days preceding 1 December 2023 and a discount of approximately 24% to the closing price of the Company's shares on 30 November 2023.

The market price of the Company's shares will fluctuate during this offer, but this will not affect the issue price of the shares under the SPP. This means that the market price of the Company's shares at the time the shares are allotted under the SPP may be either higher or lower than the issue price.

In accordance with the requirements of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, the Company confirms that the issue price is lower than the market price of the Company's shares during a "specified period".

Maximum Raising and Oversubscription

The maximum number of shares that the Company will issue under the SPP is 67,283,324 and the maximum amount that would be raised under the SPP is \$2,085,783. If the Company receives acceptances for more than the maximum, it will reduce the number of shares allotted to each holder subject to discretionary scale back by the Company.

Scale Back on Oversubscription

If the total value of applications for the SPP shares is more than \$2,085,783, Prospech will undertake a scale back to the extent and in the manner the Company sees fit. A scale back is a reduction in the allotment of SPP shares that Prospech will issue if it receives applications under the SPP for more SPP shares than it is permitted to issue.

If there is a scale back, you may receive less than the parcel of SPP shares for which you have applied. If a scale back produces a fractional number of SPP shares when applied to your parcel, the number of SPP shares you will be allocated will be rounded down to the nearest whole number of SPP shares.

In the event of a scale back, the difference between the application monies received and the number of SPP shares allocated to you multiplied by the issue price, will be refunded to you by direct credit or cheque as soon as practicable, without interest.

Application Instructions

This offer will close at 5:00 pm (Sydney time) on 20 December 2023. Further details of the SPP are set out in the terms and conditions below. If you wish to participate in the SPP, please read the terms and conditions and make payment prior to 20 December 2023.

BPAY instructions are set out on the application form. If you make your payment using BPAY, you do not need to return your Application Form, but you will be taken to have made the certifications and representations described in this SPP Offer Booklet and on the Application Form. If applying by BPAY, you need to ensure the Share Registry receives your payment by no later than 5:00 pm (Sydney time) on 20 December 2023. Please make sure you use the specific biller code and unique reference number on your personalised Application Form.

Your Representations

- (a) By completing and returning the Application Form by making a BPAY payment, you:
- (i) irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form (if applicable) and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (ii) warrant that all details and statements in your Application are true and complete and not misleading;
 - (iii) agree that your Application will be irrevocable and unconditional (that is, it cannot be withdrawn);
 - (iv) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
 - (v) acknowledge that no interest will be paid on any Application Monies held pending the issue of SPP shares or subsequently refunded to you for any reason;
 - (vi) acknowledge that the Company, its officers and agents are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
 - (vii) acknowledge and agree that:
 - a. you are not in the United States and are not acting for the account or benefit of a person in the United States (in the event that you are acting for the account or benefit of a person in the United States, you are not applying for, or acquiring, any SPP shares for the account or benefit of that person);
 - b. the SPP shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the SPP shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable US state securities laws;
 - c. you have not, and will not, send this booklet or any materials relating to the SPP to any person in the United States or elsewhere outside Australia and New Zealand;
 - d. if in the future you decide to sell or otherwise transfer the SPP shares, you will only do so in regular way for transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and

- e. if you are acting as a trustee, nominee or Custodian, each Eligible Beneficiary on whose behalf you are applying for and acquiring SPP shares is resident in Australia or New Zealand and is not in the United States, and you have not sent this Booklet, or any materials relating to the SPP, to any person outside Australia and New Zealand;
- (viii) if you are applying on your own behalf (and not as a Custodian) acknowledge and agree that:
 - a. you are not applying for SPP shares with Application Monies of more than \$30,000 under the SPP (including by instructing a Custodian to acquire SPP shares on your behalf under the SPP);
 - b. the total of Application Monies for the following does not exceed \$30,000:
 - i. the SPP shares the subject of the Application;
 - ii. any other shares issued to you under the SPP or any similar arrangement in the 12 months before the Application;
 - iii. any other SPP shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - iv. any other shares issued to a Custodian in the 12 months before the Application as a result of an instruction given by you to the Custodian to apply for shares on your behalf under an arrangement similar to the SPP;
 - (ix) If you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold shares, acknowledge and agree that:
 - a. you are a Custodian (as that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*;
 - b. you held shares on behalf of the Eligible Beneficiary or Downstream Custodian as at the Record Date who has instructed you to apply for SPP shares on their behalf under the SPP and that that Eligible Beneficiary has been given a copy of this Offer Booklet;
 - c. you are not applying for SPP shares on behalf of any Eligible Beneficiary or Downstream Custodian with Application Monies of more than \$30,000 under the SPP and similar arrangement in the 12 months before this Application; and
 - d. the information in the Custodian Certificate submitted with your Application is true, correct and not misleading;
 - (x) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
 - (xi) are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
 - (xii) agree to be bound by the Constitution (as amended and as it may be amended from time to time in the future);
 - (b) you acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
 - (c) you authorise the Company, and its officers and agents, to do anything on your behalf necessary for SPP shares to be issued to you in accordance with these terms and conditions;
 - (d) you acknowledge that the Company may at any time irrevocably determine that your Application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
 - (e) you authorise the Company, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application by the insertion of any missing minor detail.

Prospect Limited Share Purchase Plan

Offer Terms and Conditions

Prospect Limited (**Prospect**) is giving Eligible Shareholders the opportunity to subscribe for fully paid ordinary shares (**Shares**) in Prospect through a Share Purchase Plan (**SPP**). Participation in the SPP is optional and subject to the following terms and conditions.

Who is eligible to apply under this offer?

You are eligible to subscribe for Shares under this SPP if you were a registered holder of fully paid ordinary shares or Shares of Prospect at the close of business on the Record Date of 30 November 2023, with a registered address in either Australia or New Zealand (**Eligible Shareholders**).

The offer under the SPP is non-renounceable, which means that you cannot transfer your right to purchase shares under the offer to anyone else.

How much can you invest?

Eligible Shareholders may choose to apply for one of the following offers:

Number of Shares and Payment Amount

Offer A:	967,742 Shares	\$30,000.00
Offer B:	645,161 Shares	\$20,000.00
Offer C:	322,581 Shares	\$10,000.00

No brokerage or other transaction costs are payable by participants in the SPP.

How to pay for the shares

Eligible Shareholders may apply for SPP shares under the SPP by making an application in accordance with the instructions in the personalised Application Form. Eligible Shareholders can generate their personalised Application Forms and unique BPAY® numbers by registration online in accordance with the instructions online at www.computersharecas.com.au/PRSSPP.

If your payment is not for the exact amount for one of the three offers, Prospect reserves the right to return your Application Form, funds, and not issue any additional Prospect shares to you.

Eligible Shareholders, who wish to pay by BPAY, must follow the instructions on the Application Form so that it is received by the Company before 5.00pm (Sydney time) on Wednesday, 20 December 2023. Your personalised Application Form carries the Biller Code and your unique personalised Customer Reference Number, which you must use to take up the offer. If you make your payment with BPAY, you do not need to return your Application Form. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

When does the offer close?

The Closing Date is 20 December 2023. Applications received after 5.00pm (Sydney time) on 20 December 2023 will not be accepted.

How was the issue price determined?

The issue price for each security under the SPP is \$0.031, which represents a discount of approximately 15% to the weighted average market price of Prospect shares for the five business days on which sales of Shares occurred preceding 1 December 2023, the date the SPP was announced and a discount of approximately 24% to the closing price of the Company's shares on 30 November 2023.

The market price of Prospect shares may rise or fall. This means that the issue price of \$0.031 under the SPP may exceed the market price at the time of allotment of shares under the SPP. Accordingly, you should consult your stockbroker or professional adviser in relation to this offer and your participation under the SPP.

Any change in the market price of Prospect shares will not affect the issue price of \$0.031.

Why is your investment limited to \$30,000?

The SPP must comply with the Australian Securities & Investments Commission *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, which limits the participation of each Eligible Shareholder to \$30,000 worth of securities. This limit applies to all Eligible Shareholders even if you receive more than one offer from Prospect (for example, because you are a joint holder of securities or because you have more than one holding of securities under separate accounts). Prospect reserves the right to reject any application for shares where it believes that an Eligible Shareholder has not complied with this requirement.

Where a trustee, nominee or custodian is noted on the Prospect share register as holding securities on behalf of another person (beneficiary), the trustee, nominee or custodian may, in respect of each such beneficiary, apply under the SPP for shares with a subscription amount of up to \$30,000. For the purposes of this acceptance, the beneficiary is deemed to be the registered holder of the relevant securities.

Allotment of Shares

The new Shares will be allotted as soon as practicable after the offer closes. Statements will be issued in respect of shares allotted to you under the SPP. You should await confirmation before trading in any shares you have applied for under this offer.

Shares allotted under the SPP will rank equally in all respects with all other fully paid ordinary shares in Prospect on the date of issue.

Prospect will promptly after allotment of Shares under the SPP, make an application for the Shares to be listed for quotation on the official list of the ASX.

Refunds if the SPP is oversubscribed

If the total number of shares applied for by Eligible Shareholders under the SPP exceeds 67,283,324 then the number of shares allotted to each accepting Eligible Shareholder will be reduced in the manner that the Company sees fit, subject to rounding the adjusted number of shares at the Directors' discretion.

Application moneys to be refunded will be by direct credit or cheque to accepting Eligible Shareholders as soon as practical after the Closing Date. Interest will not be paid on money refunded.

Change of offer

The SPP may be modified or terminated by Prospect at any time. Prospect will advise the ASX of any modification or termination.

Without limiting the above, Prospect may resolve to allot to any person fewer shares than that person applied for under the SPP if the allotment of those shares would contravene any law or Listing Rule of the ASX.

Dispute resolution

If any dispute arises in connection with the SPP, Prospect may settle it in any manner it thinks fit. It can do that generally, or in relation to any particular participant or any application for SPP shares. Prospect decision will be final and binding.

Prospect reserves the right to waive strict compliance with any provision of the SPP's terms and conditions. The power of Prospect in these circumstances may be exercised by the Directors or any delegate of the Directors in accordance with the Corporations Act 2001 and Prospect Constitution.

How can you make further inquiries?

If you have any questions in respect of the SPP, please contact the Company Secretary Richard Edwards on +61 2 9300 3333.