



Announcement Summary

Entity name

PROSPECT RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

Friday April 16, 2021

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
PSCAA	OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	13,500,000
PSC	ORDINARY FULLY PAID	41,935,484

Proposed +issue date

Thursday April 22, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

PROSPECT RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ACN

Registration Number

124354329

1.3 ASX issuer code

PSC

1.4 The announcement is

New announcement

1.5 Date of this announcement

Friday April 16, 2021

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Friday June 4, 2021	<input checked="" type="checkbox"/> Estimated	

Comments

AUD0.1m (645,162 shares) of the Placement is being subscribed for by Chairman, Mark Wheatley and will therefore require shareholder approval under ASX Listing Rule 10.11.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

PSC : ORDINARY FULLY PAID

Number of +securities proposed to be issued

41,935,484

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.15500

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

PSCAA : OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES

Number of +securities proposed to be issued

13,500,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

As part consideration of the Lead Manager's fees.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes



Part 7C - Timetable

7C.1 Proposed +issue date

Thursday April 22, 2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

8,081,285 ordinary fully paid shares; and
13,500,000 options

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

33,209,037 ordinary fully paid shares

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

The Company considered the Placement, compared to other types of capital raising (where existing ordinary shareholders would have been eligible to participate), was the most efficient and expedient method of raising funds. If the Company conducts a further capital raising in the future, it will continue to consider all options, including those where existing ordinary shareholders would have been eligible to participate.

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes



7E.1a Who is the lead manager/broker?

Cannacord Genuity (Australia) Limited

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

A capital raising fee of 3.0% of the Gross Proceeds raised under the Offer ("Capital Raising Fee"). The Capital Raising Fee will not be payable on any proceeds from investors introduced by the Company;
A management fee of 2.0% of the Gross Proceeds raised under the Offer ("Management Fee"); and
On completion of the Offer 13.5 million options expiring 31 December 2025 with 4m of the options exercisable at \$0.22 per option, 4.5m of the options exercisable at \$0.25 per options and 5m options exercisable at \$0.28 per option.

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Funds raised will be applied to the following:
Accretively acquiring an additional Project Interest from Farvric to increase Project ownership from 70% to 87%;
Strategic Funding Initiatives; and
General Working Capital

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue