



Isabelle Andrews
Senior Adviser, Listings Compliance (Perth)
Australia Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

By Email: ListingsCompliancePerth@asx.com.au

Dear Isabelle

ASX Code: PSC – Response to Price Query

We refer to the letter from ASX dated 13 July 2020.

Following the same numbering, the Company responds as follows:

1. No. However, we refer you to paragraph 3.
2. Not applicable.
3. The Company is aware of increased trading activity and price increases in PSC shares on the Frankfurt and Stuttgart Stock Exchanges following the Company's announcement on 6 July 2020 of the appointment of Renaissance Securities (Cyprus) Limited as its M&A advisor in relation to its discussions with Uranium One Group JSC. The Company also notes that it recently announced that it is happy with the progress of its offtake agreement negotiations with SCR-Sibelco NV.
4. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.
5. The responses as noted above have been authorised and approved by Mr Hugh Warner, Executive Chairman of the Company.

Yours faithfully

Andrew Whitten
Company Secretary



For further information, please contact:

Nicholas Rathjen
General Manager, Corporate Affairs
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 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.



13 July 2020

Reference: 20437

Mr Andrew Whitten
Company Secretary
Prospect Resources Limited
PO Box 1273
SUBIACO WA 6904

By email:

Dear Mr Whitten

Prospect Resources Limited ('PSC'): Price - Query

ASX refers to the following:

- A. The change in the price of PSC's securities from a low of \$0.093 to an intra-day high of \$0.19 in the last few days.
- B. The significant increase in the volume of PSC's securities traded from 10 July 2020 to 13 July 2020.

Request for information

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 complying 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 under 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **04:15 PM AWST Monday, 13 July 2020**. 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 and may require PSC to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@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.

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 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*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PSC's securities under Listing Rule 17.3.

Listing Rules 3.1 and 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.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Isabelle Andrews
Senior Adviser, Listings Compliance (Perth)