



A\$18 million placement successfully completed

Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) is pleased to advise it has received firm commitments for A\$18 million in new equity proceeds (before costs) via an institutional placement (**Placement**) of 45 million new ordinary shares (**New Shares**) to institutional and sophisticated investors at an issue price of A\$0.40 per share.

The Placement was strongly supported by new Australian and international institutional investors and the Company's largest shareholder Eagle Eye Asset Holdings Pte Ltd.

Funds raised from the Placement are to be principally used for:

- Advancing development of the Arcadia Lithium Project (**Arcadia** or **the Project**) through Front End Engineering and Design (**FEED**), to undertake early works and secure long lead items;
- Advancing the current strategic partnership process;
- Undertaking further regional exploration and development activities; and
- General working capital purposes.

The Placement begins the process of funding the project to bring Arcadia into production as quickly as possible, while also strengthening the Company's balance sheet to assist in securing a strategic partner on the best possible terms.

Prospect's Managing Director, Sam Hosack, commented:

"We are very pleased with the strong support received for the placement as we look to accelerate the Arcadia Project. We thank our existing shareholders for their ongoing support and welcome a number of new, high-quality institutional investors to our register. We believe the size and depth of the interest received for this raising is a robust endorsement of Prospect's management team and development strategy for the Arcadia Project."

"We are working hard to complete the Direct Optimised Feasibility Study on the Arcadia Project during the current quarter. As previously flagged, the direct development route to 2.4 Mtpa throughput is the key focus of Prospect and the counterparties engaged in our current strategic partnership process."

"This Placement provides us the flexibility to progress the project, select the best possible partner while also allowing us to pursue growth opportunities for REE and lithium resources, particularly if we were able to secure additional feedstock for Arcadia's future."

Placement Details

The Placement was undertaken at an issue price of A\$0.40 per share, raising A\$18 million before costs via the issue of approximately 45 million New Shares to institutional and sophisticated investors.

The issue price of A\$0.40 per share represents:

- a 9.1% discount to the last close price on 26 October 2021 (A\$0.44);
- a 12.8% discount to the 5-day volume weighted average price (**VWAP**) at close on 26 October 2021; and
- a 11.6% discount to the 10-day VWAP at close on 26 October 2021.

All New Shares are to be issued within the Company's existing capacity under ASX Listing Rule 7.1. The Placement shares issued will rank equally with Prospect's existing shares quoted on the ASX.

Canaccord Genuity (Australia) Limited and Foster Stockbroking Pty Limited acted as Joint Lead Managers and Bookrunners to the Placement.

Settlement of the New Shares issued under the Placement is expected to occur on Thursday 4 November 2021, with quotation on the ASX expected to occur on Friday 5 November.

This release was authorised by the Sam Hosack, Managing Director

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

Prospect Resources Limited (ASX: PSC, FRA:5E8) is an ASX listed lithium company based in Perth with operations in Zimbabwe. Prospect's flagship project is the Arcadia Lithium Project located on the outskirts of Harare in Zimbabwe. The Arcadia Lithium Project represents a globally significant hard rock lithium resource and is being rapidly developed by Prospect's experienced team, focusing on near term production of high purity petalite and spodumene concentrates. Arcadia is one of the most advanced lithium projects globally, with a Definitive Feasibility Study, Offtake Partners secured and a clear pathway to production.

About Lithium

Lithium is a soft silvery-white metal which is highly reactive and does not occur in nature in its elemental form. In nature it occurs as compounds within hard rock deposits (such as Arcadia) and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. Lithium has the highest electrochemical potential of all metals, a key property in its role in lithium-ion batteries.

Caution Regarding Forward-Looking Information

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this announcement are in United States currency, unless otherwise stated.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.