



ASX ANNOUNCEMENT

2 August 2024

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Well-Supported Equity Raising to Advance Mumbezhi Copper Project

Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) is pleased to advise that it has received firm commitments totalling approximately A\$8 million in new equity proceeds (before costs) via a placement of approximately 80 million new ordinary shares (**New Shares**) to institutional and sophisticated investors at an issue price of A\$0.10 per share (**Placement**), which includes A\$1.57 million of New Shares to be issued to Eagle Eye, a long term substantial shareholder¹.

The Company also intends to undertake a non-underwritten Share Purchase Plan (**SPP**) at the same issue price as the Placement targeting to raise A\$2 million. The SPP provides an opportunity for all eligible Prospect shareholders to participate in the equity raising. In combination, the Placement and SPP would raise total gross proceeds of up to approximately A\$10 million.²

HIGHLIGHTS

- **Placement strongly supported by new and existing Australian and international institutional and sophisticated investors, including substantial shareholder, Eagle Eye.**
- **Funds raised to advance exploration and development activities at Mumbezhi Copper Project (85% PSC), driven by its underlying prospectivity and commercialisation potential.**
- **On completion of the Placement, Prospect expects to have cash at hand of approx. A\$15.7 million (before costs and excluding any proceeds raised from the SPP).³**
- **Non-underwritten SPP for eligible existing shareholders targeting an additional A\$2 million (at A\$0.10 per share, equal to the issue price under the Placement) to open on or around Monday, 12 August 2024, with Directors' intention to participate.**

Prospect's Managing Director and CEO, Sam Hosack, commented:

"We believe the scale and depth of the interest received for the Placement is a robust endorsement of the Mumbezhi Copper Project acquisition and our advancement strategy for this exciting asset. I would like to take this opportunity to thank our existing shareholders for their ongoing support, and to welcome a number of new, high-quality institutional investors to our register.

"The process of systematically reviewing and validating all available technical data following our recent purchase of Mumbezhi has confirmed the strong prospectivity of this land package. This opportunity is only accentuated against the backdrop of a long-term global copper market that is projected to be undersupplied.

¹ Eagle Eye has committed to provide funds on a deferred basis with the issue of these New Shares to be by no later than 30 September 2024.

² The SPP is not underwritten and there is no guarantee as to the amount that may be raised by the Company under the SPP.

³ Based on the cash balance at 30 June 2024 less estimated working capital movements in July

“Given these dynamics, we are naturally excited to be on the ground at Mumbezhi progressing our maiden drill programme and other key site-based workstreams. The Phase 1 RC and diamond drilling is targeting prospective zones within and adjacent to the Nyungu deposits. We look forward to updating shareholders on our exploration progress and results from Mumbezhi through H2 2024.

“The raising also provides us with the flexibility to rapidly advance Mumbezhi in parallel with pursuit of other suitably value-accretive growth opportunities, particularly focused on additional copper assets in Zambia.”

Use of proceeds

Funds raised from the Placement and SPP are to be principally used for:

- Advancing exploration and development activities on Prospect’s Mumbezhi Copper Project (85% PSC) (**Mumbezhi**) in Zambia including Resource-focussed drilling initiatives and regional exploration activities; and
- Review of complementary exploration and development opportunities, particularly within Zambia.

Funds raised from the SPP are expected to be used for general working capital purposes.

Advancing Prospect’s exploration and development activities at Mumbezhi is warranted given its clearly emerging prospectivity. It will also facilitate a much broader review of the regional potential of the existing Mumbezhi Exploration Licence, well beyond the limits of the identified Nyungu deposits.

Placement details

The Placement issue price of A\$0.10 per share represents:

- a 9.1% discount to the last close price on 30 July 2024 (A\$0.11); and
- a 15.8% discount to the 5-day volume weighted average price (**VWAP**) of A\$0.119

All New Shares are to be issued under the Company’s existing capacity under ASX Listing Rules 7.1 (34,641,688 shares utilisation) and 7.1A (45,858,312 shares utilisation). The Placement shares issued will rank equally with Prospect’s existing shares quoted on the ASX.

Settlement of the New Shares issued under the Placement is expected to occur on Thursday, 8 August 2024, with quotation on the ASX expected to occur on Friday 9 August 2024⁴.

Canaccord Genuity (Australia) Limited and Foster Stockbroking Pty Limited acted as Joint Lead Managers and Bookrunners to the Placement. Cost to the placement being 6% of funds placed and 8 million options at a strike price of \$0.20, with a term of 3 years.

Share Purchase Plan (SPP) details

In addition to the Placement, the Company intends to offer eligible existing shareholders with a registered address in Australia or New Zealand who were holders of Prospect shares at 7:00pm (AEST) on Thursday, 1 August 2024 (the **Record Date**) the opportunity to apply for new Prospect

⁴ Other than the New Shares which are to be issued on a deferred basis – see note 1 above.

shares via a SPP without incurring brokerage fees. The Company is targeting to raise A\$2 million via the issue of shares under the SPP at the same issue price as the Placement (A\$0.10 per share). The SPP is not underwritten.

Eligible existing shareholders will have the opportunity to apply for up to A\$30,000 worth of new shares in Prospect. The shares issued under the SPP will rank equally with existing ordinary shares of the Company. The Company retains the right to accept oversubscriptions or to scale back applications (in whole or in part) at its absolute discretion (subject to the limit prescribed in the ASX Listing Rules), which may result in the SPP raising more or less than A\$2 million. The Company also retains the right to change the closing date of the SPP, including by closing the SPP early (including if applications totalling at least A\$2 million have been received), or extending the closing date of the SPP, in its sole and absolute discretion, by making an announcement to ASX.

An SPP Booklet containing further information in relation to the SPP, including the terms and conditions, is expected to be released on ASX and dispatched to eligible existing shareholders on or around Monday 12 August 2024. Eligible existing shareholders should review the SPP Booklet in full before deciding whether or not to participate in the SPP. Participation in the SPP by eligible existing shareholders is entirely optional.

The key indicative dates for the SPP are set out in the timetable below.

Indicative timetable

Event	Date
Record Date for eligibility to participate in SPP	Thursday, 1 August 2024
Announcement of completion of Placement and Trading Halt Lifted	Friday, 2 August 2024
Settlement of Placement shares	Thursday, 8 August 2024
Issue of Placement shares	Friday, 9 August 2024
Dispatch SPP Booklet and SPP Offer open date	Monday, 12 August 2024
SPP closing date	Wednesday, 4 September 2024
Announcement of SPP Participation Results	Wednesday, 11 September 2024
Issue of SPP shares	Wednesday, 11 September 2024
Commencement of trading of SPP shares	Thursday, 12 September 2024
Dispatch holding statements for SPP Shares	Thursday, 12 September 2024

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these dates at its absolute discretion, withdraw or vary the SPP, or accept late applications under the SPP, in each case subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of the New Shares is subject to approval from the ASX.

This release was authorised by the Sam Hosack, Managing Director

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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 electrification metals, in Zambia and Zimbabwe and the broader sub-Saharan African region.

About Copper

Copper is a red-orange coloured metallic element in its pure form and is highly conductive to heat and electricity and is physically soft and malleable. Copper has been used for various purposes dating back at least 10,000 years. Today, it is mostly used by the electrical industry to make wires, cables, and other electronic components and is the key component. The metal is widely seen as a green-energy transition material, in part because of the wiring needed for electric cars. EVs can use as much as 80kg of copper, four times the amount typically used in combustion engine vehicles. It is also used as a building material or can be melted with other metals to make coins and jewellery.

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 (A\$) and cents in this announcement are in Australian currency, unless otherwise stated.

Additional Information

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Prospect shares and is not intended to be used or relied upon as the basis for making any investment decision. This announcement has been prepared without taking into account the investment objectives, financial situation or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Prospect is not licensed to provide investment or financial product advice in respect of Prospect shares. Cooling off rights do not apply to the acquisition of Prospect shares pursuant to the Placement or SPP.

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