

ABN 58 008 130 336

notice of general meeting



2010

PLACE

Parkview Hotel
562 St Kilda Road, Melbourne, Victoria

DATE

Thursday 3rd June 2010

TIME

2.00 pm

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.
If you do not understand it you should consult
your professional advisers without delay.

NOTICE IS HEREBY GIVEN that a general meeting of members of the Company will be held at the Parkview Hotel, 562 St Kilda Road, Melbourne, Victoria on Thursday, 3 June 2010 at 2.00 pm to consider and, if thought fit, to pass the following resolutions:

1. ORDINARY RESOLUTION - RATIFICATION OF ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 21,428,571 fully paid ordinary Shares in the capital of the Company at an issue price of \$0.035 each, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 2 of the Explanatory Statement)

2. ORDINARY RESOLUTION – RATIFICATION OF ISSUE OF OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve the issue of 21,428,571 Options (exercisable at 5 cents on or before 31 December 2013) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 3 of the Explanatory Statement)

3. ORDINARY RESOLUTION – RATIFICATION OF ISSUE OF SHARES AND LISTED OPTIONS TO SOLAGRAN LIMITED

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve the issue of 22,500,000 ordinary Shares in the capital of the Company and 22,500,000 Listed Options (exercisable at 5 cents on or before 31 March 2010) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 4 of the Explanatory Statement)

4. ORDINARY RESOLUTION –ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 22,180,000 Shares and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 5 of the Explanatory Statement)

5. ORDINARY RESOLUTION –ISSUE OF OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 22,180,000 Options (exercisable at 5 cents on or before 31 December 2013) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 6 of the Explanatory Statement)

DEFINITIONS

Terms which are used in this Notice which are defined in Section 11 of the Explanatory Memorandum have the meanings ascribed to them.

VOTING EXCLUSIONS

In accordance with Listing Rules 7.1 and 7.4, the Company will disregard any votes cast on each Resolution (as applicable) by:

- >> (in respect of Resolutions 1-3), any person who participated in the issue of securities under each resolution;
- >> (in respect of Resolutions 4 & 5), any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed; and
- >> any associate of any of the above persons.

However, the Company need not disregard a vote if:

- >> it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- >> it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES

In accordance with section 249L of the Corporations Act, members are advised that:

- >> each member has a right to appoint a proxy;
- >> the proxy need not be a member of the Company;
- >> a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Suite 6, Level 3
320 Adelaide Street
Brisbane Queensland 4000

Facsimile Number: (07) 3229 4655

Each member entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote at the Meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address notified by the Company at least 48 hours prior to the time of the commencement of the Meeting.

NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of shareholders will be taken for the purpose of determining shareholder entitlements to vote at the meeting. The Company Directors have determined that all shares of the Company that are quoted on the ASX at the close of business on 1 June 2010 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying this Notice of Meeting.

CONTACT DETAILS

If you wish to discuss any aspects of this document with the Company contact the Company Secretary, Mr Colin Johnston on telephone (07) 3229 5755.

By Order of the Board



COLIN JOHNSTON
Company Secretary

Dated: 29 April 2010

explanatory memorandum

1. INTRODUCTION

This Explanatory Memorandum forms part of a Notice convening a Meeting of Shareholders of the Company to be held on Thursday, 3 June 2010. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Terms used in this Explanatory Memorandum are defined in Section 11.

2. RESOLUTION 1 - RATIFICATION OF ISSUE OF SHARES

BACKGROUND

As announced to the ASX on 28 January 2010, the Company issued 21,428,571 fully paid ordinary Shares in the capital of the Company to raise \$750,000 (before costs) by way of a placement. These funds were required to fund the marketing penetration activities for the Re Gen Wellness Products Pty Ltd range of emu oil based human skin care and health care products, further development of AGRIPRO™ animal health products based on Bioeffectives® and working capital purposes. This issue will not exceed the 15% restriction on total securities on issue in the last 12 months.

Regulatory Requirements – ASX Listing Rule 7.4

Under Listing Rule 7.4, an issue of securities made without approval under Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following apply:

- (a) the issue did not breach Rule 7.1; and
- (b) holders of ordinary securities subsequently approve it.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:

- >> the number of securities issued was 21,428,571 Shares;
- >> the Shares were allotted and issued to clients of Novus Capital Pty Ltd, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties were involved;
- >> the Shares were issued for 3.5 cents per Share on 29 January 2010;
- >> the Shares allotted and issued rank equally in all respects with all of the existing Shares on issue;

- >> the majority of the funds raised were to further develop the new range of products under the Re Gen Wellness brand, ongoing development of AGRIPRO™ and for working capital purposes; and
- >> an appropriate voting exclusion statement is included in the Notice.

DIRECTORS' RECOMMENDATION

All Directors recommend that shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – RATIFICATION OF ISSUE OF OPTIONS

BACKGROUND

As announced to the ASX on 28 January 2010, the Company issued a new class of 21,428,571 Options exercisable at 5 cents per Share on or before 31 December 2013.

Regulatory Requirements – ASX Listing Rule 7.4

Under Listing Rule 7.4, an issue of securities made without approval under Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following apply:

- (c) the issue did not breach Rule 7.1; and
- (d) holders of ordinary securities subsequently approve it.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:

- >> the number of securities issued was 21,428,571 Options;
- >> the Options were allotted and issued to clients of Novus Capital Pty Ltd, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties were involved;
- >> the Options were granted for no consideration on a 1 for 1 free attaching basis with the shares issued under Resolution 1;
- >> the Options were granted on the terms and conditions as set out in Section 10;
- >> the Options were issued on 29 January 2010;
- >> no funds were raised by the issue of the Options; and
- >> an appropriate voting exclusion statement is included in the Notice.

DIRECTORS' RECOMMENDATION

All Directors recommend that shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES AND LISTED OPTIONS TO SOLAGRAN LIMITED

BACKGROUND

On 22 August 2007, the Company signed a Development Agreement with Solagran Limited (ASX: SLA) whereby BioProspect was granted an exclusive licence to develop a range of Solagran's BioeffectivesR in the animal health, nutrition and agricultural markets on an international scale.

This agreement expired on 22 February 2010. On the 25 February 2010, BioProspect announced that it had given formal notice to SLA of BioProspect's wish to proceed to commercialisation of BioeffectivesR in animal health. In accordance with the terms of the original Development Agreement, once formal notification of commercialisation was given to Solagran, BioProspect was required to issue 22,500,000 shares and 22,500,000 Listed Options (expiring 31 March 2010 at \$0.05 per option)

Under Listing Rule 7.4, an issue of securities made without approval under Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following apply:

- (e) the issue did not breach Rule 7.1; and
- (f) holders of ordinary securities subsequently approve it.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:

- >> the number of securities issued was 22,500,000 Shares and 22,500,000 Listed Options (expiring 31 March 2010 @ \$0.05 per option);
- >> the Shares and Listed Options were allotted and issued to Solagran Limited on 5 March 2010;
- >> the Listed Options were granted on the terms and conditions as set out in Section 9;
- >> the Shares were issued at a cost of 2.6 cents per share and the Listed Options were issued for nil consideration;
- >> no funds were raised from the issue;

- >> the Shares allotted and issued rank equally in all respects with all of the existing Shares on issue; and
- >> an appropriate voting exclusion statement is included in the Notice.

DIRECTORS' RECOMMENDATION

All Directors recommend that shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ISSUE OF SHARES

The Company intends to issue up to 22,180,000 Shares through a private placement within 30 days of receipt of shareholder approval at this Meeting.

Regulatory Requirements – Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period

The 22,180,000 Shares proposed to be issued by the Company pursuant to Resolution 4 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

Rule 7.3 of the Listing Rules contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- >> the maximum number of securities to be issued pursuant to Resolution 4 is 22,180,000 Shares;
- >> the Shares will be issued for \$0.02 per Share;
- >> the Shares will be issued to clients of Novus Capital Pty Ltd, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties will be involved;
- >> the Shares will be issued and allotted on or after 4 June 2010 and in any event no later than three months after the date of the Meeting;
- >> the Shares allotted and issued will rank equally in all respects with all of the existing Shares on issue;
- >> The majority of the funds raised will be to further develop the new range of products under the Re Gen Wellness brand, ongoing development of AGRIPRO™ products and for working capital purposes; and
- >> An appropriate voting exclusion statement is included in the Notice.

DIRECTORS' RECOMMENDATION

All Directors recommend that shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – ISSUE OF OPTIONS

BACKGROUND

The Company intends to issue 22,180,000 Options exercisable at 5 cents per Share on or before 31 December 2013 through a private placement within 30 days of receipt of shareholder approval at this Meeting.

Regulatory Requirements – Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period

The 22,180,000 Options proposed to be issued by the Company pursuant to Resolution 5 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

Rule 7.3 of the Listing Rules contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- >> the maximum number of securities to be issued pursuant to Resolution 5 is 22,180,000 Options;
- >> The Options will be granted for no consideration on a 1 for 1 free attaching basis with the shares issued under Resolution 4;
- >> the Options will be issued to clients of Novus Capital Pty Ltd, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties will be involved;
- >> the Options will be issued and allotted on or about 4 June 2010 and in any event no later than three months after the date of the Meeting;
- >> no funds will be raised by the issue;
- >> the Options will be granted on the terms and conditions as set out in Section 10; and
- >> An appropriate voting exclusion statement is included in the Notice.

DIRECTORS' RECOMMENDATION

All Directors recommend that shareholders vote in favour of Resolution 5.

7. OTHER INFORMATION

Should any Shareholder be in doubt as to how they should vote on those Resolutions and/or as to how they may affect them, Shareholders should seek advice from their accountant, solicitor or other professional adviser as soon as possible. Queries as to the lodgement of proxies and other formalities

in relation to the Meeting should be directed to the Company Secretary (Telephone: (07) 3229 5755).

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Attached to the Notice of Meeting accompanying this Explanatory Memorandum is a proxy form for use by Shareholders. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.

9. TERMS AND CONDITIONS OF LISTED OPTIONS

These Listed Options expired on 31 March 2010 and as such have been delisted. However, the terms and conditions of these Listed Options were as follows:

- (a) Each Option is exercisable at a price of 5 cents on or before 31 March 2010;
- (b) Application will be made to ASX for the Options to be granted quotation. If the Options are exercised the Company will apply for the Shares thereupon issued to be granted quotation. Such Shares will rank equally from the date of issue with all other Shares on issue;
- (c) The rights of the holder of the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- (d) The Options do not entitle the holder to participate in any new issues by the Company without exercising the Options;
- (e) The Options do not confer on the holder any rights to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised except:
 - (i) in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price of each Option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and
 - (ii) in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
- (f) The Options are freely transferable.

explanatory memorandum

CONTINUED

10. TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options referred to in Resolutions 2 and 5 are as follows:

- (a) Each Option is exercisable at a price of 5 cents on or before 31 December 2013;
- (b) Application will be made to ASX for the Options to be granted quotation, subject to the right to be granted quotation. If the Options are exercised the Company will apply for the Shares thereupon issued to be granted quotation. Such Shares will rank equally from the date of issue with all other Shares on issue;
- (c) The rights of the holder of the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- (d) The Options do not entitle the holder to participate in any new issues by the Company without exercising the Options;
- (e) The Options do not confer on the holder any rights to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised except:
 - (i) in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price of each Option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and

- (ii) in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and

- (f) The Options are freely transferable.

11. INTERPRETATION

"ASIC" means the Australian Securities & Investments Commission;

"ASX" means Australian Stock Exchange Ltd. ACN 008 624 691;

"Board" means the Directors of the Company from time to time;

"Business day" has the meaning ascribed to it by the Listing Rules;

"Company" or **"BioProspect"** means BioProspect Limited ABN 58 008 130 336;

"Directors" means the directors of the Company;

"Listing Rules" means the official listing rules of ASX;

"Listed Option" means an option to acquire a Share exercisable at 5 cents each on or before 31 March 2010; These options expired at 31 March 2010 and have subsequently been delisted.

"Novus Capital" means Novus Capital Pty Ltd. ABN 32 006 711 995

"Meeting" means the meeting of Shareholders convened by the Notice for 25 May 2010 and any adjournment thereof;

"Notice" means the notice in respect of the Meeting;

"Official List" means the official list of ASX;

"Option" means an option to acquire a Share exercisable at 5 cents each on or before 31 December 2013 on the terms and conditions set out in Section 10.

"Shares" means ordinary fully paid shares in the capital of the Company;

"Shareholder" means the holder of a Share.

"Solagran" means Solagran Limited. ACN 002 592 396

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

- 1. A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- 2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
- 3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - >> 2 directors of the company;
 - >> a director and a company secretary of the company; or

- >> for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act 2001 a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

- 4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

- 5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

- 6. To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- >> send the Proxy Form by facsimile to the Company on facsimile number (07) 3229 4655; or
- >> send to the Company at Suite 6, Level 3, 320 Adelaide Street, Brisbane, Queensland 4000; or
- >> deliver it to the Company at Suite 6, Level 3, 320 Adelaide Street, Brisbane, Queensland.

so that it is received no later than 2.00 pm (EST) on 1 June 2010, 48 hours ahead of the meeting.

PROXY FORM

BIOPROSPECT LIMITED
ABN 58 008 130 336

GENERAL MEETING

Appointment of Proxy

I/We

Of

being a member of BioProspect Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Meeting to be held at the Parkview Hotel, 562 St Kilda Rd, Melbourne, Victoria, on 3 June 2010 at 2.00 pm and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of each resolution.

If you do not wish to direct your proxy how to vote, please place a mark in the box

☐

By marking this box, you acknowledge that the Chairman may exercise your proxy, even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder, will be disregarded because of that interest.

Voting on Business of the Meeting

		FOR	AGAINST	ABSTAIN
1	Ratification of Issue of Shares	☐	☐	☐
2	Ratification of Issue of Options	☐	☐	☐
3	Ratification of Issue of Shares and Listed Options to Solagran	☐	☐	☐
4	Issue of Shares	☐	☐	☐
5	Issue of Options	☐	☐	☐

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of 2010

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

