



Change to Managing Director and Executive Director Remuneration Arrangements

Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect or the Company**) advises, in accordance with ASX Listing Rule 3.16.4, of the following change to remuneration arrangements for Managing Director and CEO, Sam Hosack, and Executive Director, Harry Greaves.

Mr Hosack and Mr Greaves will now be entitled to the payment of a salary sacrifice recognition amount totalling the respective foregone salary of each from April 2020 to June 2021 (being approximately A\$175,000 and A\$125,000, respectively). This entitlement will, however, only vest upon one of the following events occurring: (a) Final Investment Decision (**FID**) on Arcadia; (b) a change of control event taking place with respect to the Arcadia Lithium Project (**Arcadia**) or Prospect; or (c) termination without cause.

All other remuneration components for both Mr Hosack and Mr Greaves remain unchanged.

Prospect's Non Executive Chairman, Mark Wheatley, commented; "On behalf of the board, I am pleased that we have been able to approve a mechanism that fairly repays Sam, Harry and all employees that took significant pay reductions at a time that helped the Company reach it's much stonger position today. These conditional payments and equity incentives approved during the year are strongly aligned with the interests of shareholders."

Background

In April 2020, all Prospect employees (including Prospect Board members) agreed to take a significant reduction in salary to reduce overall business costs during a period of heightened global uncertainty. The Prospect Board is greatly appreciative of the actions of all Prospect personnel during this challenging period.

Having achieved significant cost savings through this action, and with reducing uncertainty in the global economic outlook, in June 2021 the Prospect Board resolved to revert all salaries to their pre-reduction levels, commencing from 1 July 2021 (as reported in the June 30 Quarterly Report) . At this time, the Prospect Board also expressed the intent to reimburse the full value of foregone salary to all employees, and resolved to seek advice on the best approach to adopt.

As a result, the Prospect Board recently resolved to formalise a mechanism whereby contractual rights for all Prospect employees (exclusive of Prospect non-executive directors) would be amended to incorporate the payment of a salary sacrifice recognition amount (totalling the respective foregone salary of each employee from April 2020 to June 2021) in the event of any one of the following occurring: (a) a positive FID on Arcadia; (b) a change of control event taking place with respect to Arcadia or Prospect; or (c) termination without cause.

The total of all potential salary sacrifice recognition payments is approximately A\$770,000 (inclusive of the amounts payable to Mr Hosack and Mr Greaves).

This release was authorised by the Board of Prospect Resources Limited.

For further information, please contact:

Sam Hosack
Managing Director
shosack@prospectresources.com.au

Nicholas Rathjen
Head of Corporate Development
nrathjen@prospectresources.com.au

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.