

12 August 2024

Dear shareholder

Important notice

Prospect Resources Limited today announced to ASX Limited (**ASX**) a Share Purchase Plan (**Offer**) to Prospect Resources Limited shareholders in Australia and New Zealand (**Eligible Shareholders**) to acquire up to a value of \$30,000 worth of new Prospect Resources Limited shares (**New Shares**) at an issue price of \$0.10 per New Share. The Record Date for participation is 7:00 pm (AEST time) on Thursday, 1 August 2024.

Terms and Conditions in relation to the Offer has been given to ASX and is available to view on the ASX website and Prospect Resources Limited website at <https://prospectresources.com.au/asx-announcements/>. Further details regarding the Offer have also been announced to the ASX and are available on ASX’s website.

Prospect Resources Limited will not be printing / dispatching hard copies of the Terms and Conditions or application forms. Instead, an electronic copy of the Terms and Conditions and your acceptance form is available and accessible by you (using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from your latest Holding Statement, and your postcode) at the following link: <https://investor.automic.com.au>

Shareholders should read the Terms and Conditions in full prior to making an application under the Offer. Your application under the Offer must be made by making payment in accordance with the personalised payment instructions on your acceptance form. Your acceptance of the Offer should be made using Automic's online facility.

You do not need to return your acceptance form.

To download your entitlement and acceptance form you have the following 3 choices:

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|---|---|
| <p>I already have an online account with the Automic Share registry</p> | <p>https://investor.automic.com.au</p> <p>Select: “Existing Users Sign In”.</p> <p>Once you have successfully signed in, click on “Documents and Statements”.</p> <p>Download the Terms and Conditions and acceptance form. Submit your payment using the payment details provided on your acceptance form.</p> <p>Do not return your acceptance form.</p> |
| <p>I don’t have an online account with Automic – but wish to register for one</p> | <p>https://investor.automic.com.au/#/signup</p> <p>Select: Prospect Resources Limited from the dropdown list in the ISSUER field. Enter you holder number SRN / HIN (from your latest Holding Statement). Enter your Postcode (Aust only) or Country of Residence (if not Australia). Tick box “I am not a robot”, then Next Complete prompts.</p> <p>Once you have successfully signed in, click on “Documents and Statements”.</p> <p>Download the Terms and Conditions and acceptance form. Submit your payment using the payment details provided on your acceptance form.</p> <p>Do not return your acceptance form.</p> |
| <p>I don’t have an online account with Automic – but want to use Automic for this Offer only</p> | <p>https://investor.automic.com.au/#/loginsah</p> <p>Select: Prospect Resources Limited from the dropdown list in the ISSUER field.</p> |

Enter your holder number SRN / HIN (from your latest Holding Statement). Enter your Postcode (Aust only) or Country of Residence (if not Australia). Tick box "I am not a robot", then Access.

Once you have successfully signed in, click on "Documents and Statements".

Download the Terms and Conditions and acceptance form. Submit your payment using the payment details provided on your acceptance form.

Do not return your acceptance form.

If you are unable to access <https://investor.automic.com.au> online, you can obtain a copy of the terms and conditions and your acceptance form – initially by calling Automic Group on 1300 288 664 or emailing hello@automicgroup.com.au and asking them to mail a paper copy of the terms and conditions and your acceptance form to you free of charge. After your request has been acknowledged by Automic you will need to provide your SRN or HIN and postcode to complete this request. To accept an Offer using these paper copy documents, you will still need to make payment via BPay® or via Electronic Funds Transfer (EFT). For New Zealand shareholders please follow the instructions on your acceptance form to make payment via Electronic Funds Transfer (EFT).

The Offer closes at 5:00 pm (AEST time) on Wednesday, 4 September 2024.

Offer Timetable:

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|--|---------------------------------------|
| Record Date (the time that eligibility to participate in the SPP is determined) | 7.00pm on Thursday, 1 August 2024 |
| Opening Date | 9.00am on Monday, 12 August 2024 |
| Closing Date | 5.00pm on Wednesday, 4 September 2024 |
| Announcement of SPP participation results | Wednesday, 11 September 2024 |
| Issue of New Shares | Wednesday, 11 September 2024 |
| Commencement of trading of New Shares | Thursday, 12 September 2024 |
| Dispatch holding statements | Thursday, 12 September 2024 |

These dates are indicative only and subject to change. Prospect Resources Limited reserves the right to change any date including to extend the closing date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of new shares.

If you have any query or question about the Offer, please contact the Company on +61 405 524 960 or at info@prospectresources.com.au or any other registry related matters contact Prospect Resources Limited's share registrar as follows:

Automic Registry Services

Email: hello@automicgroup.com.au

Address: Level 5/126 Phillip St, Sydney NSW 2000

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 5:00 pm (AEST time) Monday to Friday.



Yours faithfully

Ian Goldberg

Joint Company Secretary

Prospect Resources Limited

ACN 124 354 329

Share Purchase Plan Booklet

12 August 2024

Eligible Shareholders have the opportunity to participate in the Share Purchase Plan by applying for up to \$30,000 worth of new fully paid ordinary shares in Prospect without incurring brokerage or other transaction costs. Details of the offer and how to participate are set out in this Booklet.

This Booklet is not for release to US wire services or distribution in the United States.

Except with the consent of Prospect, this Booklet may not be distributed elsewhere outside of Australia and New Zealand.

IMPORTANT NOTICE

If you are an Eligible Shareholder (as defined in section 2.1 of the Booklet), this Booklet contains important information and requires your immediate attention. It is an important document which is accompanied by a personalised Application Form, and you should read both carefully and in full.

The offer of new fully paid ordinary shares in Prospect (**New Shares**) under the Share Purchase Plan (**SPP**) is made in accordance with *Australian Securities and Investments Commission Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument 2019/547)*, which grants relief from the requirement to issue a disclosure document for the SPP. This Booklet is not a prospectus or other disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) and has not been lodged with Australian Securities & Investments Commission (**ASIC**).

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact Prospect's share registry at Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) Monday to Friday 8:30am – 5:00pm (Sydney time) or via corporate.actions@automicgroup.com.au.

This Booklet does not constitute or provide financial product advice or a recommendation to acquire shares in Prospect, and has been prepared without taking into account your particular objectives, financial situation or needs. If you are in any doubt about whether to participate in the SPP, you should seek such legal, financial, and/or taxation or other professional advice without delay.

No cooling off regime applies in relation to the acquisition of New Shares under the SPP.

All references in this booklet to either dollars or \$ are to Australian dollars, unless the context requires otherwise.

Offering restrictions

This Booklet is intended for use only in connection with the offer of New Shares to Eligible Shareholders in Australia or New Zealand. No action has been taken to permit an offering of New Shares in any jurisdiction outside of Australia and New Zealand. The distribution of this Booklet (and any electronic copies) may be restricted by law and persons (including nominees and custodians) who come into possession of it should observe any such restrictions, including those set forth below.

This Booklet may not be released to US wire services or distributed in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any New Shares in the United States or in any jurisdiction in which such an offer would be unlawful. The New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any US state or other jurisdiction of the United States and, as a result, may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Instead, the New Shares under the SPP may be offered and sold only outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Important information for Eligible Shareholders in New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Prospect with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Important information for custodians

Due to legal restrictions, nominees and custodians may not distribute this Booklet (and any electronic copies) to any person in, and may not participate in the SPP on behalf of any beneficial Shareholder from, the United States or any other country outside Australia or New Zealand except with the consent of Prospect.

KEY DATES

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| Record Date (the time that eligibility to participate in the SPP is determined) | 7.00pm on Thursday, 1 August 2024 |
| Opening Date | 9.00am on Monday, 12 August 2024 |
| Closing Date | 5.00pm on Wednesday, 4 September 2024 |
| Announcement of SPP participation results | Wednesday, 11 September 2024 |
| Issue of New Shares | Wednesday, 11 September 2024 |
| Commencement of trading of New Shares | Thursday, 12 September 2024 |
| Dispatch holding statements | Thursday, 12 September 2024 |

This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and subject to change. *Prospect 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) (Corporations Act), the ASX Listing Rules and any other applicable laws by lodging a revised timetable with the Australian Securities Exchange (ASX).* All times referred to in this Booklet are Sydney time.

LETTER FROM THE CHAIRPERSON

12 August 2024

Dear Shareholder

On behalf of the Directors of Prospect Resources Limited ACN 124 354 329 (**Prospect**), I am pleased to offer Eligible Shareholders (as defined in the Booklet) the opportunity to participate in the Share Purchase Plan (**SPP**). The SPP allows Eligible Shareholders to purchase up to \$30,000 worth of new fully paid ordinary shares (**New Shares**) in Prospect, without incurring brokerage or transaction costs. The SPP is targeted to raise \$2 million and is not underwritten. Prospect may determine to raise a higher amount or decide to scale back applications under the SPP at its absolute discretion.

On 2 August 2024, Prospect announced a placement of new ordinary shares (**Placement Shares**) to institutional and sophisticated investors, which received commitments to raise approximately \$8 million (**Placement**). Proceeds from the Placement and SPP are to be principally used for:

- advancing exploration and development activities on Prospect's Mumbeshi Copper Project (85% PSC) in Zambia; and
- seeking other mineral asset exploration and development opportunities, particularly within Zambia.

Funds raised are also expected to be used for general working capital purposes.

Further details of the Placement are set out in the announcement released to the Australian Securities Exchange (**ASX**) by Prospect on 2 August 2024.

Issue Price

The SPP provides Eligible Shareholders with the opportunity to purchase New Shares at an Issue Price of \$0.10 per New Share. The Issue Price is the same price at which the Placement Shares were issued under the Placement and represents a:

- 9.1% discount to the last closing price of fully paid ordinary shares in Prospect (**Shares**) on 30 July 2024, the trading day prior to the announcement of the Placement and the SPP; and
- 15.8% discount to the 5-day volume weighted average price of Shares traded during the 5 ASX trading days up to and including 30 July 2024.

You may apply for a parcel of New Shares under the SPP in increments of \$1,000 - from a minimum of \$1,000 up to \$30,000.

New Shares will rank equally with existing Shares (and have the same voting rights and dividend entitlements).

Potential scale back

Applications may be scaled back in Prospect's absolute discretion. If there is a scale back, you may receive less than the parcel of New Shares for which you have applied. When determining the amount, if any, by which to scale back an application, Prospect will take into account a number of factors including the size of an applicant's shareholding as at 7.00pm (Sydney time) on Thursday, 1 August 2024 (**Record Date**), the extent to which an applicant has sold or purchase shares since the Record Date, whether an applicant has multiple registered holdings and the date an application is made.

If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without

interest, as soon as practicable by direct credit to your nominated account (as recorded with the Registry).

Participation

Participation in the SPP is optional and is open to Eligible Shareholders, being persons who at 7.00pm (Sydney time) on Thursday, 1 August 2024 were registered as holders of Shares and whose address on Prospect's share register is in Australia or New Zealand.

Eligible Shareholders who are custodians holding Shares on behalf of Eligible Beneficiaries (as defined in the Booklet) are also invited to participate in the SPP on the terms and conditions set out in the Booklet. Shareholders whose address on Prospect's share register is outside of Australia or New Zealand (including in the United States) are not eligible to participate in the SPP. Similarly, Shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States or elsewhere outside Australia and New Zealand, are not eligible to participate in the SPP on behalf of those persons except with the consent of Prospect.

Prospect will not issue New Shares to an applicant under the SPP if those New Shares, either alone or in conjunction with the issue of New Shares under other applications for New Shares received by Prospect, would contravene any law or the ASX Listing Rules.

How to apply for New Shares

The SPP opens at 9.00am (Sydney time) on Monday, 12 August 2024 and closes at 5.00pm (Sydney time) on Wednesday, 4 September 2024.

If you are an Eligible Shareholder who wishes to participate in the SPP, you may apply for New Shares under the SPP by following the instructions on your personalised Application Form which is accessible at <https://investor.automic.com.au/#/home>. Payment must be made directly via BPAY® or Electronic Funds Transfer (**EFT**) ensuring the unique reference number provided on your personalised Application Form is included. This is the fastest and easiest way to apply. Shareholders do not need to return their Application Form. If you make a payment by BPAY® or EFT, you are taken to make the certifications, representations and warranties described in the terms and conditions of the Booklet.

Payments must be received **no later than 5.00pm** (Sydney time) on Wednesday, 4 September 2024.

You will not be able to withdraw or revoke your application or payment once you have submitted it or change the amount of your application.

This Booklet contains further information about the SPP, including the terms and conditions of the SPP and various defined terms used throughout this Booklet. The terms and conditions set out the relevant criteria for determining eligibility to participate in the SPP as well as rules relating to applications for New Shares under the SPP. The Board recommends you read this Booklet in full (including the key risks described in section 10) before deciding whether to participate in the SPP.

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact Prospect's share registry, Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or via corporate.actions@automicgroup.com.au Monday to Friday 8:30am – 5:00pm (Sydney time).

On behalf of the Board, I thank you for your continued support of Prospect.

Yours faithfully

A handwritten signature in black ink that reads "Mark Wheatley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Wheatley
Non-Executive Chairperson
Prospect Resources Limited

SPP TERMS AND CONDITIONS

Important notice

If you apply to participate in the SPP, you accept the risk that the market price of Shares may change between the date of the SPP Offer and the date when New Shares are issued to you under the SPP. As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than the Issue Price under the SPP.

By participating in the SPP you will be deemed to have accepted, and will be bound by, these terms and conditions. Eligible Shareholders who receive New Shares will also be bound by the constitution of Prospect.

Unless the context requires otherwise, capitalised terms used in these terms and conditions will have the meaning given to them elsewhere in this Booklet.

1 Offer

- 1.1 Prospect Resources Limited (**Prospect**) offers each Eligible Shareholder (as defined in section 2.1) the opportunity to purchase up to \$30,000 worth of new fully paid ordinary shares in Prospect (**New Shares**) under the Share Purchase Plan (**SPP**) subject to and in accordance with the terms and conditions set out below (such offer, the **SPP Offer**).
 - 1.2 The SPP Offer opens at 9.00 am (Sydney time) on Monday, 12 August 2024 (**Opening Date**) and closes at 5.00pm (Sydney time) on Wednesday, 4 September 2024 (or such other date as Prospect determines in its absolute discretion) (**Closing Date**).
 - 1.3 The SPP Offer is non-renounceable. This means Eligible Shareholders cannot transfer their right to purchase New Shares to any other person.
 - 1.4 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
 - 1.5 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.
 - 1.6 All references to time in these SPP terms and conditions are references to Sydney time, unless otherwise indicated.
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2 Eligible Shareholders

- 2.1 You are an **Eligible Shareholder** who is eligible to participate in the SPP if you:
 - (a) were registered on Prospect's share register (**Register**) as a holder of one or more fully paid ordinary shares in Prospect (**Shares**) at 7.00pm (Sydney time) on Thursday, 1 August 2024 (**Record Date**);
 - (b) have a registered address in either Australia or New Zealand; and
 - (c) are not in the United States and are not acting for the account or benefit of a person in the United States.
- 2.2 Eligible Shareholders who are "custodians" (as defined in ASIC Instrument 2019/547 (**Custodians**)) may participate in the SPP Offer in accordance with clauses 3.2 and 4.4.

- 2.3 The SPP Offer is not made to holders of Shares with a registered address outside of Australia and New Zealand.
- 2.4 The SPP Offer is being made to New Zealand shareholders in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.
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3 Joint holders and Custodians

- 3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and an agreement, acknowledgement or certification given by any of them is taken to be an agreement, acknowledgement or certification given by all of them.
- 3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary (as defined below) on whose behalf they hold Shares. Shareholders who are Custodians who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the SPP on behalf of those persons.
- 3.3 An **Eligible Beneficiary** is a person:
- (a) on whose behalf a Custodian holds Shares as at the Record Date;
 - (b) who has a registered address in either Australia or New Zealand; and
 - (c) who is not in the United States and is not acting for the account or benefit of a person in the United States.
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4 Applications for New Shares

- 4.1 Eligible Shareholders are entitled to apply for a parcel of New Shares in increments of \$1,000 - from a minimum of \$1,000 up to \$30,000 (**Application Amounts**).
- 4.2 Eligible Shareholders who wish to apply for New Shares under the SPP can apply by following the instructions on their personalised Application Form which is accessible at <https://investor.automic.com.au/#/home>.
- 4.3 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$30,000.
- 4.4 If you wish to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit a certificate that contains details of the participating Eligible Beneficiaries, including their name, address, the number of participating Eligible Beneficiaries, the number of Shares you hold on their behalf, and the number of New Shares you have been instructed to apply for on their behalf which complies with ASIC Instrument 2019/547 (**Custodian Certificate**) before your application will be accepted. A Custodian Certificate can be obtained by contacting the Prospect's share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia), between 8:30am and 5:00pm (Sydney time), Monday to Friday before the Closing Date.
- 4.5 Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. Custodian Certificates not received by the Closing Date will be rejected.
- 4.6 Custodians wishing to participate on behalf of a beneficiary or beneficiaries must contact Prospect's share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of

Australia), between 8:30am and 5:00pm (Sydney time), Monday to Friday. A Custodian that submits a Custodian Certificate certifies and agrees to the matters described in clause 7.1(j).

- 4.7 If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described in clause 4.4. In this case, the rules in clause 4.3 apply.
- 4.8 Prospect and its officers and agents may accept or reject your application for New Shares in whole or in part (including by rounding down to the nearest valid Application Amount) at their absolute discretion including, without limitation, if:
- (a) your application does not comply with these terms and conditions;
 - (b) it appears you are not an Eligible Shareholder or, if you are a Custodian, it appears that you are not applying on behalf of Eligible Shareholders;
 - (c) your BPAY® payment or electronic funds transfer (EFT) is not received by the Registry by the Closing Date;
 - (d) if paying by EFT, your Application Form is incomplete or incorrectly completed or is otherwise determined by Prospect to be invalid;
 - (e) your BPAY® payment or EFT is incomplete or invalid;
 - (f) Prospect believes on reasonable grounds that you are applying to purchase more than \$30,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a Custodian or nominee arrangement) or, if you are a Custodian, it appears on reasonable grounds that you are applying on behalf of a beneficiary for more than \$30,000 worth of New Shares in aggregate or your application is not in an increment of \$1,000 and/or from a minimum of \$1,000 up to \$30,000;
 - (g) payment of the application monies is not submitted in Australian dollars; or
 - (h) the amount of your BPAY® payment or EFT is not equal to the amount of your application, in which event Prospect will, in its absolute discretion:
 - (i) reject your application and refund in full your application monies and not allot any New Shares to you; or
 - (ii) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies.
- 4.9 If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as practicable by direct credit to your nominated account (as recorded with the Registry).
- 4.10 Regardless of when (during the SPP offer period) you submit your application and funds, all valid applications will be deemed to be made on the Closing Date (unless the Board, in its absolute discretion, determines to close the SPP early or to extend the Closing Date of the SPP). You will not be able to withdraw or revoke your application monies once you have submitted your application and paid your application monies or change the amount of your application, except as allowed by law.

5 Issue Price

- 5.1 The issue price per New Share under the SPP Offer is \$0.10 (**Issue Price**).

- 5.2 In accordance with the requirements of ASIC Instrument 2019/547, Prospect confirms that:
- (a) on the last trading day immediately prior to the announcement date of the SPP Offer (being 30 July 2024), the closing price of the Shares traded on the ASX was \$0.110 per Share. The Issue Price is a 9.1% discount to that closing price;
 - (b) the volume weighted average price of Shares traded during the 5 ASX trading days up to and including 30 July 2024 was \$0.119;
 - (c) the Issue Price is less than the market price of Shares during a 'specified period' in the 30 days before the date of the SPP Offer (such specified period being the 5-day volume weighted average price of Shares traded during the 5 ASX trading days up to and including 30 July 2024.);
 - (d) the market price of Shares in Prospect may rise and fall between the date of the SPP Offer and the date that any Shares are issued under the SPP Offer. As a result, price that you pay for New Shares pursuant to the SPP may be either higher or lower than the market price of Prospect's Shares at the date of the SPP or at the date you receive New Shares under the SPP. The New Shares are a speculative investment and there can be no certainty that New Shares will trade at or above the issue price following completion of the SPP.
- 5.3 The current Share price can be obtained from the ASX website (at www.asx.com.au) and is listed in the financial and business section of major daily newspapers circulating in Australia.
- 5.4 You agree to pay the Issue Price per New Share for the number of New Shares calculated under clause 6.1 or, if there is a scale back, the number of New Shares calculated under clause 8.

6 Calculation and issue of New Shares

- 6.1 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. If your application is accepted, Prospect will divide the value of your application monies by the Issue Price (as determined under clause 5.1) in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- 6.2 If the calculation in clause 6.1 produces a fractional number, the number of New Shares issued to you will be rounded up to the nearest whole New Share.
- 6.3 New Shares will be issued on Wednesday, 11 September 2024 (**Issue Date**).
- 6.4 New Shares issued under the SPP will rank equally in all respects with existing Shares as at the Issue Date.
- 6.5 Prospect will apply to the ASX for quotation of New Shares. It is anticipated that New Shares will be quoted on the ASX in accordance with the Key Dates.
- 6.6 The Registry will send holding statements in respect of the New Shares issued under the SPP on or around Thursday, 12 September 2024.

7 Effect of applying to participate

- 7.1 By making a payment via BPAY® or EFT, you (on your own behalf and on behalf of each person for whose account you are acting, if applicable):
- (a) accept the SPP Offer and you irrevocably agree to the terms and conditions of the SPP and the terms and conditions of the Application Form (including, without limitation, the

section of the Application Form titled “Important Information”), and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;

- (b) acknowledge that you have received a copy of these SPP terms and conditions and that you have been informed that you should read these SPP terms and conditions;
- (c) warrant that to the best of your knowledge, having made due enquiries, all details and statements in your application are true and complete and not misleading (including by omission);
- (d) agree that your application will be irrevocable (that is, it cannot be withdrawn);
- (e) warrant that to the best of your knowledge, having made due enquiries, you are an Eligible Shareholder and are eligible to participate in the SPP, and agree to provide (and if applicable direct your nominee or Custodian provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;
- (f) acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason; and
- (g) acknowledge that Prospect and its officers and agents are not liable for any consequences of the exercise or non-exercise of discretions referred to in these terms and conditions;
- (h) acknowledge and agree that:
 - (i) you are not in the United States and are not acting for the account or benefit of a person in the United States (in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the SPP in respect of that person);
 - (ii) the New Shares have not been, and will not be, registered under the US Securities Act of 1933 and, accordingly, may not be offered or sold, directly or indirectly, in the United States;
 - (iii) you have not, and will not, send, release or distribute this Booklet or any materials relating to the SPP to any person in the United States or elsewhere outside Australia and New Zealand;
 - (iv) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in standard brokered transactions on the ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or the purchaser is, a person in the United States; and
 - (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand, and you have not sent this Booklet, or any materials relating to the SPP to any person outside of Australia and New Zealand (except with the consent of Prospect);
- (i) if you are applying for New Shares on your own behalf (and not as Custodian), certify, acknowledge and agree that:
 - (i) you are not applying for New Shares with an aggregate application price of more than \$30,000 (including any New Shares which a Custodian has applied to purchase on your behalf under the SPP); and
 - (ii) the aggregate application price for the following does not exceed \$30,000:

- (A) the New Shares the subject of the application;
- (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
- (C) any other New Shares which you instruct a Custodian to acquire on your behalf under the SPP; and
- (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP,

even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;

- (j) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, certify, acknowledge and agree that:
 - (i) you are a Custodian (as that term is defined in ASIC Instrument 2019/547);
 - (ii) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that, to the best of your knowledge and belief, the Eligible Beneficiary was provided with a copy of this Booklet before giving such instruction;
 - (iii) you are not applying for New Shares on behalf of any Eligible Beneficiary with an aggregate application price of more than \$30,000 under the SPP; and
 - (iv) the information in the Custodian Certificate submitted with your Application Form is to the best of your knowledge, having made due enquiries, true, correct and not misleading;
- (k) accept the risks associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
- (l) agree to be bound by the constitution of Prospect (as amended and as it may be amended from time to time in the future);
- (m) represent that, to the best of your knowledge and belief, in relation to your application for, and acquisition of, New Shares, you are in compliance with all relevant laws and regulations;
- (n) acknowledge that Prospect may vary the timetable set out in this Booklet at its absolute discretion by lodging a revised timetable with the ASX;
- (o) acknowledge that the market price of Shares may rise or fall between the date of the SPP Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;
- (p) acknowledge that there are risks associated with acquiring and holding Shares, including those described in section 10;
- (q) acknowledge that none of Prospect or its subsidiaries or their respective directors, officers, employees, agents and advisers has provided you with any financial product, legal, investment or taxation advice in relation to the SPP, or has any obligation to provide such advice;

- (r) authorise Prospect and its officers and agents to do anything on your behalf reasonably necessary for New Shares to be issued to you in accordance with these terms and conditions and to register you as the holder(s) of New Shares issued to you;
 - (s) acknowledge that Prospect may at any time determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
 - (t) declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP Offer.
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8 Scale back

- 8.1 Prospect may in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit - including by taking into account a number of factors including:
 - (a) the size of your shareholding as at the Record Date;
 - (b) the extent to which you have sold or purchased Shares since the Record Date;
 - (c) whether you have multiple registered holdings; and
 - (d) the date on which your application was made.
 - 8.2 A “scale back” is a reduction in the number of New Shares issued (compared to the number applied for).
 - 8.3 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.
 - 8.4 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.
 - 8.5 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.
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9 Oversubscriptions

Prospect reserves the right to accept oversubscriptions above \$2 million, subject to compliance with the ASX Listing Rules and the Corporations Act in its sole and absolute discretion.

10 Risk factors

- 10.1 This section provides an overview of some of the risks relating to participation in the SPP Offer and key risks associated with any investment in Prospect which may affect the future operating and financial performance of Prospect and the value of Prospect’s Shares. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in Prospect.
- 10.2 The selection of risks in this section is based on both the probability of the risk occurring and the impact of the risk if it did occur, based on the knowledge of the directors of Prospect (the **Directors**) as at the date of this Booklet.

10.3 Shareholders should note that the SPP Offer is not made under a prospectus or other disclosure document and does not require the type of disclosure required under the Corporations Act for a disclosure document. Potential investors should consider publicly available information on Prospect (such as that available on the Prospect and ASX websites) and should consult a stockbroker, legal advisor, tax advisor, accountant and/or other professional advisors before making an investment decision.

10.4 Transaction specific risks

(a) Full completion

The SPP Offer is not underwritten. In addition, as announced on 2 August 2024, long-term substantial shareholder, Eagle Eye, has committed to provide funds in connection with the Placement on a deferred basis with the issue of those shares to be by no later than 30 September 2024. As such, there is no guarantee that the intended amount of \$2 million under the SPP, or that the full amount of \$8 million under the Placement, will be raised. While Prospect anticipates that it would be able to substantively satisfy its proposed use of funds if those amounts are not ultimately raised, if the proceeds from the SPP Offer and the Placement are less than is targeted to be raised, Prospect may review its proposed use of funds (including whether to scale back or defer investment) as well as consider alternative funding options.

(b) Speculative investment

The New Shares to be issued pursuant to the SPP Offer carry no guarantee with respect to the payment of any future dividends, returns of capital or the market value of those shares. Potential investors should consider that the investment in Prospect is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to the SPP Offer. The last trading price of Prospect Shares on ASX prior to the date of this Booklet is not a reliable indicator as to the potential trading price of Prospect Shares following completion of the SPP.

(c) Dilution

Shareholders who do not participate in the SPP will have their percentage or proportional security holding in Prospect diluted.

In addition, investors may be diluted by future capital raisings by Prospect. Shares may be issued to raise proceeds for working capital, growth, acquisitions, to repay debt or for any other reason, which may, under certain circumstances, dilute the value of Shareholders' interests. Prospect will only look to raise equity if it believes that the benefit to investors of acquiring the relevant assets or reducing gearing is greater than the impact caused by the dilution associated with a capital raising.

10.5 Company specific risks

(a) Access to Services and Infrastructure

Advancing exploration and development activities on Prospect's Mumbezhi Copper Project and seeking other mineral asset exploration and development opportunities requires (and will require in the future) consistent access to:

- (i) required services and products (such as power, water and other products); and
- (ii) access to road and rail infrastructure to transport consumables, equipment, or other materials between its operations and to customers.

Delays in the supplies, or increase in the costs, of the required services and products could have a material adverse effect on Prospect's business. Any event that restricts

access to road and rail infrastructure may delay exploration activity which could adversely impact Prospect's operations, financial performance and financial position.

(b) Financing

Prospect's expenditure needs in connection with the intended use of proceeds for the Placement and the SPP may not be satisfied by the proceeds from the Placement and the SPP alone and future financing may be required to fully fund those activities (in addition to the proceeds from the SPP and the Placement).

Any future additional equity financing may be dilutive to Prospect Shareholders, be undertaken at lower prices than the prevailing market price (or SPP Offer price) or involve restrictive covenants which limit Prospect's operations and business strategy. Prospect may undertake additional offerings of securities in the future. The increase in the number of shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of any such issue of additional Shares, the voting power of Prospect's existing shareholders may be diluted. In addition, debt financing, if available, may involve restrictions on financing, operating and other business development activities.

No assurances can be made that appropriate equity, debt or other forms of funding, if and when needed, will be available on terms favourable to Prospect or at all. If required funding is not available, including because appropriate commercial terms cannot be negotiated, this may have a material adverse impact on Prospect, its overall business strategy, plans to advance exploration and development activities on the Mumbhezhi Copper Project, and the price of Prospect's Shares.

(c) Risks associated with the jurisdictions in which Prospect operates

Prospect's assets are located in Zimbabwe, Namibia and Zambia and Prospect will be subject to the risks associated with operating in those countries. Such risks can include economic, social or political instability or change, or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Government policy in the jurisdictions in which Prospect operates has been unpredictable and the institutions of government and market economy have been unstable and subject to rapid and unpredictable change.

Any mining operations carried out by Prospect in Zimbabwe, Zambia and Namibia will be subject to the laws, policies and regulations of those countries governing the prospecting, developing and mining of mineral reserves, taxation, exchange controls, investment approvals, employee relations and other matters. If Prospect cannot obtain or maintain the necessary permits, authorisations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal or fiscal regimes or the governing political authorities change materially, its financial position could be adversely affected.

In addition, the legal systems in Zimbabwe, Namibia and Zambia are less developed than more established countries and this could result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;

- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
 - (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
 - (v) relative inexperience of the judiciary and court in matters affecting Prospect.
- (d) Foreign exchange

The currencies that Prospect deals in are as follows:

- (i) Zimbabwe – ZiG, which has been introduced within the last 6 months, however United States Dollars (**USD**) are still tendered in Zimbabwe and can be used for local expenditures incurred by Prospect. Exposure to the ZiG only arises on conversion of USD to ZiG. Prospect’s strategy is to only exchange USD on an “as needed” basis with the ZiG currency immediately tendered for the required expense.
- (ii) Namibia – Namibian Dollar (**NAD**) is the local currency in Namibia and is linked to the South African Rand. Exposure to the NAD only arises on conversion of USD to NAD. Prospect’s strategy is to only exchange USD on an “as needed” basis with the NAD currency immediately tendered for the required expense.
- (iii) Zambia – Kwacha (**ZMW**) is the local currency of Zambia. USD is a common currency used in Zambia and is typically tendered for large expenses. The ZMW is typically used in small expenditures and, as such, Prospect’s strategy is to only exchange USD on an “as needed” basis with the ZMW currency immediately tendered for the required expense.

As such, Prospect typically holds all cash in AUD or USD, and exchanges to the target currency on an “as needed” basis to minimise exposure to the fluctuations in that currency.

In the future, a significant proportion of Prospect’s revenues, cash inflows, other expenses, capital expenditure and commitments may be denominated in foreign currencies.

This will result in the income, expenditure and cash flows of Prospect being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

There can be no assurance that Prospect will be able to convert foreign currency on commercially acceptable terms or at all. The jurisdictions in which Prospect operates may change the manner in which their currency is regulated, and may also change the currency or currencies of legal tender within the country.

- (e) Approval risk

The operation of facilities by Prospect may require regulatory approvals associated with building works and the delivery of utility services to the sites (among other things).

There is no guarantee that approvals will be obtained within a timely fashion or on the terms requested or expected, or at all. A delay in obtaining the necessary approvals or changes made to a development in order to obtain the necessary approvals may materially adversely affect a development and consequently the returns to be paid to Prospect.

No guarantee can be given that all necessary permits, authorisations, agreements or licences currently granted to Prospect will be renewed as required or that where further permits, authorisations, agreements or licences are required, that they will be provided to Prospect by government bodies.

(f) Key personnel risk

A failure to attract and retain executive, business development, technical and other key personnel could reduce Prospect's revenues and operational effectiveness. There is a continuing demand for relevant qualified personnel, and Prospect believes that its future growth and success will depend upon its ability to attract, train and retain such personnel. Competition for personnel in Prospect's industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. An inability to attract or maintain a sufficient number of requisite personnel could have a material adverse effect on Prospect's performance or on Prospect's ability to capitalise on market opportunities.

(g) New projects and acquisitions

Prospect may make acquisitions in the future as part of future growth plans. In this regard, the Directors will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that the Directors consider are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of Prospect's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

10.6 Industry specific risks

(a) Nature of mineral exploration and mining

The business of mineral exploration, development and production is subject to risk by its nature. Shareholders should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards (with no guarantee of ever becoming producing assets).

The success of Prospect depends, among other things, on successful exploration, feasibility of projects, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

There is no assurance that exploration and development of the mineral tenement interests currently owned by Prospect, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, Prospect may seek to transfer its property interests or otherwise realise value, or Prospect may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in Prospect expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty

that expenditures made by Prospect towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

Prospect has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Prospect believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Prospect may experience delays or increased costs in exploring or developing its tenements.

(b) Environmental

The operations and activities (and the proposed operations and activities) of Prospect are subject to various laws and regulations concerning the environment. As with most exploration projects and mining operations, Prospect's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is Prospect's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on Prospect's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Prospect for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making Prospect's operations more expensive.

Approvals may be required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(c) Failure to satisfy tenure requirements

Each of Prospect's tenements is for a specific term and carries with it annual work and reporting commitments, as well as other conditions requiring compliance. In addition, the renewal of a term of a granted tenement may also be subject to government discretion.

There is no assurance that renewals of Prospect's tenements will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Prospect, and Prospect could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Any of these events could have a materially adverse effect on Prospect's prospects and the value of its assets.

(d) Mineral resource and ore reserve estimates

In the event a mineral resource or ore reserve is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience, resource modelling and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, mineral resource and ore reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Prospect's operations.

There is no guarantee mineral resources (if delineated) can be converted to ore reserves, or that material included in any ore reserve estimates will ultimately be successfully produced.

There is no guarantee that Prospect's exploration activities will result in the discovery of new material, or reclassification of material previously discovered, to be included in any mineral resource and ore reserve estimates.

In addition, changes in factors outside of Prospect's control, such as adverse changes to long term forecasts of commodity prices, may result in an adverse change to any mineral resource and ore reserve estimates released by Prospect.

Accordingly, actual resources and reserves may materially differ from any estimates and assumptions and no assurances can be given that any mineral resource and ore reserve estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans which may in turn affect Prospect's operations and ultimately Prospect's financial performance and the value of Prospect's Shares.

(e) Operations

The operations of Prospect may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be given that Prospect will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until Prospect is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) Competition

The resources industry is subject to domestic and global competition. In addition, Prospect faces competition in its business and there is no guarantee Prospect can compete effectively.

While Prospect undertakes reasonable due diligence in its business decisions and operations, Prospect has no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of Prospect and its business.

(g) Liquidity

There may be relatively few buyers or sellers of Prospect Shares on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Prospect Shareholders hold their Prospect Shares. This may result in Prospect Shareholders receiving a market price for their Prospect Shares that is less or

more than the value attributed to them under the Issue Price. There can be no guarantee that there will continue to be an active market for Prospect Shares or that the price of Prospect Shares will increase.

10.7 General Risks

(a) Economic

Changes to general economic conditions, such as consumer spending, movements in interest and inflation rates and currency exchange rates, new legislation, national and international political circumstances (such as war, terrorist acts and industrial disruption) may have an adverse impact on Prospect's operating and financial performance financial position, such as its ability to obtain project financing funding in a timely manner or on terms acceptable to it.

In response to changing economic conditions, Prospect may dispose of operations, projects and investments at below market value. Prospect may miss certain opportunities. Increasing demand may make acquisitions of operations and projects challenging. There may be geopolitical restraints on the jurisdictions and counterparties Prospect works in and with.

(b) Market conditions

As with all investments in securities, there are risks associated with an investment in Prospect Shares. Share prices, and in particular securities of exploration and mining companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies.

On completion of the SPP, Prospect's Shares may trade on ASX at higher or lower prices than the Issue Price. Investors who decide to sell their Prospect Shares after the completion of the SPP may not receive the amount of their original investment. There can be no guarantee that the price of Prospect's Shares will increase after they are issued. Past performance of Prospect's Share price is not indicative of its future performance. The price at which Prospect's Shares trade on ASX may be affected by the financial performance of Prospect and by external factors over which Prospect and the Directors have no control.

Any decrease in the trading price of Prospect Shares may make Prospect a target of takeover offers from other entities. In these circumstances, there can be no guarantee as to the price that Prospect Shareholders may be offered for their Prospect Shares. The overall success of third party offers to acquire all or a portion of Prospect's issued capital is dependent on a number of factors outside of the Board of Prospect's control. Additionally, Prospect may be involved in a merger or other restructure in the future. Prospect makes no guarantee as to the impact on Prospect Shareholders as a result of any future merger, restructure, takeover or other change of control transaction.

(c) Litigation, claims and disputes

Prospect may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes, tenure disputes, environmental claims, employment disputes, occupational and personal claims. Further, Prospect may be involved in disputes with other parties in the future which may result in litigation.

Such litigation, claims and disputes, including the costs of settling such claims, could materially adversely affect Prospect's business, operations and financial performance.

Currently, Prospect has no material litigation on foot.

(d) Climate change

The impacts of climate change may affect Prospect's operations and the markets in which Prospect may participate in through regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions, technological advances and other market or economic responses (including increased capital and operating costs, including increased costs of inputs and raw materials).

Climate change may also result in more extreme weather events and physical impacts on Prospect due to the energy intensive nature of Prospect's proposed operations, and Prospect's reliance on either fossil fuels or favourable weather events for generating energy for its proposed exploration and development activities.

(e) Force majeure

Prospect's current and future projects, financial performance and licence to operate may be adversely affected by risks outside the control of Prospect, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics (ie COVID-19), explosions or other catastrophes, epidemics or quarantine restrictions.

(f) International conflicts risk

The current Russian-Ukraine, Hamas-Israel and Iran-Israel conflicts and other geopolitical tensions are impacting global economies and financial markets. As the conflicts are ongoing and volatile, the nature and extent of the future effects of these conflicts, and any escalation or spread of these conflicts or the development of other conflicts, on Prospect is uncertain. In the short to medium term, Prospect's operations, financial performance and financial position may be adversely affected by the economic uncertainty caused by these international conflicts. Prospect is monitoring the situation closely and considers the impact of the international conflicts to be, at this stage, limited. However, the situation is continually evolving and the consequences are therefore inevitably uncertain.

(g) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Prospect are urged to obtain independent taxation advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Prospect, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under the SPP.

(h) Unknown risks

Additional risks and uncertainties not currently known to Prospect may also have a material adverse effect on Prospect's financial and operational performance. The information set out in this Booklet regarding the key operational and investment risks does not purport to be, nor should it be considered as representing, an exhaustive list of the risks faced by Prospect.

11 Dispute resolution

- 11.1 Prospect may settle, in any manner it deems appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding (in the absence of manifest error) on all participants and other persons to whom the determination relates.

- 11.2 The powers of Prospect under these terms and conditions may be exercised by the Directors or any delegate or representative of them.
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12 Variation and termination

- 12.1 Prospect reserves the right at any time to:
- (a) subject to the ASX Listing Rules and the Corporations Act, amend or vary these terms and conditions;
 - (b) waive strict compliance with any provision of these terms and conditions;
 - (c) withdraw the SPP Offer or suspend or terminate the SPP;
 - (d) vary the timetable for the SPP, including the Closing Date; and
 - (e) not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more Eligible Beneficiaries).
- 12.2 Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders.
- 12.3 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.
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13 Privacy policy

- 13.1 Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 13.2 Prospect and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to holders of Shares) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- 13.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of Prospect and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 13.4 The privacy policy of Prospect's share registry is available on its website:
www.automicgroup.com.au
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14 Costs of participation

Prospect will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares under the SPP.

15 Underwriting

The SPP is not underwritten.

16 Governing law

16.1 These terms and conditions are governed by the laws in force in Western Australia. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of Western Australia. By accepting the SPP Offer, you agree to submit to the exclusive jurisdiction of the courts in Western Australia. Other terms and conditions, and rights and obligations in respect of Shares, are contained in the constitution of Prospect.

16.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

For more information, please contact Prospect's share registry, Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or via corporate.actions@automicgroup.com.au Monday to Friday 8:30am – 5:00pm (Sydney time).