



LETTER TO SHAREHOLDERS AND PROXY FORM IN RELATION TO ANNUAL GENERAL MEETING

African lithium developer, Prospect Resources Limited (ASX: PSC, FRA:5EB) attaches in relation to its Annual General Meeting, the following documents:

- Letter to Shareholders; and
- Proxy Form.

Message from Mr Sam Hosack, Managing Director of Prospect Resources Ltd:

“Over the past 12 months we have signed an offtake agreement with leading industrial minerals company Sibelco for the world’s largest petalite offtake agreement, entered into an MOU with Uranium One Group to progress discussions on offtake and investment and demonstrated the highest purity products in the market, entered a sale option agreement of our non-core asset Penhalonga and raised A\$6m before costs to fund a pathway to production by:

- 1. Delivering high purity samples to customers across Europe and Asia for qualification in first half of 2021.*
- 2. Complete Front End Engineering Design (FEED) for incremental staged growth, in first half of 2021.*
- 3. Complete project finance activities and seek finance investment decision (FID) second half of 2021.*

Lithium is extremely critical to the green energy solution as we all contribute to global emissions reduction. Prospect Resources has diversified products and markets and is well positioned to meet the forecast sharp rise in demand for lithium. The market is turning and the time to act is now. Due to the lack of new supply coming online and demand expected to increase over the next two years, it is likely that the current market “balance” will move into a shortage within the coming 12 to 24 months.

Looking to the path ahead I believe Prospect Resources is well positioned to meet the forecast sharp rise in demand for lithium with its two lithium products – high purity petalite for the glass and ceramics market and spodumene for the battery (electric vehicle and energy storage) market.

Prospect Resources values and actively seeks shareholder engagement, as success is achieved as a collective. Our General Manager of Corporate Affairs, Nick Rathjen, and I will be providing you frequent updates as we continue to hit our milestones.

Please don’t hesitate to contact us and again thank you for your support as we transform Prospect into a leading high purity lithium producer.”

This release was authorised by Mr Sam Hosack, Managing Director of Prospect Resources Ltd.



Annual General Meeting – Letter to Shareholders

Prospect Resources Limited (ASX: PSC) ("Prospect Resources Limited" or the "Company") advises that an Annual General Meeting ("AGM") will be held at 10:00AM (AWST) on 27 November 2020 at Suite 6, 245 Churchill Ave, Subiaco WA 6008.

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020* made by the Commonwealth Treasurer on 21 September 2020, the Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link: <https://www.prospectresources.com.au/announcements>.

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed but this Notice is given based on circumstances as of 28 October 2020. Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.prospectresources.com.au/announcements>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Your vote is important

Shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au



Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

The Chair intends to vote all open proxies in favour of all resolutions, where permitted.

Yours Faithfully,

Sam Hosack
Managing Director