



Results of Rights Issue

The Board of African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) (“**Prospect**” or “**the Company**”) is pleased to advise the completion of its non-renounceable share rights entitlement offer (**Entitlement Offer**). The Entitlement Offer closed at 5.00pm (AEDT) on Monday 11 May 2020.

The Company has received applications for shares totalling A\$2,017,238. Further details are provided below.

The Entitlement Offer was strongly supported by Directors and Management who subscribed for a total of A\$503,599.

The following table sets out the number of new Shares to be issued:

Description	Number of new Shares	Gross proceeds	Proportion of Entitlement Offer
Maximum number of Shares offered under the Entitlement Offer	61,397,940 Shares	A\$3,069,897	
Total applications accepted from Eligible Shareholders by the Company*	26,316,801 Shares	A\$1,315,840	43%
Shortfall to Underwriters**	3,018,117 Shares	A\$150,906	5%
Issue of Shares to investors under Shortfall Offer	11,009,849 Shares	A\$550,492	18%
Remaining shortfall	21,053,173 Shares	A\$1,052,659	34%

* The Minimum of Subscription under the Entitlement Offer was A\$1,200,000 and was accordingly satisfied.

** Underwriters represent Directors who subscribed for additional shares over and above their entitlement.

As set out in the rights issue offer booklet, the Board reserves the right to allot the remaining shortfall at its discretion within 3 months of the closing date.

The issue of Shares under the Entitlement Offer to the Eligible Shareholders, Underwriters and investors will take place on Monday 18 May 2020.

As previously announced, proceeds raised will be used by the Company for the following purposes:

- project development;
- progression of due diligence with Afreximbank;
- progress of on-going off-take discussions;
- expenses of the Offer; and
- for general working capital purposes.



Lifting of Voluntary Suspension

The Company previously advised on 3 April 2020, that the Company's shares were to remain suspended until the date on which the results of the Offer were due to be announced to enable the share rights issue to be completed.

As the Company has now announced the results of the Entitlement Offer, the Company's voluntary suspension will be lifted.

This release was authorised by Mr Hugh Warner, Executive Chairman of Prospect Resources Ltd.

ENDS



Africa's leading battery mineral company



Well positioned Lithium Resource in regard to both Scale and Grade



Strong Project Economics demonstrated in DFS



Path forward to Financing, Development and Production



Offtake Agreement in place and positioned to capitalise on Market Demand

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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 petalite and spodumene concentrates.

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.