



Announcement Summary

Entity name

PROSPECT RESOURCES LIMITED

Announcement Type

New announcement

Date of this announcement

Monday April 6, 2020

The Proposed issue is:

☒ A standard pro rata issue (including non-renounceable or renounceable)

Total number of +securities proposed to be issued for a standard pro rata issue (including non-renounceable or renounceable)

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
PSC	ORDINARY FULLY PAID	61,397,940

Ex date

Thursday April 9, 2020

+Record date

Tuesday April 14, 2020

Offer closing date

Monday May 4, 2020

Issue date

Monday May 11, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

PROSPECT RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ACN

Registration Number

124354329

1.3 ASX issuer code

PSC

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Monday April 6, 2020

1.6 The Proposed issue is:

☒ A standard +pro rata issue (non-renounceable or renounceable)

1.6a The proposed standard +pro rata issue is:

☒ + Non-renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +Security Code and Description

PSC : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

PSC : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

1

For a given quantity of +securities held

4

**What will be done with fractional entitlements?**

Fractions rounded up to the next whole number

Maximum Number of +securities proposed to be issued

61,397,940

Purpose of the issue

Raise capital

Offer price details for retail security holders**Issue Currency**

AUD - Australian Dollar

Offer Price per +security

AUD 0.05000

Estimated or Actual?☒ Actual**Oversubscription & Scale back details****Are +security holders allowed to oversubscribe?**☒ Yes**Provide the oversubscription details**

So long as the issue of Shortfall Shares to that Eligible Shareholder would not take their voting power to in excess of 19.99%

May a scale back be applied to this event?☒ Yes**Provide the scale back details**

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. The Company will have no liability to any Applicant who receives less than the number of additional Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shares under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?☒ Yes

Part 3C - Timetable**3C.1 +Record date**

Tuesday April 14, 2020

3C.2 Ex date

Thursday April 9, 2020

3C.4 Record date

Tuesday April 14, 2020



3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Friday April 17, 2020

3C.6 Offer closing date

Monday May 4, 2020

3C.7 Last day to extend the offer closing date

Wednesday April 29, 2020

3C.9 Trading in new +securities commences on a deferred settlement basis

Tuesday May 5, 2020

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Thursday May 7, 2020

3C.11 Issue date

Monday May 11, 2020

3C.12 Date trading starts on a normal T+2 basis

Tuesday May 12, 2020

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Thursday May 14, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

☒ No

3E.2 Is the proposed offer to be underwritten?

☒ Yes

3E.2a Who are the underwriter(s)?

Directors of the Company, being Samuel Hosack, Duncan Greaves, Gerard Fahey, Zivanayi Rusike

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

\$151,906 which can be split into Samuel Hosack (\$37,500), Duncan Greaves (\$51,161), Gerard Fahey (\$20,000) and Zivanayi Rusike (\$43,245)

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

Nil



3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

The Underwriting Agreements are only terminable in certain limited circumstances, given the relationship between the Underwriters and the Company. Those termination events are (a) Default, (b) Incorrect or untrue representation, (c) Contravention of constitution or Act, (d) Event of Insolvency and (e) Timetable. Further details are set out in Section 8.2 of the Prospectus lodged with ASIC and ASX on 6 April 2020.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

☒ Yes

3E.2e (i) What is the name of that party?

Directors of the Company, being Samuel Hosack, Duncan Greaves, Gerard Fahey, Zivanayi Rusike

3E.2e (ii) What is the extent of their underwriting or sub-underwriting (ie the amount or proportion of the offer they have underwritten or sub-underwritten)?

\$151,906 which can be split into Samuel Hosack (\$37,500), Duncan Greaves (\$51,161), Gerard Fahey (\$20,000) and Zivanayi Rusike (\$43,245)

3E.2e (iii) What fee, commission or other consideration is payable to them for acting as underwriter or sub-underwriter?

Nil

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Nil

Part 3F - Further Information

3F.1 The purposes for which the entity intends to use the cash raised by the proposed issue

Project development, progression of due diligence with Afreximbank, progress of on-going off-take discussions, additional working capital and expenses of the offer

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

☒ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

☒ No

3F.4 Countries in which the entity has security holders who will not be eligible to participate in the proposed issue

Brunei, Jersey, Malaysia, Singapore, United States, British Virgin Islands, Zimbabwe

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

☒ No



3F.6 URL on the entity's website where investors can download information about the proposed issue

www.prospectresources.com.au

3F.7 Any other information the entity wishes to provide about the proposed issue