



## Update on Arcadia Sale Conditions Precedent

Prospect Resources Limited (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) provides the following update on the status of conditions precedent to the transaction previously announced between, among other parties, Prospect's 100%-owned subsidiary Prospect Minerals Pte Ltd and Huayou International Mining (Hong Kong) Limited (**Huayou**) (the **Transaction**) in relation to the sale of Prospect's 87% interest in the Arcadia Lithium Project and associated intercompany loan (see Prospect ASX releases dated 23 December 2021 and 18 January 2022 for further details on the Transaction).

### Prospect Shareholder Approval

Prospect is pleased to advise that at the Company's Extraordinary General Meeting held earlier today shareholders approved the Transaction by passing the resolution set out in the Notice of Meeting dated 25 January 2022 by way of a poll.

In accordance with ASX Listing Rule 3.13.2 and Section 251AA(2) of the Corporations Act, a summary of the proxy votes received and voting resulting on the resolution is attached.

### Chinese Regulatory Approvals

Huayou has notified Prospect that it has obtained filing notice from the National Development and Reform Commission (**NDRC**) and the foreign exchange registration supervised by the State Administration of Foreign Exchange (**SAFE**) for the Transaction. All Chinese regulatory approvals required under conditions precedent to the Transaction have been received and those conditions are now satisfied.

### Amendment to Special Economic Zone Licence

Prospect Lithium Zimbabwe (Pvt) Limited (**PLZ**), being the owner of the Arcadia Lithium Project, has submitted its notice of the Transaction to the Zimbabwe Investment Development Agency (**ZIDA**) and an application to the ZIDA for an amendment to the Special Economic Zone Licence held by PLZ to reflect the proposed changes to the shareholding of PLZ under the Transaction, and ZIDA has acknowledged the notice and the application. The amendment to the licence is expected to occur following completion of the Transaction and the parties have confirmed that the condition precedent in relation to the Special Economic Zone Licence has now been satisfied.

Subject to all other conditions precedent being satisfied or waived, Prospect currently anticipates the Transaction completing in late Q1 or early Q2 2022.

*This release was authorised by 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 asset is the Arcadia Lithium Project located on the outskirts of Harare. Arcadia represents a globally significant hard rock lithium resource and is being rapidly advanced by Prospect's experienced team. It represents one of the most advanced lithium projects globally, with an Optimised Definitive Feasibility Study completed and offtake agreements executed.

### **About Zhejiang Huayou Cobalt Co., Ltd**

Huayou is a leading Chinese new energy materials producer with three major business segments (1) research, development and production of cathode materials, (2) research, development and production of battery precursor, and (3) development of battery metals resources. Huayou is listed on the Shanghai Stock Exchange with a market capitalisation of approximately US\$22 billion. Huayou continues to execute on its proactive business development strategy to build a new energy materials business division, which includes the provision of significant investments in the lithium resources sector. Huayou has been operating two copper and cobalt mines in the Democratic Republic of Congo since 2007 and is investing in four nickel and cobalt projects in Indonesia with an expected annual production of 255kt of nickel and 20kt of cobalt contained in products by 2024.

### **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.

# Disclosure of Proxy Votes

## Prospect Resources Limited

Extraordinary General Meeting

Friday, 25 February 2022



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In accordance with section 251AA of the Corporations Act 2001, the following information is provided in relation to resolutions put to members at the meeting.

Resolution	Decided by Show of Hands (S) or Poll (P)	Total Number of Proxy Votes exercisable by proxies validly appointed	Proxy Votes				Poll Results (if applicable)		
			FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION	FOR	AGAINST	ABSTAIN
1 Disposal of the Company's interest in the Arcadia Lithium Project	P	148,777,880	143,389,614 96.38%	4,969,136 3.34%	11,000	419,130 0.28%	144,033,744 96.67%	4,969,136 3.33%	11,000

