

Chairman's AGM Address

Welcome ladies and gentlemen and thank you all for attending the meeting this afternoon. It is a great pleasure to be in attendance in person this year, as COVID-19 restricted my ability to enter WA for the 2021 AGM, and also the EGM held earlier this year.

It has been a rewarding journey to share with you since I joined Prospect as Chairperson in early 2021. I am very pleased with how our business has progressed over this time. I believe that our board, and management team led by Sam Hosack, have also performed well. It is my pleasure to welcome all new shareholders to the business since we last spoke, and to express my thanks to all shareholders for their support during what has been a transformative year.

In the face of volatile market conditions, the business achieved a number of milestones in 2022. The team successfully constructed and operated the Arcadia pilot plant as well as completing two comprehensive Optimised Feasibility Studies demonstrating multiple pathways to development for the Arcadia Lithium Project. These activities further reduced the project's technical and commercial risks and ideally positioned Arcadia for development at a time when lithium markets were beginning to strengthen. We then entered a competitive tendering process for funding of Arcadia that drew interest from a range of international parties and ran for several months. As you are well aware, this culminated in the sale of our 87% interest in the Arcadia Project to Huayou Cobalt for US\$378 million.

The transaction with Huayou is a landmark moment for the Company and the result of extensive efforts over multiple years at Arcadia. The transaction realised a significant return for shareholders, with the Company distributing A\$443 million (A\$0.96 per share) in August 2022 and retaining approximately A\$33 million for future activities. I am particularly pleased that we have been able to deliver this value to shareholders whilst also retaining the leadership team, and we are now well underway on the next exciting phase of the Company's development.

The Company's strategy is to be a battery and electrification minerals focused explorer and developer. With the Arcadia transaction now completed, business development and new project generation have been our top priorities. The Board believes that with a highly liquid balance sheet and continuation of the management team, the Company is well resourced to deliver on this strategy.

The team continues to develop a pipeline of prospective battery and electrification mineral targets. The success and publicity associated with the Arcadia transaction has resulted in a significant increase in opportunities being presented to Prospect. Our focus is on sub-Saharan regions where we have experience and local capability.

We recently announced a move into Namibia with the Omaruru Lithium Project transaction. Drilling equipment has now been mobilised to site and we are aiming to complete our first drill program there before Christmas. In addition, we have completed a first-pass drill program at Step Aside and announced encouraging results, with plans for further exploration activities there currently being progressed.

We have also strengthened our exploration and business development teams. The addition of David Broomfield in Perth, who leads our business development efforts, has significantly increased our capability to evaluate projects on a broader technical and commercial scale. We have also welcomed James Winch, who oversees our exploration regionally out of Harare, as well as Willem Kotze, who will manage our exploration activities in Namibia.

I also wish to thank a few people. Firstly, to Nick Rathjen, a key member of the Prospect corporate team for a number of years, who recently resigned to take on new challenges. We wish him well. Our thanks also go to Trevor Barnard, our pilot plant and Arcadia project leader, who has now moved across to Huayou Cobalt. A special thanks to Harry Greaves for his extended service to the Prospect Board, and who is now dedicated to his leadership role in the executive team assisting Sam.

I am also pleased to report that our Managing Director and CEO, Sam Hosack, is relocating back to Harare before Christmas for an expected period of 18 to 24 months, where he can more easily lead and oversee the company's growing number of project activities in Africa. This is a positive development for all shareholders. The Prospect board retains great comfort in having our experienced CFO, Ian Goldberg, continuing to be based in Perth and now set to lead that office.

With regard to the team, I would take this opportunity to thank my fellow Board members, Prospect personnel and advisers for all their hard work and the outcomes that have been achieved for shareholders.

Finally, I would like to thank all shareholders for their support of Prospect. We look forward to providing further updates on the opportunities ahead.

Mark Wheatley

Non-Executive Chairman

This release was authorised by Mark Wheatley, Non-Executive Chairman

For further information, please contact:

Sam Hosack

Managing Director shosack@prospectresources.com.au

About Prospect Resources Limited (ASX: PSC, FRA:5E8)

Prospect Resources Limited (ASX: PSC, FRA:5E8) is an ASX listed company focused on the exploration and development of mining projects, specifically battery and electrification metals, in Zimbabwe and the broader sub-Saharan African region.

In April 2022, Prospect sold its 87% interest in the Arcadia Lithium Mine to Zhejiang Huayou Cobalt for US\$378 million.

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.

Caution Regarding Forward-Looking Information

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this announcement are in United States currency, unless otherwise stated.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.