

21 August 2017

Mauro Piccini
Senior Adviser, Listings Compliance (Perth)
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: tradinghaltspert@asx.com.au
mauro.piccini@asx.com.au

Dear Sir,

Re ASX Price Query

We refer to your letter of 21 August 2017 directed to Prospect Resources Limited ("the Company").

Adopting the same paragraph numbering as contained in that letter we respond as follows:

1. No.
2. Not applicable.
3. Not as far as the Company is aware.
4. We confirm that the Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.
5. We confirm this response has been authorised by the Executive Chairman on behalf of the Board.

If you have any queries, please do not hesitate to contact us on (02) 8072 1400.

Yours faithfully



Andrew Whitten
Company secretary



21 August 2017

Mr Andrew Whitten
Suite 6, 245 Churchill Avenue
SUBIACO WA 6008 Australia

By Email: awhitten@whittens.com.au

Dear Mr Whitten

Prospect Resources Limited (“PSC”): price query

We note the change in the price of PSC’s securities from a low of \$0.029 on 16 August 2017 to a high of \$0.038 at the time of writing today 21 August 2017.

We also note the significant increase in the volume of PSC’s securities traded today.

In light of this, ASX asks PSC to respond separately to each of the following questions and requests for information:

1. Is PSC aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is PSC relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in PSC’s securities would suggest to ASX that such information may have ceased to be confidential and therefore PSC may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that PSC may have for the recent trading in its securities?
4. Please confirm that PSC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that PSC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PSC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before **12:45pm WST on Monday 21 August 2017**). If we do not have your response by then, ASX will have no choice but to consider suspending trading in PSC's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PSC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at mauro.piccini@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to PSC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that PSC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in PSC's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Mauro Piccini
Senior Adviser, Listings Compliance (Perth)