ASX ANNOUNCEMENT

24 October 2022

Notice of Annual General Meeting and related documents

Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) advises that the following documents in relation to its 2022 Annual General Meeting, were dispatched to Shareholders today in accordance with their communication preference:

- Letter to Shareholders;
- Notice of Annual General Meeting; and
- Proxy Form.

This release was authorised by the Sam Hosack, Managing Director

For further information, please contact:

Sam Hosack
Managing Director
shosack@prospectresources.com.au

Ian Goldberg
Chief Financial Officer
igoldberg@prospectresources.com.au

About Prospect Resources Limited (ASX: PSC, FRA:5E8)

Prospect Resources Limited (ASX: PSC, FRA:5E8) is an ASX listed company focused on the exploration and development of mining projects, specifically battery and electrification minerals, in Zimbabwe and the broader sub-Saharan African region.

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24 October 2022

Dear Shareholder,

Annual General Meeting – Letter to Shareholders

Prospect Resources Limited (ASX: PSC) ("Prospect Resources Limited" or the "Company") advises that its 2022 Annual General Meeting ("AGM") will be held at 2:00PM (AWST) on Wednesday, 23 November 2022 at Level 2, 40 Kings Park Road, West Perth WA 6005.

In accordance with Part 1.2AA of the Corporations Act 2001, the Company will only be dispatching physical copies of the Notice of Meeting ("Notice") to Shareholders who have elected to receive the Notice in physical form. The Notice is being made available to Shareholders electronically and can be viewed and downloaded online from the Company's website at: https://www.prospectresources.com.au/announcements.

Your vote is important

The business of the AGM affects your shareholding and your vote is important.

To vote in person, attend the AGM on the date and at the place set out above.

To vote by proxy please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

The Chair intends to vote all open proxies in favour of all resolutions, where permitted.

Yours Faithfully,

Sam Hosack
Managing Director

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Prospect Resources Limited
Level 2
33 Richardson Street
West Perth WA 6005
ACN: 124 354 329

www.prospectresources.com.au

Prospect Resources

Prospect Resources Limited

Notice of 2022 Annual General Meeting

Explanatory Statement | Proxy Form

Wednesday, 23 November 2022

2.00pm AWST

Address
40 Kings Park Rd, West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Important Information for Shareholders about the Company's 2022 AGM

This Notice is given based on circumstances as at 24 October 2022. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at www.prospectresources.com.au . Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00pm (AWST) on Wednesday, 23 November 2022 at 40 Kings Park Rd, West Perth WA 6005.

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the **Online Proxy Lodgement Guide** at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

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Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Prospect Resources Limited ACN 124 354 329 will be held at 2.00pm (AWST) on Wednesday, 23 November 2022 at 40 Kings Park Rd, West Perth WA 6005 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00pm (AWST) on Monday, 21 November 2022.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

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Resolutions

Remuneration Report

1. **Resolution 1** – Adoption of Remuneration Report

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2022."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and

(b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote "against", or to abstain from voting on, this Resolution.

Re-election of Directors

2. **Resolution 2** – Re-election of Gerard Fahey as Director

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

"That Gerard Fahey, a Director who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately."

3. **Resolution 3** – Re-election of Zivanayi Rusike as Director

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

"That Zivanayi Rusike, a Director who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately."

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Issues of Securities to Directors

4. **Resolution 4** – Approval of Issue of Short-Term Incentive Securities to Samuel Hosack (or his nominee), a Director of the Company

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 2,000,000 Performance Rights under the Company's Long Term Incentive Plan to Samuel Hosack (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

(a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's Long-Term Incentive Plan; or

(b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) a closely related party of a member of the Company's Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

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5. **Resolution 5** – Approval of Issue of Long-Term Incentive Securities to Samuel Hosack (or his nominee), a Director of the Company

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 3,000,000 Options under the Company's Long Term Incentive Plan to Samuel Hosack (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

(a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's Long-Term Incentive Plan; or

(b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) closely related party of a member of the Company's Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

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6. **Resolution 6** – Approval of Issue of Securities to Mark Wheatley (or his nominee), a Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,600,000 Options to Mark Wheatley (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

(a) a person who is to expected to receive the securities as a result of the proposed issue;

(b) a person 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); or

(c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 6 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) a closely related party of a member of the Company's Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

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7. **Resolution 7** – Approval of Issue of Securities to Devidas Shetty (or his nominee), a Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,000,000 Options to Devidas Shetty (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

(a) a person who is to expected to receive the securities as a result of the proposed issue;

(b) a person 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); or

(c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 7 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) a closely related party of a member of the Company's Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

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8. **Resolution 8** – Approval of Issue of Securities to Gerard Fahey (or his nominee), a Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,000,000 Options to Gerard Fahey (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

(a) a person who is to expected to receive the securities as a result of the proposed issue;

(b) a person 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); or

(c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 8 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) a closely related party of a member of the Company's Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

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9. **Resolution 9** – Approval of Issue of Securities to Henian Chen (or his nominee), a Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,000,000 Options to Henian Chen (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

(a) a person who is to expected to receive the securities as a result of the proposed issue;

(b) a person 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); or

(c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 9 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 9 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) a closely related party of a member of the Company's Key Management Personnel; and

(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

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10. **Resolution 10** – Approval of Issue of Securities to Zivanayi Rusike (or his nominee), a Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,000,000 Options to Zivanayi Rusike (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

(a) a person who is to expected to receive the securities as a result of the proposed issue;

(b) a person 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); or

(c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 10 by:

(i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(ii) 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 to vote on the Resolution as the Chair decides; or

(iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- 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
- the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 10 if:

(a) the proxy is either:
  (i) a member of the Company's Key Management Personnel; or
  (ii) a closely related party of a member of the Company's Key Management Personnel; and
(b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and
(b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

11. **Resolution 11** – Adoption of New Constitution

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **Special Resolution**:

"That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective immediately."

BY ORDER OF THE BOARD

Ian Goldberg and Lee Tamplin
Joint Company Secretaries

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Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2.00pm (AWST) on Wednesday, 23 November 2022 at 40 Kings Park Rd, West Perth WA 6005.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at https://prospectresources.com.au/.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Wednesday, 16 November 2022.

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Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at https://prospectresources.com.au/.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2023 Annual General Meeting (**2023 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2023 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2023 AGM. All of the Directors who were in office when the 2023 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Re-election of Directors

Background to Resolutions 2 and 3

The Company's Constitution requires that at the Company's annual general meeting 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 the Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following their appointment, whichever is the longer, without submitting themselves for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election.

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

Resolution 2 – Re-election of Gerard Fahey as Director

Gerard Fahey was appointed a Director of the Company on 15 July 2013 and was last re-elected as a Director at the Annual General Meeting held on 27 November 2020.

Under Resolution 2, Mr Fahey has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr Fahey has over 40 years' experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved with the development of the Eureka, Chaka, Globe and Phoenix gold mines and the following Australian gold projects: Kanowna Belle, Golden Feather, Sunrise and Wallaby. Mr Fahey is currently a Director of Focus Minerals Ltd and formerly a Director of CSA Global Pty Ltd, Modun Resources Limited and a former member of the Joint Ore Reserve Committee (JORC).

Resolution 3 – Re-election of Zivanayi Rusike as Director

Zed Rusike was appointed a Director of the Company on 26 September 2013 and was last re-elected as a Director at the Annual General Meeting held on 27 November 2020.

Under Resolution 3, Mr Rusike has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr Rusike has a Bachelor of Accountancy Degree (Birmingham) and is a resident of Zimbabwe. He was previously the Managing Director of United Builders Merchants before being promoted to Group Managing Director for Radar Holdings Limited, then, a large quoted company on the Zimbabwe Stock Exchange. He retired from the Radar Group of companies to pursue personal interests and currently sits on the boards of ZB Capital Limited, Dulux Paints Limited and Halsted Brothers (Pvt) Limited. Mr Rusike is a former President of the Confederation of Zimbabwe Industries (2000 – 2001).

Directors' recommendation

The Directors (excluding Gerard Fahey) recommend that Shareholders vote for Resolution 2.

The Directors (excluding Zivanayi Rusike) recommend that Shareholders vote for Resolution 3.

Issues of Securities to Directors

Resolutions 4 and 5 – Approval of Issues of Securities to Samuel Hosack (or his nominee), a Director of the Company

Background to Resolutions 4 and 5

The Company's Long Term Incentive Plan (**Incentive Plan**) was approved by Shareholders of the Company on 28 January 2022.

The Company seeks to invite Samuel Hosack (or his nominee), subject to Shareholder approval that is sought under these Resolutions, to participate in the Incentive Plan by subscribing for the following securities (**Hosack Incentive Securities**):

(a) 2,000,000 Performance Rights (Resolution 4); and

(b) 3,000,000 Options (Resolution 5)

A summary of the material terms of the Hosack Incentive Securities is included in the additional information required under Listing Rule 10.15 section below.

Director and Related Party Approvals

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme unless it obtains the approval of its shareholders:

(a) a director of the Company;
(b) an associate of a director of the Company; or

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(c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

As Samuel Hosack is a Director of the Company, the proposed issue of Hosack Incentive Securities constitutes the acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

To this end, Resolutions 4 and 5 seek the required Shareholder approval to issue the Hosack Incentive Securities to Samuel Hosack (or his nominee) under and for the purposes of Listing Rule 10.14.

If approval is obtained under Listing Rule 10.14, in accordance with Listing Rule 10.12 (exception 8), separate approval is not required under Listing Rule 10.11.

If Resolutions 4 and 5 are passed, the Company will be able to proceed with the proposed issue of the Hosack Incentive Securities.

If any of Resolutions 4 and 5 are not passed, the Company will not be able to proceed with the proposed issue of Hosack Incentive Securities pursuant to the Resolution which is not passed. In such circumstances the Company may consider alternative incentives including but not limited to, cash.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

(a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
(b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Incentive Securities constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

The non-conflicted Directors of the Company (being Mark Wheatley, Devidas Shetty, Gerard Fahey, Henian Chen and Zivanayi Rusike) carefully considered the issue of these Hosack Incentive Securities to Samuel Hosack (or his nominee), and formed the view that the giving of this financial benefit as part of their remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Incentive Securities, and the responsibilities held by Samuel Hosack in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of the Hosack Incentive Securities to Samuel Hosack (or his nominee) fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of this Resolution. Therefore, the proposed issue of the Hosack Incentive Securities to Samuel Hosack (or his nominee) requires Shareholder approval under and for the purposes of Listing Rule 10.14 only.

Information Required by ASX Listing Rule 10.15

The following information in relation to the issue of Hosack Incentive Securities to Samuel Hosack (or his nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

(a) The allottee is Samuel Hosack.

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(b) Samuel Hosack is a Director of the Company and therefore falls under category 10.14.1 of the Listing Rules.

(c) The maximum number of Hosack Incentive Securities that may be acquired by Samuel Hosack is 2,000,000 Performance Rights and 3,000,000 Options;

(d) The current total remuneration package received by Samuel Hosack is A$350,000 inclusive of superannuation. In addition, if approved by shareholders, the value of the Hosack Incentive Securities is as follows:

The Performance Rights (Resolution 4) have been valued at $200,000 being 2,000,000 Performance Rights at the underlying closing share price on the 6 October 2022 of $0.10, being the day before the Grant Date.

The Options (Resolution 5) have been independently valued as follows using a Trinomial valuation method:

Tranche	Number	Exercise Price	Expiry Date	Trinomial Value/Option	Trinomial Tranche Value
Hosack (Resolution 5)	3,000,000	$0.15	7 October 2026	$0.064	$192,000

The Company has made the following assumptions for the purposes of calculating the above valuation of the Securities:

Valuation Date	Assumed Offer Price (A$)	Market Capitalisation	Risk Free Rate	Volatility
6 October 2022	$0.150	$43,933,173	3.34%	110%

(e) Since the Incentive Plan was last approved by Shareholders on 28 January 2022, the Company has not issued any Incentive Securities under the Incentive Plan to Samuel Hosack.

(f) The material terms of the Hosack Incentive Securities are as follows:

	Short-term Incentives (Resolution 4)	Long-term Incentives (Resolution 5)
Type of Security	Performance Rights	Unlisted Options
Grant Date	7 October 2022	7 October 2022
Exercise price (cents)	Nil	$0.15 per Unlisted Option (being 150% of the 10 day VWAP at the Grant Date)
Expiry Date	7 October 2025	7 October 2026

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<table>
<tr>
<td>Vesting conditions</td>
<td>The number of Performance Rights that will become eligible to vest (Eligible Awards) will be determined by assessing performance against the following Company targets 1 year from the Grant Date.
<table>
<tr><th>Company target</th><th>Weighting</th></tr>
<tr><td>Exploration Target 1 – includes acquisition and commencing work program</td><td>35%</td></tr>
<tr><td>Exploration Target 2 – includes acquisition and commencing work program</td><td>35%</td></tr>
<tr><td>Corporate Targets – includes ESG, Safety, Tenement and Balance Sheet maintenance</td><td>30%</td></tr>
</table>
50% of Eligible Awards will vest 1 year after the Grant Date. The remaining 50% of Eligible Awards will vest 2 years after the Grant Date. In both instances provided the recipient remains employed by the Company.</td>
<td>The Unlisted Options are subject to two performance hurdles being:

The Company's underlying share price exceeding $0.25 per Share (Target Price) for a continuous period of 30 days, during a 3-year period from the Grant Date. The Target Price represents a compounded 35% per annum growth over the Company's 10-day VWAP at the Grant Date.
Remaining in the employment of the Company 3 years after the Grant Date.
</td>
</tr>
</table>

Further, the Hosack Incentive Securities:

(i) Are not transferable (and, consequently, will not be quoted on ASX or any other exchange):
(ii) Do not confer any right to vote, except as otherwise required by law;
(iii) Do not confer any entitlement to a dividend, whether fixed at the discretion of the directors;
(iv) Do not confer any right to a return of capital, whether in winding up, upon a reduction of capital or otherwise;
(v) Do not confer any right to participate in the surplus profit or assets of the entity upon winding up; and
(vi) Do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues,

unless and until the applicable vesting conditions have been achieved and the options have been converted into fully paid ordinary shares.

All other terms are pursuant to the Incentive Plan rules.

(g) The Company is proposing to grant the Hosack Incentive Securities described above because they assist with aligning the interests of Samuel Hosack with the interests of the ordinary shareholders. The Company believes that the grant of the Hosack Incentive Securities provides a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses).

(h) If approved by Shareholders of the Company, the Company intends to grant the Hosack Incentive Securities as soon as practicable after the date of this Meeting and in any event no later than 3 years after the date of this Meeting.

(i) The Hosack Incentive Securities are being issued for nil consideration pursuant to the terms of the Incentive Plan.

(j) The material terms of the Incentive Plan are set out in Annexure A of this Notice of Meeting.

(k) Details of any securities issued under the Incentive Plan will be published in each annual report of the Company relating to a period which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the Incentive Plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Resolutions 6 - 10 – Approval of Issues of Securities to Non-Executive Directors (or their nominees)

Background to Resolution 6 – 10

The Company seeks to invite the Non-Executive Directors of the Company being, Mark Wheatley, Devidas Shetty, Gerard Fahey, Henian Chen and Zivanayi Rusike (or their nominees), subject to Shareholder approval that is sought under Resolutions 6 - 10, to subscribe for the following securities in lieu of additional Directors fees (**NED Fee Securities**):

(a) Mark Wheatley - 1,600,000 Options (Resolution 6);

(b) Devidas Shetty - 1,000,000 Options (Resolution 7);

(c) Gerard Fahey - 1,000,000 Options (Resolution 8);

(d) Henian Chen - 1,000,000 Options (Resolution 9); and

(e) Zivanayi Ruskie - 1,000,000 Options (Resolution 10);

A summary of the material terms of the NED Fee Securities is included in the additional information required under Listing Rule 10.13 section below.

Director and Related Party Approvals

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 11.12 applies, the Company, as a listed company must not issue equity securities to persons in a position of influence without Shareholder approval:

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

(a) a related party;

(b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;

(c) 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;

(d) an Associate of a person referred to in (a) to (c) above; and

(e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

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As Mark Wheatley, Devidas Shetty, Gerard Fahey, Henian Chen and Zivanayi Rusike (together the **NED Directors**) are each Directors of the Company they are related parties of the Company and therefore persons in a position of influence for the purposes of Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

To this end, Resolutions 6 - 10 seek the required Shareholder approval to issue the NED Fee Securities to the NED Directors under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1.

If Resolutions 6 – 10 are passed, the Company will be able to proceed with the proposed issue of the NED Fee Securities to the NED Directors.

If any of Resolutions 6 – 10 are not passed, the Company will not be able to proceed with the proposed issue of NED Fee Securities pursuant to the Resolution which is not passed. In such circumstances the Company may consider paying the additional fees to the respective Director in cash instead noting that there is capacity to do so within the shareholder approved NED Fee Pool.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

(a) the giving of the financial benefit falls within one of the exceptions to the provisions; or

(b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issues of the NED Fee Securities constitute the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

In considering the issue of the NED Fee Securities to the NED Directors, the non-conflicted Directors (being each Director except for the Director the subject of the issue) formed the view that the giving of this financial benefit in lieu of additional fees would be reasonable, given the circumstances of the Company, the quantum and terms of the NED Fee Securities, and the responsibilities held by each of the NED Directors in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of the NED Fee Securities to the NED Directors fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of this Resolution. Therefore, the proposed issue of NED Fee Securities to the NED Directors requires Shareholder approval under and for the purposes of Listing Rule 10.14 only.

Information Required by ASX Listing Rule 10.13

The following information in relation to the issue of the NED Fee Securities to the NED Directors is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

(a) The allottees are the NED Directors, being:

  (i) Mark Wheatley (Resolution 6);
  (ii) Devidas Shetty (Resolution 7);
  (iii) Gerard Fahey (Resolution 8);
  (iv) Henian Chen (Resolution 9); and
  (v) Zivanayi Rusike (Resolution 10)

(b) Each of the NED Directors is a director of the Company and therefore a related party for the purposes of Listing Rule 10.11.

(c) The maximum number of NED Fee Securities that may be issued to each of the NED Directors is:

(i) Mark Wheatley – 1,600,000 Options;

(ii) Devidas Shetty – 1,000,000 Options;

(iii) Gerard Fahey - 1,000,000 Options;

(iv) Henian Chen - 1,000,000 Options; and

(v) Zivanayi Rusike - 1,000,000 Options

(d) The material terms of the NED Fee Securities are as follows:

Type of Security	Unlisted Options
Grant Date	7 October 2022
Exercise price (cents	$0.15 per Unlisted Option (being 150% of the 10 day VWAP at the Grant Date)
Expiry Date	7 October 2026
Vesting conditions	The Unlisted Options will vest equally over three years from the Grant Date, for example: • one-third will vest on 7 October 2023; • one-third will vest on 7 October 2024; and • one-third will vest on 7 October 2025. Provided the Director remains continuously employed or engaged by the Company. The NED Fee Securities will vest immediately upon a change in control event. A change in control event will be deemed to have occurred if, after the grant date, the Group disposes, sells, transfers, assigns, or leases (or agrees to dispose sell transfer assign or lease) all or a substantial part of the assets or business of the Group to a third party, other than as a result of an internal restructure of the Group and its Related Bodies Corporate. A change in control event will be deemed not to have occurred if the Group undertakes an internal restructure and after the change in the Company continues to be a wholly owned subsidiary either directly or indirectly of the holding Company at the commencement date.

(e) The NED Fee Securities will be issued within 1 month of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).

(f) The NED Fee Securities are being issued for nil consideration.

(g) As the NED Fee Securities are being issued for nil consideration no funds will be raised from the issue of the NED Fee Securities as they are proposed to be issued in lieu of additional Director fees.

Funds will be raised however, if the NED Fee Securities are exercised by the NED Directors.

(h) The current total remuneration package received by the relevant NED Director is:

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(i) Mark Wheatley – A$87,600 inclusive of superannuation;

(ii) Devidas Shetty – A$36,000 inclusive of superannuation;

(iii) Gerry Fahey – A$36,000 inclusive of superannuation;

(iv) Henian Chen – A$36,000 inclusive of superannuation; and

(v) Zivanayi Rusike – A$36,000 inclusive of superannuation.

In addition to this current remuneration if Resolutions 6 – 10 are passed each NED Director will be issued with the number of NED Fee Securities the subject of that Resolution.

The NED Fee Securities have been independently valued as follows using a Trinomial valuation method:

Tranche	Number	Exercise Price	Expiry Date	Trinomial Value/Option	Trinomial Tranche Value *
Wheatley (Resolution 6)	1,600,000	$0.15	7 October 2026	$0.064	$102,400
Shetty (Resolution 7)	1,000,000	$0.15	7 October 2026	$0.064	$64,000
Fahey (Resolution 8)	1,000,000	$0.15	7 October 2026	$0.064	$64,000
Chen (Resolution 9)	1,000,000	$0.15	7 October 2026	$0.064	$64,000
Rusike (Resolution 10)	1,000,000	$0.15	7 October 2026	$0.064	$64,000

* The value shown represents 3 years' worth of additional fees.

The Company has made the following assumptions for the purposes of calculating the above valuation of the NED Fee Securities:

Valuation Date	Assumed Offer Price (A$)	Market Capitalisation	Risk Free Rate	Volatility
6 October 2022	$0.150	$43,933,173	3.34%	110%

Resolution 11 – Adoption of New Constitution

The Company's current constitution was adopted by the Company following receipt of Shareholder approval on 27 November 2018.

The Company has recently undertaken a review of the Constitution and proposes a number of modifications to reflect certain changes to corporate governance practices, the Corporations Act 2001 and Listing Rules primarily to achieve efficient and flexible administration of the Company and relations with Shareholders, and to facilitate virtual general meetings.

Accordingly, the Company has prepared an updated Constitution (**New Constitution**). The amendments made to the constitution are set out in Annexure A. These amendments serve to:

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(a) For the purposes of section 1100V(2)(a) of the Corporations Act set an Issue Cap of 10% for offers of Incentive Securities involving consideration under the Company's Incentive Plan.

(b) Increase the number of joint holders that can be registered as holders of Shares in the Company from three to four;

(c) Provide for the Company to be able to hold fully virtual shareholder meetings;

(d) Provide that substantive resolutions put to a vote at shareholder meetings are decided on a poll; and

(e) Change the calculation method for determining the number of Directors required to retire by rotation at each Annual General Meeting from one-third (rounded up) to one-third (rounded down).

In addition, the Company wishes to renew the provisions concerning "Partial Takeover Plebiscites" in clause 35 in its Constitution (**Proportional Takeover Provisions**).

Renewal of proportional takeover provisions

The Company's Constitution contains the Proportional Takeover Provisions, which provide that the Company can refuse to register Shares acquired under a proportional takeover bid unless an approving resolution is passed by Shareholders.

Section 648G(1) of the Corporations Act provides that a company's proportional takeover provisions will cease to have effect at the end of three years from the date of adoption (or renewal, as the case may be). Clause 35 of the Company's Constitution was last adopted on 27 November 2018. The Company accordingly seeks Shareholder approval of this Resolution for the renewal of the Proportional Takeover Provisions, which, for the purposes of the Corporations Act, requires the same process to amend or adopt a new constitution for the purposes of 136(2) of the Corporations Act. Shareholder approval will not result in a change to the wording of clause 35 of the Company's current Constitution.

The following information is provided for the purposes of Section 648G of the Corporations Act.

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of the Shareholder's Shares. If a Shareholder accepts, in full, an offer under a proportional takeover bid, the Shareholder will only dispose of a specified portion of their Shares in the Company and retain the balance of the Shares.

The Proportional Takeover Provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company by providing, in the Constitution, that:

(a) in the event of a proportional takeover bid being made for Shares in the Company, Shareholders are required to vote and collectively decide whether to accept or reject the offer; and

(b) the majority decision of the Company's members will be binding on all Shareholders.

Effect of the proposed provisions

Where offers have been made under a proportional takeover bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed by Shareholders or otherwise, as pursuant to the terms of the Proportional Takeover Provisions.

In more detail, the effect of the Proportional Takeover Provisions is as follows:

(a) if a proportional takeover bid is made for Securities of the Company, the Directors must

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ensure that a meeting of Shareholders is convened to vote on a resolution to approve that bid;

(b) the bidder and persons associated with the bidder may not vote;

(c) approval of the bid will require a simple majority of the votes cast;

(d) the meeting must take place more than 14 days before the last day of the bid period (**Resolution Deadline**);

(e) if the resolution is rejected before the Resolution Deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered;

(f) the bid will be taken to have been approved if, as at the end of the day before the Resolution Deadline, the resolution has not been voted on;

(g) if the resolution is approved, the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution); and

(h) the Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. However, the bid will still be taken to have been approved if it is not voted on within the Resolution Deadline.

The Proportional Takeover Provisions do not apply to full takeover bids. If the Proportional Takeover Provisions are renewed, they will cease to apply at the end of three years after renewal unless renewed by a Special Resolution of Shareholders.

Reasons for the proposed provisions

In the absence of the Proportional Takeover Provisions, a proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders could be exposed to the risks of passing control to the bidder without payment of an adequate control premium for all their Shares and being left with a minority interest in the Company. Such Shareholders could suffer potential further loss if the takeover bid were to cause a decrease in the Share price or otherwise make the Shares less attractive and, therefore, more difficult to sell.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal to acquire, or to increase the extent of, a substantial interest in the Company.

Advantages and disadvantages during the period in which they have been in effect

The Directors consider that the Proportional Takeover Provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the Proportional Takeover Provisions for Shareholders include those set out below, which were applicable during the period in which they have been in effect.

Potential advantages and disadvantages

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of the Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the Proportional Takeover Provisions for Shareholders include:

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(a) providing the right to discuss, in a meeting called specifically for that purpose, and then decide, by majority vote, whether an offer under a proportional takeover bid should proceed;

(b) assisting the prevention of Shareholders being locked in as a minority;

(c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced;

(d) potentially increasing the likelihood of a full takeover bid rather than a proportional takeover bid; and/or

(e) enabling individual Shareholders to better assess the likely outcome of the proportional takeover bid, by knowing the view of the majority of Shareholders, which may assist in deciding whether to accept or reject an offer under the bid;

The potential disadvantages of the Proportional Takeover Provisions for Shareholders include:

(a) imposing a hurdle to, and potentially discouraging the making of, provisional takeover bids which, in turn, may reduce any takeover speculation element in the price of Shares;

(b) potentially reducing the likelihood of success of a proportional takeover bid;

(c) possible reduction or loss of opportunities for Shareholders sell some or all of their Shares at a premium; and/or

(d) potentially causing some Shareholders to form the view that the Proportional Takeover Provisions impose an unreasonable restriction on their ability to freely deal with their Shares.

Prior to the Meeting, a copy of the New Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary at lee.tamplin@automicgroup.com.au. A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, a modification to the Company's Constitution can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

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Glossary

Annual Financial Report means the 2022 Annual Report to Shareholders for the period ended 30 June 2022 as lodged by the Company with ASX on 23 September 2022.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of Stantons International Audit and Consulting Pty Ltd dated 23 September 2022 as included in the Annual Financial Report.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependant of the member or of the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;

(e) a company the member controls; or

(f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Prospect Resources Limited ACN 124 354 329.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "**$**" means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Incentive Plan means the Company's employee incentive scheme entitled "Long Term Incentive Plan".

Incentive Securities means the Securities that may be granted by the Company pursuant to the terms of the Incentive Plan.

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

NED Fee Pool means $500,000.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 24 October 2022 including the Explanatory Statement.

Option means an option which, subject to its terms, could be exercised into a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Performance Right means a performance right which, subject to its terms, could convert to a Share.

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

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Share Registry means Automic Pty Ltd.

Special Resolution means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Spill Meeting means the meeting that will be convened within 90 days of the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

VWAP means the volume weighted average market (closing) price, with respects to the price of Shares.

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ANNEXURE A: LONG-TERM INCENTIVE PLAN

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DATED 2021

PROSPECT RESOURCES LIMITED
(ACN 134 354 329)

LONG TERM INCENTIVE PLAN

Hogan Lovells

Matter ref [*]

Hogan Lovells
Level 13, St Georges Square, 225 St Georges Terrace, Perth WA 6000

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1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules the following words and expressions have the meanings indicated unless the context indicates a contrary intention:

"**Acquiring Company**" has the meaning given in Rule 12.3;

"**Acquisition Price**" means the issue price or purchase price (if any) of Shares offered for subscription or purchase (as the case may be) under a Share Award;

"**Allocation Date**" means the date the Company or the Trustee (as the case may be) allocates the Entitlements to the relevant Participant under the Plan;

"**ASX**" means ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires);

"**Award**" means:

(a) an Option;

(b) a Performance Right; and/or

(c) a Share Award,

as the case may be;

"**Board**" means all or some of the Directors acting as a board, or a committee of the Board appointed for, or the functions of which are determined to include, the purposes of this Plan or these Rules;

"**Business Day**" means any day on which the ASX is open for trading;

"**Cashless Exercise**" means the process in Rule 5.8 whereby a Participant elects on the exercise of vested Options to receive an allotment, issuance or transfer of Shares equal in value to the positive difference between the Market Value of Shares on the date of exercise of the Options and the Exercise Price of the Options;

"**Change of Control**" means:

(a) any person, either alone or together with any associate (as defined in the Corporations Act), acquires a relevant interest (as defined in the Corporations Act) in more than 50% of the issued Shares in the Company;

(b) a Court orders a meeting to be convened in relation to a proposed compromise or arrangement for the purposes of, or in connection with:

  (i) a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the Shares in the Company; or

  (ii) a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

(c) members of the Company approve any compromise or arrangement referred to in paragraph (b);

(d) any person becomes bound or entitled to acquire shares in the Company under:

(i) any compromise or arrangement referred to in paragraph (b) which has been approved by the Court;

(ii) section 414 of the Corporations Act; or

(iii) Part 6A.1 or Part 6A.2 of the Corporations Act;

(e) a resolution is proposed to be put to Shareholders proposing a voluntary winding up;

(f) an order is sought for the compulsory winding up of the Company; or

(g) any similar event which the Board determines, in its discretion, is a Change of Control;

"**Company**" means Prospect Resources Limited ACN 134 354 329;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Current Market Price**" of a Share means the VWAP of Shares over the five (5) Business Days commencing on the date on which the Share would otherwise have been allotted, issued or transferred to a Participant;

"**Dealing**" means in relation to an Award, any dealing, including but not limited to:

(a) a sale, transfer, assignment, trust, encumbrance, option, swap, any alienation of all or any part of the rights attaching to the Award;

(b) any attempt to do any of the actions set out in paragraph (a) above; and

(c) any hedging or dealing with a derivative instrument intended to limit the economic risk associated with holding an Award;

"**Director**" means a director of the Company;

"**Dividend Equivalent Payment**" means an amount to which a Participant becomes entitled under Rule 5.7;

"**Eligible Employee**" means such employees of the Company or a Related Company, including executive Directors, or such other persons as the Board, in its discretion, determines;

"**Entitlements**" means any rights to acquire shares, options or other securities granted or issued by the Company or by any other company to shareholders of the Company;

"**Event**" means the Shares cease to be quoted on any exchange or will cease to be quoted on any exchange;

"**Exercise Price**" means the exercise price payable by a Participant to acquire a Share upon the exercise of an Option as specified by the Board in the Invitation in its sole and absolute discretion;

"**Group**" means the Company and its Related Companies;

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"**Group Member**" means any member of the Group;

"**Holding Lock**" means a holding lock as defined in the Listing Rules;

"**Incentive Scheme**" means an employee share or option scheme extended to either or both employees and Directors of the Group, and includes the Plan;

"**Invitation**" means an invitation to an Eligible Participant to apply for, or participate in a grant of Awards, under these Rules;

"**Listing Rules**" means the official Listing Rules of ASX as amended or waived from time to time;

"**Market Value**" of a Share on a date means the VWAP of Shares over the five (5) Business Days immediately prior to that date;

"**Option**" means an option to acquire one Share in the capital of the Company in accordance with these Rules and an Invitation;

"**Participant**" means an Eligible Employee who has accepted an Invitation;

"**Performance Right**" means a right granted under this Plan to acquire one Share in the capital of the Company in accordance with these Rules and an Invitation;

"**Personal Representative**" means the legal personal representative, executor or administrator of the estate of a deceased person;

"**Plan**" means the Prospect Resources Limited Long Term Incentive Plan established in accordance with these Rules;

"**Redundancy**" means termination of the employment of a Participant by a Group Company due to economic, technological, structural or other organisational change where through no act or default of the Participant:

(a) the Group Company no longer requires the duties and responsibilities carried out by the Participant to be carried out by anyone; or

(b) the Group Company no longer requires the position held by the Participant to be held by anyone;

"**Related Company**" means a company which is a related body corporate (as defined in the Corporations Act) of the Company;

"**Retirement**" means, in respect of a Participant, ceasing to be employed by a Group Member where the Board is reasonably satisfied that the Participant intends to never take up full-time executive employment in the future after the Participant has reached the following age:

(a) a Participant employed or resident in Australia reaches the minimum age where they are eligible to apply for an Australian Age Pension;

(b) a Participant employed or resident in the [insert specific jurisdiction (if required)] reaches the minimum age where they are eligible to apply for an old age pension in that jurisdiction;

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(c) a Participant employed or resident in the United Kingdom reaches the minimum age where they are eligible to apply for a United Kingdom State Pension; or

(d) a Participant not employed or resident in Australia, [insert specific jurisdiction (if required)] reaches an age determined by the Board in its discretion;

"**Rules**" means the rules of the Plan;

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

"**Share Award**" means a Share Issued, transferred or allocated in accordance with clause 6.1;

"**Shareholder**" means a holder of one or more Shares in the Company;

"**Takeover Bid**" has the meaning given in section 9 of the Corporations Act;

"**Takeover Event**" means:

(a) a Takeover Bid being made for Shares in the Company (and for these purposes, a Takeover Bid will be made when a bidder serves its bidder's statement on the Company);

(b) the Board recommending that Shareholders accept any Takeover Bid for Shares in the Company; or

(c) a Takeover Bid for Shares in the Company becoming unconditional.

"**Tax**" means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charge;

"**Terms**" means the terms and conditions of an Award specified in an Invitation;

"**Total and Permanent Disablement**" means, in relation to a Participant, that the Participant has, in the reasonable opinion of the Board, become permanently incapacitated to such an extent as to render the Participant unlikely to engage in the Participant's usual occupation again;

"**Trustee**" means the trustee for the time being under a Trust Deed;

"**Trust Deed**" means any trust deed entered into by the Company for the purposes of this Plan;

"**Vesting Conditions**" means one or more conditions, including time or performance conditions, as determined by the Board in its discretion and advised to the Participant in the Invitation;

"**Vesting Period**" means the period referred to in an Invitation during which Vesting Conditions must be satisfied, or waived by the Board at its discretion; and

"**VWAP**" means the volume weighted average price of the Shares (calculated to two (2) decimal places of one cent) traded on ASX "On-market" (as that term is defined in the ASX Operating Rules) excluding special crossings, overseas trades, trades pursuant to the

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exercise of options or overnight trades, as determined by ASX in accordance with its customary practice.

1.2 **Interpretation**

In these Rules, unless the contrary intention appears:

(a) words importing the singular include the plural and vice versa;

(b) references to these Rules, or any particular Rule or paragraph of these Rules, means these Rules, or the relevant Rule or paragraph, as amended from time to time;

(c) references to a statute or other law include regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(d) references to the exercise of a power or discretion include a decision not to exercise the power or discretion;

(e) references to a person includes a reference to the person's executors, administrators and successors, a firm or a body corporate;

(f) references to a "year" mean any period of 12 months;

(g) the words "include", "including" or "such as" are not used as, nor are they to be interpreted as words of limitation, and when introducing a list of items does not exclude a reference to other items whether of the same class or genus or not;

(h) "Australian dollars", "dollars", "A$" or "$" is a reference to the lawful currency of Australia;

(i) law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

(j) a group of persons or things is a reference to any two or more of them jointly and to each of them individually;

(k) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(l) if an act under this agreement to be done by a party on or by a given day is done after 5:30pm on that day, it is taken to be done on the next day.

1.3 **Headings**

Headings are for convenience only and, except where they are inserted as a means of cross-reference, do not affect the interpretation of these Rules.

2. **COMMENCEMENT OF PLAN**

2.1 **Commencement**

The Plan will commence on the date determined by the Board.

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2.2 **Trustee**

The Company may instruct the Trustee on such terms and conditions as the Board determines, to acquire and deliver Shares to Participants and/or hold Shares on behalf of the Participants where specified in an Invitation, where the Participants hold Awards.

3. **GRANTS OF AWARDS**

3.1 **Board may make Invitations**

The Board may, from time to time, in its discretion invite Eligible Employees to participate in a grant of Awards upon the terms set out in the Plan and upon the terms set out in the Plan and upon such additional terms, including Vesting Conditions (if any), as the Board determines.

3.2 **Form of Invitation**

(a) An Invitation may take any form, and be upon the terms and subject to any restrictions, determined by the Board.

(b) An Invitation must include the following information:

(i) the number of Awards being offered or the method by which the number will be calculated;

(ii) whether the Awards are in the form of Options, Performance Rights or Share Awards or a combination;

(iii) the Allocation Date;

(iv) the period or periods during which Awards may vest;

(v) any applicable Vesting Conditions;

(vi) the Exercise Price for an Award granted as an Option or the method by which that Exercise Price will be calculated;

(vii) the Acquisition Price (if any) for an Award granted as a Share Award or the method by which that Acquisition Price will be calculated;

(viii) the period or periods in which an Award granted as an Option may be exercised;

(ix) the dates or circumstances in which Awards may lapse;

(x) the amount (if any) that will be payable by the Participant upon the grant of an Award;

(xi) whether the Awards carry an entitlement to a Dividend Equivalent Payment;

(xii) whether Cashless Exercise is permitted for an Award granted as an Option;

(xiii) the circumstances (if any) in which Shares allocated to the Participant may be forfeited;

(xiv) any restrictions (including the period of restriction) on Dealing in a Share allocated to the Participant upon vesting or exercise of an Award;

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(xv) any other terms or conditions to be attached to either or both the Award and Shares allocated to the Participant; and

(xvi) in the case of a Share Award, whether the Shares to be allocated are to be:

(1) acquired or delivered by the Trustee; and

(2) held by the Trustee for the benefit of a Participant.

3.3 **Acceptance of Invitation**

(a) Acceptance of an Invitation must be made in accordance with the instructions that accompany the Invitation, or in any other way the Board determines.

(b) The Board may only allow the participation of an Eligible Employee in the Plan where that Eligible Employee continues to satisfy any relevant conditions imposed by the Board, which may include that the Eligible Employee continues to be an employee of the Group at the time of grant.

(c) Nothing limits the Board's ability to treat the conduct of an Eligible Employee in respect of an Invitation as valid acceptance of that Invitation under these Rules.

(d) By accepting an Invitation, the Eligible Employee is deemed to have agreed to be bound by these Rules and the Constitution.

3.4 **Board to grant Awards**

(a) Subject to the terms of the Invitation and upon acceptance of an Invitation under clause 3.3, the Board will grant Awards in the name of the Eligible Employee.

(b) Unless the Board determines otherwise, Awards may not be registered in any name other than that of the Eligible Employee or the Trustee, as relevant.

3.5 **Shares held by Trustee**

(a) Where the terms of an Invitation include that the Shares to be issued to the Participant under an Award are to be acquired, delivered and/or held by the Trustee, the Board by notice in writing will instruct the Trustee to acquire (whether on-market, or otherwise) or allocate Shares for the benefit of a Participant and the Company will pay to the Trustee such amount as is necessary for that purpose having regard to the Invitation.

(b) The Trustee will:

(i) in accordance with instructions received pursuant to Rule 3.5, acquire (whether on-market, or otherwise) or allocate Shares for the benefit of a Participant, provided that the Trustee has sufficient funds to acquire those Shares; and

(ii) hold those Shares and any Entitlements accruing to, or in connection with, those Shares as trustee for and on behalf of the Participant as beneficial owner upon the trusts and subject to the terms and conditions of the Trust Deed and these Rules.

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4. DEALING WITH AWARDS

(a) An Award granted under the Plan is only transferable:

(i) with the prior consent of the Board; or

(ii) by force of law upon death to the Participant's Personal Representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(b) Any Dealing in respect of an unvested Award is prohibited, unless the Board determines otherwise.

(c) Where a Participant purports to Deal with an Award other than in accordance with Rule 4(a), the Award will immediately lapse, unless the Board determines otherwise.

5. OPTIONS AND PERFORMANCE RIGHTS

5.1 Vesting Conditions

Options and/or Performance Rights (as the case may be) will only vest and be exercisable if the applicable Vesting Conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

5.2 Option and Performance Right entitlements

Subject to the Board determining otherwise prior to an Invitation, and subject to these Rules, each vested Option and each vested Performance Right entitles the Participant holding the Option or Performance Right to subscribe for, or be transferred, one Share, in the case of an Option, on payment of the Exercise Price (if any).

5.3 Participant's rights

A Participant who holds Options and/or Performance Rights is not entitled as a result to:

(a) notice of, or to vote at or attend, a meeting of Shareholders unless and until the Options and/or Performance Rights are exercised and the Participant holds Shares; or

(b) receive any dividends declared by the Company in respect of such Options and/or Performance Rights.

5.4 Exercise of Options

(a) An Option may only be exercised if, at the time of exercise:

(i) the Option has vested in accordance with Rule 5.1;

(ii) the Option has not lapsed in accordance with Rule 8; and

(iii) either the Exercise Price of the Option specified in the Invitation has been paid to the Company in cleared funds, or the Company deducts that Exercise Price from any cash payment made by the Company under Rule 5.5(b) or Cashless Exercise applies in accordance with Rule 5.8.

(b) The exercise of an Option may only be effected in a form and manner specified in the Invitation or as otherwise determined by the Board.

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(c) Notwithstanding any other provision of these Rules, no Option will be exercisable for a period which is greater than 10 years from the date of the grant of the Option.

5.5 **Allocation of Shares or cash payment**

On vesting of a Performance Right or the exercise of an Option, the Company must, at the discretion of the Board:

(a) subject to Rule 5.8, allot, issue or transfer a Share to the Participant (or his or her Personal Representative); or

(b) if permitted by the Terms of an Award, make a cash payment to the Participant (or his or her personal representative) in lieu of an allotment, issuance or transfer of a Share,

and satisfy any Dividend Equivalent Payment that a Participant becomes entitled to under Rule 5.7.

5.6 **Cash payments**

(a) Where the Terms of an Award permit and the Board exercises its discretion under Rule 5.5 to make a cash payment to the Participant in lieu of an allotment, issuance or transfer of Shares, the Company must pay to the Participant an amount (in any currency determined by the Board in its discretion) equivalent to the value of the Performance Rights that have vested or the Options that have been exercised (as applicable) calculated in accordance with Rule 5.6(b).

(b) The amount of cash payment referred to in Rule 5.6(a) will be calculated by multiplying the number of Performance Rights that have vested or the number of Options that have been exercised (as applicable) by the Current Market Price, less in the case of Options, any Exercise Price of those Options which has not been paid by the Participant to the Company.

5.7 **Dividend equivalent payments**

(a) The Board may determine at the time an Invitation is made that a Participant who becomes entitled under Rule 5.5 to receive an allotment, issuance or transfer of Shares or a cash payment in lieu of an allotment, issuance or transfer of Shares, following vesting of a Performance Right or exercise of an Option will also be entitled to receive a Dividend Equivalent Payment calculated in accordance with Rule 5.7(b).

(b) The amount of the Dividend Equivalent Payment:

(i) will be approximately equal to the number of dividends that would have been payable to a Participant had he or she been the registered holder of the Shares referred to in Rule 5.7(a) from the first day of the Financial Year in which the Awards are granted (excluding any dividends actually paid in respect of those Shares after their allocation, issuance or transfer to the Participant); and

(ii) will not be grossed up or otherwise adjusted to account for any Tax consequences which would have applied if the Participant had actually been paid a dividend.

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(c) The Company may satisfy the entitlement of a Participant to receive a Dividend Equivalent Payment by, in the discretion of the Board:

(i) the allotment, issuance or transfer of a number of Shares to the Participant calculated by dividing the amount of the Dividend Equivalent Payment by the Market Value of Shares on the date of the allotment, issuance or transfer or Shares; or

(ii) payment of the amount in cash.

(d) The Company must satisfy the entitlement of a Participant to receive a Dividend Equivalent Payment as soon as reasonably practicable following the allotment, issuance or transfer of Shares or the making of the cash payment in lieu of the allotment, issuance or transfer of Shares referred to in Rule 5.7(a).

5.8 **Cashless Exercise**

If:

(a) the Terms of an Option specify that the exercise of the Option will only be satisfied by the allotment, issuance or transfer of Shares to the Participant;

(b) the Terms of an Option specify that Cashless Exercise is permitted;

(c) the Participant elects that Cashless Exercise is to apply to the exercise of those Options; and

(d) the Market Value on the date of exercise of the Options is greater than the Exercise Price of the Options,

on the exercise of the Options by that Participant, the Company must allot, issue or transfer that number of Shares calculated in accordance with the following formula rounded down to the nearest whole number of Shares:

$$NS = NO \times \frac{(MV - EP)}{MV}$$

where:

(e) NS is the number of Shares to be allotted, issued or transferred on the exercise of the Options;

(f) NO is the number of Options exercised by the Participant;

(g) MV is the Market Value of Shares on the date of exercise of the Options; and

(h) EP is the Exercise Price of the Options.

5.9 **Notification of Share allocation**

The Company must ensure that, as soon as reasonably practicable after the Company has allotted, issued or transferred Shares to a Participant in accordance with Rule 5.5, the Participant is given written notice specifying the number of Shares allotted, issued or transferred to the Participant.

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6. SHARE AWARDS

6.1 Invitation to acquire Share Awards

The Board may from time to time at its discretion make offers to Eligible Employees to acquire Share Awards under the Plan.

6.2 Acquisition Price

The Board will determine in its sole and absolute discretion the Acquisition Price (if any) for each Share Award. The Acquisition Price will be specified in the Invitation and may be Nil.

6.3 Vesting Conditions

(a) Where Share Awards granted to a Participant are subject to Vesting Conditions (as specified in the Invitation), the Participant's Share Awards are subject to the restrictions set out in Rule 4 unless and until the applicable Vesting Conditions have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

(b) Once the Vesting Conditions have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules, the Share Awards held by the Participant will no longer be subject to the restrictions set out in Rule 4 and may be transferred or sold by the Participant, subject to compliance with any applicable laws and the terms of the Plan.

6.4 Participant's rights

A Participant who holds Share Awards has the rights set out in Rule 9.

7. ADJUSTMENTS TO AWARDS

7.1 Accelerated vesting events

Subject to the Terms of the Award, all of the unvested Entitlements of a Participant are to vest on such date as any of the following occur:

(a) (**death**) the Participant dies;

(b) (**Total and Permanent Disablement**) the Participant ceases to be employed by a Group Member by reason of Total and Permanent Disablement; or

(c) (**Redundancy**) the Participant ceases to be employed due to Redundancy; or

(d) (**Retirement**) the Participant ceases to be employed due to Retirement; or

(e) an Event; or

(f) (**other date**) the Board determines that the Entitlements of the Participant have vested.

7.2 Ceasing to be an employee

For the purpose of Rules 7.1(a) and 7.1(b), without limiting the discretion of the Board under Rule 7.1, the Board may:

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(a) adjust the portion of Entitlements vested based on the proportion which the period from the Grant Date to the date the Participant ceases to be employed by the Group bears to the period from the Grant Date to the Vesting Date; or

(b) make a determination that the Participant is entitled to retain the Entitlements as though the Participant was still employed by a Group Member.

7.3 **Individual not treated as ceasing to be an employee**

For the purposes of Rules 6, 10 and 11, a Participant:

(a) is not treated as ceasing to be an employee of a Group Member unless and until the individual is no longer an employee of any Group Member, whether or not in the same capacity as at the time the Entitlement was granted; and

(b) is treated as ceasing to be an employee of a Group Member if the individual is no longer an employee of any Group Member because:

(i) the individual's employer ceases to be a Group Member, whether or not, after the cessation, the individual remains an employee of that employer; or

(ii) the individual is an employee of a business that is transferred to a person that is not a Group Member.

8. LAPSE OF AWARDS

8.1 **Awards generally**

An unvested Award will lapse upon the earliest to occur of:

(a) the dates or circumstances in which Awards may lapse as specified in the Invitation;

(b) the Award lapsing in accordance with Rule 4(c);

(c) the Award lapsing in accordance with this Rule 8;

(d) failure to meet the Vesting Conditions applicable to the Award within the specified period; or

(e) where in the opinion of the Board, a Participant has acted fraudulently or dishonestly.

8.2 **Options**

An Option which has not been exercised by the expiry period or periods in which an Award granted as an Option may be exercised (as specified in the Invitation) will lapse. Unless the Invitation of the Award provides otherwise, if more than one such period applies, then the provision which results in the earliest date of lapsing will prevail.

9. RIGHTS ATTACHING TO SHARES AND SHARE AWARDS

9.1 **Shares to rank equally**

Any Share Awards or Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

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9.2 **Listing of Shares on ASX**

If Shares of the same class as those issued on the vesting or exercise of an Award quoted on ASX, the Company will apply for quotation of Shares allotted, issued or transferred under the Plan (if not already quoted on ASX) within the period required by ASX.

9.3 **Dividends**

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on any Share Awards or Shares allotted, issued or transferred by the Company to a Participant under the Plan which, at the record date for determining entitlements to those dividends, are standing to the account of the Participant.

9.4 **Voting rights**

A Participant may exercise any voting rights attaching to Share Awards or Shares allotted, issued or transferred by the Company to a Participant under the Plan registered in the Participant's name.

10. **DISPOSAL RESTRICTIONS**

10.1 **Restriction**

When making an Invitation the Board may determine that, other than as provided by these Rules, Shares issued under an Award may not be disposed of or dealt with in any way whatsoever until the earlier of:

(a) the end of the period determined by the Board when making the Invitation, such period to commence at the time of allocation of the Shares to the Participant;

(b) the time when the Participant is no longer employed by the Participant's employer as at the date of the Invitation, the Company or any Related Company; and

(c) where at the date of the Invitation the Participant's employer was a Related Company of the Company, such employer ceases to be a Related Company and the Board resolves that this Rule 10.1(c) should apply.

10.2 **No transfer**

Other than as provided by these Rules, the Company must not register, or permit the Company's share registry to register, a transfer of a Share to which Rule 10.1 applies for the period of the disposal restriction provided by Rule 10.1 and for that purpose the Company may do such things and enter into such arrangements with the share registry or otherwise as it considers necessary, including the application of a Holding Lock, to enforce such restrictions on the transfer of such Shares and Participants will upon request by the Company do all things necessary to give effect thereto and will be bound by such arrangements.

10.3 **Subject to law**

The disposal restriction under Rule 10.1 is subject to any disposal required by law.

10.4 **Removal of restrictions**

The Board may at its discretion determine that Shares are no longer subject to Rule 10 and will notify the Participant and the Trustee (where applicable) of such a determination in

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writing. The Board may establish such procedures as it considers appropriate for the purposes of making such a determination.

10.5 **No hedging**

For the avoidance of doubt, other than as provided by these Rules or the Terms of an Award, a Participant must not enter into any hedging transaction in relation to any Shares subject to Rule 10.1, and any such transaction will not be recognised in any manner by the Company.

11. **FORFEITURE**

11.1 **Forfeiture events**

While Awards held by a Participant, or by the Trustee on behalf of a Participant, are subject to Vesting Conditions which have not been satisfied or waived, or subject to a disposal restriction under Rule 10, if:

(a) those Awards have not become vested by the end of any applicable Vesting Period or the Board determines that the Vesting Conditions are incapable of being satisfied by the end of the Vesting Period;

(b) 30 days after the Participant has ceased to be employed by a Group Member for any reason where the Board has not made a determination that Entitlements have vested under Rule 7.1(f) or the Board has not made a determination that the Participant is entitled to retain the Entitlements as though the Participant was still employed by a Group Member; or

(c) 30 days after the Participant has ceased to be an employee of a Group Member because of circumstances set out in Rule 7.3(a) or 7.3(b) and the Board has not made a determination that Entitlements have vested under Rule 7.1(f),

the Board may declare that the Participant shall, subject to this Rule 11, forfeit any right or interest in the Awards or other Entitlements of the Participant under the Plan and, where applicable, the Board shall notify the Trustee accordingly.

11.2 **Forfeited Share Awards**

The Board, in its discretion, may determine that forfeited Share Awards are to be sold, transferred or otherwise disposed of or allocated to other existing or new Participants and may, where applicable, give the Trustee such directions as it determines to give effect thereto including how any proceeds from the sale of forfeited Share Awards are to be applied.

11.3 **Entitlements of forfeited Share Awards**

(a) Pending the disposal or allocation of forfeited Share Awards under Rule 11.2, the Board shall have the discretion as to how any Entitlements in respect of such Share Awards are to be dealt with and may direct the Trustee (where applicable) accordingly.

(b) A Participant will have no rights in respect of the proceeds from a sale or other disposal of the Entitlements and releases and shall hold harmless the Trustee (where applicable), the Company, each Director, each Related Company and the Board from and indemnify the Trustee (where applicable), the Company, each

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Director, each Related Company and the Board against any claim or liability in respect thereof.

11.4 **Participant to have no rights to proceeds**

Except as required by law, a Participant shall have no rights to the proceeds from any forfeited Share Awards dealt with under Rule 11 and releases and shall hold harmless the Trustee (where applicable), the Company, each Director, each Related Company and the Board from and indemnify the Trustee (where applicable), the Company, each Director, each Related Company and the Board against any claim or liability in respect thereof and from any claim that might otherwise arise from the forfeiture of a Share Award or other Entitlement of a Participant under the Plan.

11.5 **No transfer**

Other than as provided by these Rules, the Company must not register or permit its share registry to register a transfer of a Share to which this Rule 11 applies and for that purpose the Company may do such things and enter into such arrangements with the share registry or otherwise as it considers necessary, including the application of a Holding Lock, to enforce such restrictions on the transfer of such Shares and Participants will upon request by the Company do all things necessary to give effect thereto and shall be bound by such arrangements.

12. **TAKEOVERS AND CHANGE OF CONTROL**

12.1 **Takeover Events and Change of Control**

(a) In the event of a Takeover Event, the Board must consider whether, and may in its discretion determine that, all or a specified number of a Participant's unvested Awards vest and in the case of Options, may be exercised, having regard to all the relevant circumstances, including whether performance is in line with the Vesting Condition over the period from the date of grant of the Award to the date of the relevant Takeover Event.

(b) In the event of a Change of Control, the Board may, in its discretion, determine that all or a specified number of a Participant's unvested Awards vest or in the case of Options may be exercised having regard to all relevant circumstances, including whether performance is in line with the Vesting Conditions over the date of the grant of the Award to the date of the Change of Control.

(c) Where the Board determines pursuant to Rule 12.1(a) or Rule 12.1(b) that Awards vest and in the case of Options may be exercised, the Board must as soon as practicable give written notice to each Participant of the number of Awards that have vested or may be exercised.

(d) If the Board determines pursuant to Rule 12.1(a) or Rule 12.1(b) that only some of a Participant's unvested Awards will vest, or the Board does not make a determination, all unvested Awards will lapse, unless the Board determines otherwise.

12.2 **Effect on Shares**

On the occurrence of a Takeover Event or a Change of Control:

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(a) all Shares allotted, issued or transferred under the Plan then subject to a restriction under Rule 10 will be released from the restriction; and

(b) where Shares allotted, issued or transferred under the Plan are held by the Trustee on behalf of the Participant, on receiving notice from the Company that a Takeover Event or Change of Control has occurred, the Company will require the Trustee to arrange for the Shares to be transferred into the name of the Participant unless the Board determines otherwise.

12.3 **Acquisition of shares in Acquiring Company**

If a company ("**Acquiring Company**") obtains control of the Company as a result of:

(a) a Takeover Bid;

(b) a proposed scheme of arrangement between the Company and its members;

(c) a selective capital reduction; or

(d) another corporate action,

and the Company, the Acquiring Company and the Participant agree, a Participant may, upon vesting of an Award, be provided with shares in the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Awards.

13. **RESTRICTIONS ON THE PLAN**

13.1 **Compliance with Corporations Act and Listing Rules**

Despite any other provision of these Rules or any term or condition of the participation of any Participant in the Plan, no Awards may be issued to, or acquired by a Participant or other person:

(a) if to do so would contravene the Corporations Act or the Listing Rules; or

(b) where compliance with any applicable law would in the opinion of the Board be unduly onerous.

13.2 **Restrictions on vesting**

Despite any other provision of these Rules or any term or condition of the participation of any Participant in the Plan, if the vesting of an Award would arise in a period where dealings by a Participant would be prohibited, vesting will be delayed until such time as dealings are permitted. For the avoidance of doubt, the Board may determine that vesting will be delayed only in relation to the affected Participant or in relation to some or all Participants who hold Awards under the Plan.

13.3 **Restriction of the size of the Plan**

(a) Subject to Rule 13.1, the Company must not issue Awards under an Invitation if, at the time of making the Invitation, the Company has reasonable grounds to believe that the number of Shares that have or may be issued in any of the following circumstances would exceed 5% of the number of Shares on issue:

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(i) the number of Shares that may be issued under the Invitation; and

(ii) the number of Shares issued or that may be issued as a result of Invitations made at any time during the previous 3 years pursuant to an Incentive Scheme,

(b) For the purposes of the calculation in Rule 13.3(a), the Company will disregard any offer made, or option acquired or share issued, by way of or as a result of:

(i) an offer to a person situated at the time of receipt of the offer outside Australia;

(ii) an offer that did not require disclosure to investors because of section 708 of the Corporations Act or was an excluded offer or invitation under the Corporations Law;

(iii) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the Corporations Act; or

(iv) an offer made under a disclosure document (within the meaning of the Corporations Act) or Product Disclosure Statement.

14. PARTICIPANTS BASED OVERSEAS

14.1 Non-Australian residents

When an Award is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to the Company in relation to the Award.

14.2 Transfers outside Australia

If a Participant is transferred to work for a Related Company outside Australia and, as a result of that transfer, the Participant would:

(a) suffer a tax disadvantage in relation to their Awards which is demonstrated to the satisfaction of the Board;

(b) become subject to restrictions on their ability to Deal with the Awards, or to hold or Deal in the Shares or the proceeds of the Shares acquired on vesting or exercise, because of the laws (including securities or exchange control laws) of the country to which he or she is being transferred,

then, if the Participant continues to hold an office or employment with a Related Company, the Board may decide that the Awards will vest or in the case of Options may be exercised on a date the Board determines before or after the transfer takes effect. The Awards will vest to, or on behalf of, the Participant to the extent permitted by the Board and will not lapse as to the balance. The Options may be exercised to the extent permitted by the Board.

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15. PLAN COSTS

15.1 Acquisition costs

The Company will pay all costs and expenses in relation to the establishment and operation of the Plan including all costs and expenses in relation to an issue, or purchase and transfer of Shares to a Participant (including any brokerage, commission, stamp duty or other transaction costs).

15.2 Disposal costs

Any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of a Participant's Shares acquired under the Plan will be paid for by the Participant.

16. ADMINISTRATION OF THE PLAN

(a) The Plan will be administered by the Board in accordance with these Rules. The Board may make rules and regulations for the operation of the Plan which are consistent with these Rules.

(b) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board at its absolute discretion and in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

(c) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and upon such conditions as the Board may determine to any one or more persons selected by the Board. Such delegates may act jointly or severally or as a committee, as the Board determines in the delegation.

(d) Every exercise of discretion by the Board (or its delegate) and every decision of the Board (or its delegate) as to the interpretation, effect or application of these Rules and all calculations and determinations made by the Board under these Rules is final, conclusive, and binding.

17. DATA PROTECTION

By participating in the Plan, each Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include but are not limited to:

(a) administering and maintaining the Participant's records;

(b) providing information to the Trustee, registrars, brokers or third party administrators of the Plan;

(c) providing information to future purchasers of the Company or the business in which the Participant works; and

(d) transferring information about the Participant to a country or territory outside Australia.

18. RIGHTS OF PARTICIPANTS

Nothing in these Rules:

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(a) confers on an Eligible Employee the right to receive any Shares;

(b) confers on a Participant the right to continue as an employee of the Company or a Related Company;

(c) affects any rights which the Company or a Related Company may have to terminate the employment of any employee; or

(d) may be used to increase damages in any action brought against the Company or a Related Company in respect of any such termination.

No person, whether a Participant or otherwise, has any claim, right or interest in respect of the Plan or any Shares or other property of the Plan, whether against the Company or any other person, as a consequence of termination of the Eligible Employee's employment or appointment or otherwise, except under and in accordance with these Rules.

19. AMENDMENT OF THESE RULES

19.1 Amendments

(a) Subject to the Listing Rules and Rule 19.2, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 19).

(b) Where the Board determines that the laws of a particular jurisdiction requires an Invitation to be made subject to certain terms and conditions, the Board may direct that for the purpose of that jurisdiction these Rules will be read subject to such provisions as shall be specified in an addendum to be appended hereto for that purpose.

19.2 No reduction of rights

Any amendment to the provisions of these Rules must not materially reduce the rights of any Participant as they existed before the date of the amendment, unless:

(a) the amendment is introduced primarily:

(i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation or the Listing Rules governing or regulating the maintenance or operation of the Plan or like plans; or

(ii) to correct any manifest error or mistake; or

(iii) to enable the Plan, the Trustee, the Company or a Related Company to comply with the Corporations Act, the Listing Rules, its constitution, any other Australian laws, applicable foreign laws, or a requirement, policy or practice of the Australian Securities and Investments Commission, the Australian Prudential Regulation Authority (while the Company remains regulated by APRA) or other foreign or Australian regulatory body, or

(iv) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst other things:

(1) adverse rulings from the Commissioner of Taxation;

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(2) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or

(3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or

(b) the amendment is agreed in writing by a Participant.

19.3 **Retrospectivity**

Subject to Rules 19.1 and 19.2, any amendment made pursuant to Rule 19.1 may be given retrospective effect as specified in the written instrument or resolution by which the amendment is made.

20. **ATTORNEY**

Each Participant, in consideration of an Invitation, is deemed to:

(a) irrevocably appoint each Director, the Company, the Trustee (where applicable) and any person nominated from time to time by the Company or the Trustee (where applicable) (each an "**Attorney**"), severally, as the Participant's attorney to complete and execute any documents including without limiting the generality thereof, applications for Shares and Share transfers or any other document or other agreement to give effect to these Rules and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules; and

(b) covenant that the Participant will ratify and confirm any act or thing done pursuant to this power and will release the Company, each Director, each Related Company, the Attorney and the Trustee from any liability whatsoever arising from the exercise of the powers conferred by this Rule and shall indemnify and hold harmless the Company, Director, each Related Company, the Attorney and the Trustee in respect thereof.

21. **NOTICES**

Any notice to Participants may be given in such manner as the Board determines from time to time.

22. **TERMINATION, SUSPENSION OR REINSTATEMENT OF THE PLAN**

(a) The Board may resolve at any time to terminate, suspend or reinstate the operation of the Plan.

(b) If the Plan is suspended or terminated, the Board shall decide how Shares then held for Participants under the Plan are to be dealt with and must give such directions to the Trustee regarding the operation of the Plan as the Trustee may request.

23. **GOVERNING LAW**

This Plan is governed by and shall be construed and take effect in accordance with the laws of Western Australia.

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ANNEXURE B: AMENDMENTS TO THE COMPANYS CONSTITUTION

New clause 2.15 is inserted:

2.15 Employee Share Plan - Issue Cap Limit

For the purposes of section 1100V(2)(a) of Division 1A of Part 7.12 of the Corporations Act, the issue cap percentage for offers involving consideration is 10%.

Clause 9.8 is amended as follows:

9.8 Joint Holders

If more than four~~three~~ persons are registered as holders of Shares in the Company in the Register of Shareholders (or a request is made to register more than four~~three~~ persons), then only the first four~~three~~ persons will be regarded as holders of Shares in the Company and all other names will be disregarded by the Company for all purposes.

Clause 11 – General Meetings

Clause 11.4 is amended as follows:

11.4 Convening of General Meetings of Shareholders by a Director

Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act. If there are no Directors for the time being, a Secretary may convene a general meeting of Shareholders for the purpose of enabling the election of Directors but for no other purpose. ~~A general meeting may be held at two or more venues simultaneously using any technology that gives the Shareholders as a whole a reasonable opportunity to participate.~~

Clause 11.5 is amended as follows:

11.5 Notice

A notice of a general meeting shall be given in accordance with the requirements of the Corporations Act, clause 25 and the Listing Rules, and:

(a) must specify the date, time and place (or places), ~~the day and the time~~ of the meeting, and if the meeting is to be held in two or more places, or wholly using technology approved by directors, details of the technology that will be used to facilitate the holding of the general meeting, and the participation of members and other eligible attendees;

(b) must state the general nature of the business to be transacted at the meeting;

(c) must include such statements about the appointment of proxies as are required by the Corporations Act; and

~~(d)~~ must specify a place and/or a fax number~~,~~ and/or an electronic address and/or other appropriate technology approved by the directors for the purposes of receipt of proxy appointments~~,~~; ~~and~~

~~(e)~~(d) ~~may specify an electronic address for the purposes of receipt of proxy appointments;~~

and shall include any other information required to be included in the notice by the Listing Rules. The non-receipt of a notice of a general meeting by a Shareholder or the accidental omission to give this notice to a Shareholder shall not invalidate any resolution passed at the meeting.

New clause 11.6 is inserted and each clause thereafter is renumbered accordingly:

11.6 Technology

Subject to Corporations Act, the Listing Rules and any applicable law:

(a) a general meeting may be held at one or more venues using any technology that gives the Shareholders as a whole a reasonable opportunity to participate;

(b) a general meeting may be hybrid (virtual and in-person) held at one or more venues using any technology that gives the Shareholders as a whole a reasonable opportunity to participate; or

(c) a general meeting may be held virtually only using any technology that gives the Shareholders as a whole a reasonable opportunity to participate.

If, before or during a general meeting of members, any technical difficulty occurs, such that the members as a whole do not have a reasonable opportunity to participate, the chair of the meeting may:

(d) adjourn the meeting until the technical difficulty is remedied; or

(e) where a quorum remains present (either at the place at which the chair is present or by technology contemplated by this clause 11.6) and able to participate, subject to the Corporations Act, continue the meeting (in which case no member may object to the meeting being held or continuing.

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Clause 12 – Proceedings at General Meetings

Clause 12.12 is amended as follows:

12.12 Voting ~~–~~ Procedural Resolutions ~~Show of Hands~~

At any general meeting a procedural resolution put to the vote of the meeting may~~shall~~ be decided on a show of hands unless a poll is demanded in accordance with clause 12.15~~12.14~~.

New clause 12.13 is inserted and each clause thereafter is renumbered accordingly:

12.13 Voting – Substantive Resolutions

At any general meeting a substantive resolution put to the vote of the meeting shall be decided on a poll.

Clause 13.2 is amended as follows:

13.2 Rotation of Directors

Subject to clause 17.4, 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 down~~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 for re-election. 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. A retiring Director is eligible for reelection. An election of Directors shall take place each year.

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Proxy Voting Form

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

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

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SAMPLE

Your proxy voting instruction must be received by **2.00pm (AWST) on Monday, 21 November 2022,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.

BY MAIL:
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:
meetings@automicgroup.com.au

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBSITE: https://automicgroup.com.au/

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

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Prospect Resources Limited, to be held at **2.00pm (AWST) on Wednesday, 23 November 2022 at 40 Kings Park Rd, West Perth, WA 6005** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution(s) 1 and 4 - 10 (except where I/we have indicated a different voting intention below) even though Resolution(s) 1 and 4 - 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2 – Your voting direction

Resolutions		For	Against	Abstain
1.	Adoption of Remuneration Report	☐	☐	☐
2.	Re-election of Gerard Fahey as Director	☐	☐	☐
3.	Re-election of Zivanayi Rusike as Director	☐	☐	☐
4.	Approval of Issue of Short-Term Incentive Securities to Samuel Hosack (or his nominee), a Director of the Company	☐	☐	☐
5.	Approval of Issue of Long-Term Incentive Securities to Samuel Hosack (or his nominee), a Director of the Company	☐	☐	☐
6.	Approval of Issue of Securities to Mark Wheatley (or his nominee), a Director of the Company	☐	☐	☐
7.	Approval of Issue of Securities to Devidas Shetty (or his nominee), a Director of the Company	☐	☐	☐
8.	Approval of Issue of Securities to Gerard Fahey (or his nominee), a Director of the Company	☐	☐	☐
9.	Approval of Issue of Securities to Henian Chen (or his nominee), a Director of the Company	☐	☐	☐
10.	Approval of Issue of Securities to Zivanayi Rusike (or his nominee), a Director of the Company	☐	☐	☐
11.	Adoption of New Constitution	☐	☐	☐

Please note: *If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) ☐☐ / ☐☐ / ☐☐

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

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[HolderNumber] PSC
[HolderNumber]