

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of members of Prospech Limited is to be convened at Level 2, 66 Hunter Street, Sydney, NSW, 2000 on 16 December 2025 at 11.00 am.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm at 14 December 2025.

AGENDA

ORDINARY BUSINESS

The items of business should be read in conjunction with the explanatory notes on the pages to follow. The explanatory notes form part of this Notice of Meeting.

Ordinary Resolutions

Resolution 1. Ratification of the Issue of 50,000,000 Shares

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares on 6 June 2025, on the terms and conditions in the Explanatory Memorandum.'

Resolution 2. Ratification of the Issue of 36,450,000 Shares and 16,225,000 options

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 36,450,000 Shares and 16,225,000 options on 2 October 2025, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3. Approval of the Proposed Issue of 2,000,000 options

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.1, approval is given for the Company to issue to 2,000,000 options, on the terms and conditions as set out in the Explanatory Memorandum attached to this Notice of Meeting.'

Resolution 4. Approval of the Proposed Issue of up to 4,340,579 options

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,340,579 options, to Mahe Capital Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Resolution 5. Approval of a Securities Incentive Plan

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, Shareholders approve the establishment of an employee securities incentive plan, to be called the 'Prospech Securities Incentive Plan'.'

Resolution 6. Approval to issue 4 million Options to Mr Thomas Mann

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 4 million Options to a director, Mr Thomas Mann and/or his nominee under the terms of the Company's Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 7. Approval to issue 4 million Options to Mr Jason Beckton

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 4 million Options to a director, Mr Jason Beckton and/or his nominee under the terms of the Company's Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 8. Approval to issue 4 million Options to Mr Peter Nightingale

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 4 million Options to a director, Mr Peter Nightingale and/or his nominee under the terms of the Company's Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 9. Approval to issue 3 million Options to Mr John Levings

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 3 million Options to a director, Mr John Levings and/or his nominee under the terms of the Company's Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 10. Approval to issue 1 million Options to Mr Stephen Gemell

To consider and, if thought fit, to pass the following with or without amendment as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 1 million Options to a director, Mr Stephen Gemell and/or his nominee under the terms of the Company's Securities Incentive Plan, on the terms and conditions in the Explanatory Memorandum.'

Resolution 11. Approval to change the Company name

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

'That, pursuant to Section 157 of the Corporations Act 2001 and for all other purposes, approval be and is hereby given for the Company to change its name from 'Prospech Limited' to 'European Resources Limited.'

By order of the Board



Richard J. Edwards
Company Secretary

12 November 2025

EXPLANATORY MEMORANDUM

This is an Explanatory Memorandum to in the Notice of Extraordinary General Meeting of Prospech Limited to be convened at Level 2, 66 Hunter Street, Sydney, NSW, 2000 on 16 December 2025 at 11.00 am.

Resolution 1 Ratification of the issue of Shares

Resolution 1 seeks the ratification by Shareholders of a prior issue of securities that occurred in the 12 months prior to the date of this Notice that have not already been approved by Shareholders for the purposes of ASX Listing Rule 7.4.

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. Additionally, ASX Listing Rule 7.1A, for which the Company received approval to utilise at the 2025 AGM, limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to an additional 10% of the fully paid ordinary securities it had on issue at the start of that period.

On 6 June 2025, pursuant to its then available ASX Listing Rule 7.1 capacity and a portion of its ASX Listing Rule 7.1A capacity, by way of a placement, the Company issued 50,000,000 fully paid ordinary shares ranking pari passu with existing fully paid ordinary shares at \$0.02 per share to professional and sophisticated investors identified by the Company's directors (none of whom were related parties of the Company, a member of the Company's key management personnel, a substantial shareholder of the Company, an advisor to the Company or an associate of any of the above), raising \$1,000,000 before costs (**Placement**). The Placement was undertaken to advance the Company's projects in Finland and Slovakia, with a focus on the Korsnäs resource expansion and metallurgical test work and working capital purposes.

Other than as set out above, there were no other material terms under which the securities were issued.

The Placement does not fit within any of the exceptions to ASX Listing Rule 7.1 or 7.1A and, as it has not yet been approved by Shareholders, it effectively uses up the 15% limit in ASX Listing Rule 7.1 and a portion of the ASX Listing Rule 7.1A capacity, thereby reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 and 7.1A for the 12-month period following the date of the Placement. ASX Listing Rule 7.4 allows the shareholders of a listed company to ratify an issue of equity securities after it has been made or agreed to be made and in doing so, the issue is taken to have been approved under ASX Listing Rule 7.1 and 7.1A and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The effect of the ratification is to restore the Company's maximum discretionary power to issue further shares up to 25% of the fully paid ordinary issued capital of the Company (being 15% under ASX Listing Rule 7.1 and 10% under ASX Listing Rule 7.1A) without requiring shareholder approval during the next 12 months. Should ratification by Shareholders not be approved the issue of securities will continue to be included in the Company's 25% issuance capacity for 12 months after the date the securities were issued. This ratification will provide the Company with the ability to raise further funds, if required, will maximise the flexibility of the Company's funds management and will facilitate planning for the Company's ongoing activities.

Should ratification by Shareholders not be approved, the issue of securities will continue to be included in the Company's 25% issuance capacity until 12 months after the date the securities were issued effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

Voting Exclusion Statement

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

- any investors who participated in the issue; or
- an associate of any investor who participated in the issue.

The Company will not disregard a vote cast if it is cast in favour of the resolution of by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

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

The Directors recommend that you vote IN FAVOUR of Resolution 1.

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

Resolution 2 Ratification of the issue of Shares and Options

For the same reasons as set out for Resolution 1, Resolution 2 seeks the ratification by Shareholders of a prior issue of securities that occurred in the 12 months prior to the date of this Notice that have not already been approved by Shareholders for the purposes of ASX Listing Rule 7.4.

On 2 October 2025, pursuant to its available ASX Listing Rule 7.1 and 7.1A capacity, the Company issued 36,450,000 fully paid ordinary shares ranking pari passu with existing fully paid ordinary shares and 16,225,000 attaching options (with an expiry date of 1 October 2028 and each exercisable at \$0.04 to acquire 1 fully paid ordinary share) for \$0.015 per share to professional and sophisticated investors (none of whom were related parties of the Company, a member of the Company's key management personnel, a substantial shareholder of the Company, an advisor to the Company or an associate of any of the above) raising \$546,750 before costs. The placement was undertaken to advance the Company's projects in Finland and Slovakia. The Lead Manager to the placement was Mahe Capital Pty Ltd who identified the investors.

As per Resolution 1, should ratification by Shareholders not be approved, the issue of securities will continue to be included in the Company's 25% issuance capacity until 12 months after the date the securities were issued effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

The full terms and conditions of the options are set out in Annexure A.

A further 2,000,000 attaching options could not be issued under the Company's existing capacity, approval of which is the subject of Resolution 3.

Voting Exclusion Statement

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

- any investors who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of any investor who participated in the issue.

The Company will not disregard a vote cast if it is cast in favour of the resolution of by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors recommend that you vote IN FAVOUR of Resolution 2.

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

Resolution 3 Approval of the issue of Options

As noted in Resolution 2, in the placement of shares and attaching options completed on 2 October 2025 the Company was did not have ASX Listing Rule 7.1 or 7.1A capacity and was unable to issue 2,000,000 options attaching to the shares issued as part of the placement. The options have an expiry date of 1 October 2028 and are each exercisable at \$0.04 to acquire 1 fully paid ordinary share. These subscribers agreed to have the grant of the 2,000,000 attaching options subject to a subsequent Shareholder approval.

Funds raised on exercise of the options will be used for general working capital.

If Resolution 3 is passed, the Company will be able to issue the 2,000,000 options.

The Company will issue the options as soon as practical following receipt of shareholder approval to do so, but no later than 3 months after the date of the meeting.

As the options are attaching options they will be issued for nil consideration.

The options are being issued under the terms of the Prospectus released on ASX on 1 September 2025 and the Supplementary Prospectus released on ASX on 8 September 2025.

If Resolution 3 is not passed, the Company will not issue the options but rather pay the subscribers the cash value of the options not issued.

The full terms and conditions of the options are set out in Annexure A.

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- any investors who participated in the issue or is a counterparty to the agreement being approved; or
- who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an associate of any investor who participated in the issue.

The Company will not disregard a vote cast if it is cast in favour of the resolution of by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors recommend that you vote IN FAVOUR of Resolution 3.

The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 3.

Resolution 4 Approval to issue Lead Manager Options

The Company mandated Mahe Capital Pty Ltd to act as Lead Manager and partial Underwriter (for \$600,000) of the Renounceable Rights issued announced on 1 September 2025 and the subsequent placement announced on 1 October 2025.

In respect of this work, the Company agreed to pay the following fees:

- A Lead Manager's fee of \$60,000 and 1% of the total amount raised.
- An Underwriting fee of 5% of the Underwritten Amount of \$600,000.
- Placement fee of 5% on any shortfall placed by the Underwriter in excess of the Underwritten Amount, including any amount raised using the Company's capacity under Listing Rule 7.1 and 7.1A.
- 2 Lead Manager Options for every \$1 raised.

As part of the fees for these mandates, the Company agreed to issue to Mahe Capital Pty Ltd (or its nominee) up to 4,340,579 options, being 2 options for every dollar raised pursuant to the mandate (**Lead Manager Options**).

The Lead Manager Options have an expiry date of 1 October 2028 and are each exercisable at \$0.04 to acquire 1 fully paid ordinary share.

The full terms and conditions of the Lead Manager Options are set out in Annexure A.

The Lead Manager Options will be issued in part consideration for Mahe Capital Pty Ltd acting as Lead Manager and Underwriter to the rights issue, and no funds will be raised from the issue of the Lead Manager Options. Funds raised from exercising the Lead Manager Options will be used for general working capital.

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

The proposed issue of Lead Manager Options does not fall within any of the exceptions set out in ASX Listing Rule 7.2 and exceeds the balance of the Company's 15% limit in ASX Listing Rule 7.1. To issue the Lead Manager Options, Shareholder approval is required under ASX Listing Rule 7.1 and the Company will be able to discharge its contractual mandate obligation and issue of the Lead Manager Options.

The Company will issue the options as soon as practical following receipt of shareholder approval to do so, but no later than 3 months after the date of the meeting.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options and the Company will pay the Mahe Capital Pty Ltd (or its nominee) the cash value of the options not issued.

Resolution 4 seeks the required shareholder approval for the proposed issue of the Lead Manager Options under and for the purposes of ASX Listing Rule 7.1.

Voting Exclusion Statement

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

- the Lead Manager, Mahe Capital Pty Ltd; or
- an associate of the Lead Manager, Mahe Capital Pty Ltd.

The Company will not disregard a vote cast if it is cast in favour of the resolution of by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors recommend that you vote IN FAVOUR of Resolution 4.

The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 4.

Resolution 5 Approval of an Employee Securities Incentive Plan

To provide flexibility in how the Company rewards and incentivises its officers, employees and contractors, the Directors are proposing that the Company adopt an Employee Securities Incentive Plan called the 'Prospech Employee Securities Incentive Plan' (**Plan**). The Plan will provide an opportunity to eligible participants to participate in the Company's future and to provide a mechanism to ensure that the interests of Shareholders and the management and employees of the Company are aligned.

Resolution 5 seeks Shareholder approval for the adoption of the Plan in accordance with ASX Listing Rule 7.2 Exception 13(b).

A summary of the Plan is set out in Annexure B.

Shareholder approval is not required under the Corporations Act or the ASX Listing Rules for the operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of ASX Listing Rules 7.1 and 7.1A on the number of securities that may be issued without Shareholder Approval. ASX Listing Rule 7.2 Exception 13(b) provides that ASX Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by Shareholders, where the issue of securities is within 3 years from that date of Shareholder approval of the issue of securities under the employee incentive scheme. If an issue is to be made to Directors, then separate Shareholder approval will need to be obtained.

For the purposes of ASX Listing Rule 7.2 Exception 13(b), the following information is provided:

- A summary of the terms of the Plan is set out in Annexure B.
- Number of securities issued under the Plan since the date of the last approval under ASX Listing Rule 7.2 Exception 13(b) is nil as Shareholders have not previously approved the Plan.
- The maximum number of equity securities proposed to be issued under the Plan following approval by Shareholders is 52,351,188, which is 10% of the total number of ordinary shares currently on issue.
- A voting exclusion statement is included in this Notice of Extraordinary General Meeting.

The passing of Resolution 5 will allow the Company to issue securities for the benefit of participants of the Plan whilst preserving the Company's placement limits for issuing securities and provide flexibility in the manner in which the Plan is managed.

If Resolution 5 is not passed, the Company may still issue securities to key personnel other than Directors on the terms as set out in Annexure B, however those securities will count towards the Company's 15% placement capacity under ASX Listing Rule 7.1.

Voting Exclusion Statement

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

- any person who may participate in the Employee Securities Incentive Plan; or
- an associate of any person who may participate in the Employee Securities Incentive Plan.

The Company will not disregard a vote cast if it is cast in favour of the resolution of by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors recommend that you vote IN FAVOUR of Resolution 5.

The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 5.

Resolutions 6 to 10 Approval of the issue of Options to Directors

Resolutions 6 to 10 seek shareholder approval in accordance with ASX Listing Rule 10.14 for the grant of 4 million Options to Mr Thomas Mann (or his nominee), 4 million Options to Mr Jason Beckton (or his nominee), 4 million Options to Mr Peter Nightingale (or his nominee), 3 million Options to Mr John Levings (or his nominee) and 1 million Options to Mr Stephen Gemell (or his nominee).

The Options are issued in accordance with the terms of the Prospech Securities Incentive Plan (**Plan**).

In accordance with ASX Listing Rule 10.14, the Company must not permit a Director and any of his associates to acquire securities under an employee incentive scheme unless it obtains shareholder approval.

By obtaining shareholder approval for Resolutions 6 to 10 as required by ASX Listing Rule 10.14, the Company will satisfy the requirements of Exception 14 of ASX Listing Rule 7.2 and thereby not require shareholder approval for these issues under ASX Listing Rule 7.1.

Information as required under ASX Listing Rule 10.15 is provided below for the purposes of obtaining Shareholder approval:

1. Each allottee is a related party of the Company under ASX Listing Rule 10.14.1 by virtue of being a Director of the Company.
2. A total of 16 million Options are proposed to be issued to the following allottees:

Names of allottees:	Thomas Mann or his nominee 4 million Options; Jason Beckton or his nominee 4 million Options; Peter Nightingale or his nominee 4 million Options, John Levings or his nominee 3 million Options, Stephen Gemell or his nominee 1 million Options.
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3. Each Director's current total remuneration package is:

Salary per annum:	Thomas Mann \$80,000. Jason Beckton \$150,000. Peter Nightingale \$120,000. John Levings \$150,000. Stephen Gemell \$40,000.
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4. No securities have previously been issued under the Plan.

5. As the securities are not fully paid ordinary shares, the following information is provided:

Material terms of the Options: The Options are issued for nil consideration and are each exercisable at \$0.04 at any time after they vest and before they expire to acquire 1 fully paid ordinary share in the Company ranking pari passu with existing fully paid ordinary shares.

The Options vest 1/3rd immediately upon grant, 1/3rd 12 months following grant and 1/3rd 24 months following grant and expire 36 months following grant.

The Options are otherwise issued in accordance with the terms of the Plan as detailed in Annexure B.

Why Options?:

The Directors consider that Options align the interests of the allottees with the Shareholders in the future success of the Company, minimise equity dilution and are a cost effective and efficient incentive offered by the Company when compared with alternative forms of incentive such as increased remuneration.

Option value and basis: Using a Black-Scholes model with the following assumptions, each Option is calculated to be worth approximately half of one cent:

Term of the Options:	3 years
Option strike price:	\$0.04
Company share price:	\$0.016
Volatility factor:	80%
Risk-free interest rate:	4.0%

6. The Options will be issued as soon as practicable after the Shareholder approval at this Extraordinary General Meeting and, in any event, within 12 months of the date of this Extraordinary General Meeting.
7. A summary of the material terms of the Plan is set out in Annexure B.
8. No loan is being provided in respect of the issue of the Options.
9. Details of any securities issued in accordance with the Plan will be published in the Company's Annual Report in the period in which they were issued and a statement that approval for their issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan and who were not named in this Notice of Extraordinary General Meeting will not participate until approval is obtained under that rule.
10. A voting exclusion statement is included in this Notice of Extraordinary General Meeting.
11. Other statutory disclosures:

The Directors' remuneration currently comprises short term salary and fee payments only, payment of which is often deferred to enable the Company to continue with its exploration activities for the benefit of shareholders. At 30 June 2025, outstanding payments to Directors amounted to \$241,250 and a further \$150,000 to an entity related to Peter Nightingale.

In addition, the Directors' remuneration is at the lower end of remuneration for directors of comparable ASX listed companies.

The Directors consider that these circumstances insufficiently incentivise the Directors and do not align the interests of the Directors with the Shareholders in the future success of the Company.

The proposed number of Options to be granted to the Directors is intended to be meaningful but without being a significant equity dilution risk to Shareholders. Based on a Black-Scholes model, the valuation of the total number of Options amounts to approximately \$80,000. If all Options are exercised, existing Shareholders' shareholdings would be diluted by approximately 3%. Without future success and the Company's share price increasing to an amount above the strike price of \$0.04, there will be no equity dilution for Shareholders.

The proposed issue of Options to each Director does not represent a material personal interest to any Director, does not impose a cash drain on the Company and provides a form of long-term remuneration incentive to the Directors.

Each Director abstained from voting on the proposal to issue their own Options.

Based on the above facts, the relative quantum of the current Director remuneration packages, the current absence of any long-term remuneration incentives and the size, value and effect of the proposed issue of Options, the Directors consider that the issue of the Options will more closely align the Company's Director remuneration with that of comparable ASX listed companies. The proposed issue of Options represents a cost effective and efficient incentive offered by the Company when compared with alternative forms of incentive such as increased remuneration which would reduce the Company's available exploration expenditure funding and opportunity for success. On this basis, the Directors consider that the proposed issue of Options as part of the Directors' remuneration package to be reasonable remuneration given the circumstances of the Company and the Directors' circumstances so that Shareholder approval is not required under Chapter 2E of the Corporations Act

The Options issued under Resolutions 6 to 10 allow for the rights of the optionholder to be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The optionholder cannot participate in new issues without exercising the options.

The Company may change the exercise price of the Options or the number of shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than bonus issue) in accordance with ASX Listing Rule 6.22.2A.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolutions 6 to 10 by or on behalf of:

- a person referred to in Rule 10.14.1, 10.14.2, 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- an associate of a person referred to in Rule 10.14.1, 10.14.2, 10.14.3 who is eligible to participate in the employee incentive scheme in question.

The Company will not disregard a vote cast if it is cast in favour of the resolution of by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Directors recommend that you vote IN FAVOUR of Resolutions 6 to 10.

The Chairman of the Meeting intends to vote undirected proxies IN FAVOUR of Resolutions 6 to 10.

Resolution 11 Change of Company Name

Resolution 11 is a Special Resolution seeking shareholder approval to change the Company's name from 'Prospech Limited' to 'European Resources Limited' pursuant to Section 157 of the Corporations Act. A Special Resolution requires at least 75% of votes cast by Shareholders to be in favour of the resolution for it to be passed.

The Company's original exploration activities were focused on Slovakia. The name Prospech Limited reflected this focus. The Company's activities have subsequently expanded, with the acquisition of a 100% interest in Bambra Oy and its Finnish projects in 2023. The Directors regard Europe as an attractive mining destination and actively consider additional opportunities in this jurisdiction.

As a result of these developments, the Directors consider that the name change will better reflect and represent the Company's ongoing business activities.

The Directors recommend that you vote IN FAVOUR of Resolution 11.

The Chair of the Meeting intends to vote undirected proxies IN FAVOUR of Resolution 11.

Annexure A

Term and Conditions of Placement Options and Lead Manager Options (Option)

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) Expiry Date

Each Option will expire on 1 October 2028 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

Options are exercisable at the end of each calendar quarter at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificates (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Annexure B

Summary of the Terms of the Prospech Securities Incentive Plan

The following is a summary of the Prospech Securities Incentive Plan (**Plan**). For full details of the operation of the Plan, shareholders should read the Plan's terms and conditions (**Rules**). The Plan is available on the Company's website and on request to the Company.

The purpose of the Plan is to assist in the reward, retention and motivation of Eligible Employees, link the reward of Eligible Employees with Shareholder value creation and align the interests of Eligible Employees with Shareholders by providing an opportunity to Eligible Employees via an equity interest in the Company based on creating Shareholder value.

Capitalised terms in the following summary are defined in the Rules.

1. Background

The Company has adopted the Plan to assist in the reward, retention and motivation of the following individuals:

- (i) any Director or Employee who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan; or
- (ii) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan,

(each an **Eligible Employee**) with the opportunity to receive an incentive right granted under this Plan to subscribe for, acquire and/or be allocated (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any Vesting Conditions and/or Performance Hurdles, and payment of the relevant Exercise Price (if any) (**Option**).

2. Issue Price

Options will be issued for consideration comprising the services that are expected to be provided by an Eligible Employee to or for the benefit of the Company. However, no further monetary or other consideration will be payable in respect of the issue of an Option under the Plan.

3. Plan Limit

The number of Options which may be granted under this Plan (assuming all Options were exercised) must not at any time exceed in aggregate 10% of the total Issued Capital of the Company at the date of any proposed new Options, unless the prior Shareholder Approval has been obtained.

4. Offer of Options

Subject to the Rules, the Board of the Company or any committee of the Board to which power to administer the Plan has been delegated by the Board may from time to time make an offer of Options to any Eligible Employee.

5. Exercise Period

The Exercise Period for any Option will be as determined by the Board in its sole and absolute discretion and unless otherwise determined by the Board, the Options will be exercisable during the period ending 10 years after the date of the Options being granted (the **Expiry Date**), after which the Options will automatically lapse.

6. Exercise Price

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 (**Exercise Price**).

7. Acceptance of Offer

An Eligible Employee may accept an offer under the Plan by giving to the Company an application form within the period specified in the offer. An offer not accepted in accordance with the Rules will lapse unless the Board determines otherwise.

8. Option Entitlement to Shares

Subject to the Rules, each vested Option entitles the Participant holding the Option to subscribe for, or to be transferred, one Share on payment of the Exercise Price (if any).

9. Lapse of Options

Generally, Options will lapse on the earlier of:

- (i) the Participant becoming a Good Leaver or Bad Leaver, in the sole and absolute discretion of the Board;
- (ii) a Forfeiture Condition set out in an Invitation Letter being met;
- (iii) a change of control event occurring, unless the Board determine otherwise in its sole and absolute discretion;
- (iv) if applicable Performance Hurdles and/or Vesting Conditions are not achieved by the relevant time;
- (v) if the Board determines in its reasonable opinion that the applicable Performance Hurdles and/or Vesting Conditions have not been met and cannot be met prior to the Expiry Date; or
- (vi) the Expiry Date.

10. Transfer of Options

Under the Rules, Options held by a Participant are personal to him or her and may not be exercised by any other person. However, the Plan provides for the transfer of options in certain circumstances, including in relation to the death of the Participant or with the prior consent of the Board.

11. Quotation

The Company will not seek official quotation of any Options issued under the Plan. The Company must apply to the ASX for quotation of Shares issued on the exercise of Options if other Shares of the Company are officially quoted by the ASX at that time.

12. Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

13. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

14. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

15. Change of option's exercise price or the number of underlying securities

The Company may change the exercise price of the Options or the number of shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than bonus issue) in accordance with ASX Listing Rule 6.22.2A.