



# Prospect Resources

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The Manager  
Company Announcements  
Australian Securities Exchange  
Level 5, 20 Bridge Street  
SYDNEY NSW 2000

## By E-Lodgement

Dear Sirs

**ASX Code: PSC**

### **Adjustment of splits in shares to be issued pursuant to the CML Placement**

On 23 September 2013, the Board of Prospect Resources Limited (**Company**) announced that all Resolutions pursuant to the Notice of Meeting dated 22 August 2013 (**NOM**) had been passed by shareholders at the 2013 Extraordinary General Meeting which was held on 23 September 2013.

As outlined in Part B of the Explanatory Memorandum of the NOM (page 29), the Company entered into a Placement Exclusivity Agreement (**Exclusivity Agreement**) with Continental Minerals Limited (**CML**), a mining company based in Zimbabwe. The importance of the Exclusivity Agreement can be attributed to the engagement of key personnel in the region and the opportunity for the Company to take advantage of possible acquisition and/or investments as they emerge.

Pursuant to the Exclusivity Agreement, the Company agreed to, subject to obtaining shareholder approval, issue 60,000,000 fully paid ordinary shares in the Company to CML or its nominees (**CML Placement**).

The intended recipients of shares pursuant to the CML Placement, as advised by CML at the time were as follows:

| <b>Proposed recipient</b> | <b>Proposed number of shares to be issued</b> |
|---------------------------|-----------------------------------------------|
| Harry Greaves             | 14,400,000                                    |
| Zed Rusike                | 3,000,000                                     |
| Others                    | 42,600,000                                    |
| <b>Total</b>              | <b>60,000,000</b>                             |

As Harry Greaves was (and is) a current director of the Company, and Zed Rusike was likely to become (and is now – announcement on 26 September 2013) a director of the Company,



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separate related party approval Resolutions were sought (and passed) for Mr Greaves (Resolution 9 of NOM) and Mr Rusike (Resolution 10 of NOM). Shareholder approval for the issue of the balance of the shares to be issued pursuant to the CML Placement, being 42,600,000 fully paid ordinary shares, was sought (and passed) under Resolution 5 of the NOM.

CML has now advised the Board of the Company that due to recent and final revisions in its list of intended recipients, the shares to be issued to Mr Greaves and Mr Rusike have now decreased. The intended recipients of shares pursuant to the CML Placement as revised are as follows:

| <b>Final recipient</b> | <b>Revised number of shares to be issued</b> |
|------------------------|----------------------------------------------|
| Harry Greaves          | 13,457,944                                   |
| Zed Rusike             | 2,803,738                                    |
| Others                 | 43,738,318                                   |
| <b>Total</b>           | <b>60,000,000</b>                            |

As a result, the number of shares to be issued to related parties pursuant to the NOM has now decreased. In light of these developments, Mr Greaves and Mr Rusike have both agreed to receive fewer shares pursuant to the CML Placement as per the revised figures and have formally provided unconditional waivers in relation to any rights each of them may have with respects to the difference in shares.

With respects to the additional 1,138,318 fully paid ordinary shares that are to be issued to the "Others" pursuant to the CML Placement, the Board intends to issue these shares under Listing Rule 7.1 and utilise part of the Company's annual 15% placement capacity. This placement will not dilute existing shareholders of the Company any more than would have been effected under the NOM as the number of fully paid ordinary shares to be issued pursuant to the CML Placement of 60,000,000 remains unchanged.

For more information, please contact the undersigned on (+61 2) 8072 1400.

Yours faithfully

**Andrew Whitten**  
Company Secretary