



A\$15.2M Strategic Investment from First Quantum Minerals to Advance Mumbhezhi Copper Project

HIGHLIGHTS:

- Prospect has entered into an investment agreement with established global copper miner, First Quantum, to make a placement of shares to raise approx. A\$15.2 million in new equity proceeds.
- Issue price of A\$0.15 per share represents a 36% premium to Prospect's last closing price of A\$0.11 and 28% premium to 20-day VWAP of A\$0.117.
- First Quantum will become a 15% cornerstone shareholder in Prospect and assist with future exploration of Prospect's Mumbhezhi Copper Project as a key technical partner, supporting Prospect's exploration team.
- The Sentinel Copper Mine (100% owned by First Quantum) is located approx. 25km northwest of Mumbhezhi, within the world-class Northwestern Zambian Copper Belt.
- Prospect has also entered into a placement agreement with long-term substantial shareholder, Eagle Eye, subject to receiving shareholder approval, to raise approx. A\$2.8 million in new equity proceeds, at an issue price of A\$0.15, which will allow Eagle Eye to maintain its existing 15.3% shareholding in Prospect.
- Together, the placements to First Quantum and Eagle Eye will facilitate Prospect raising up to a total of approx. A\$18.5 million.¹
- Prospect is now well-funded to further accelerate exploration and advancement of Mumbhezhi, with Phase 2 drilling set to commence during Q2 2025.

FQM Strategic Investment

Prospect Resources Limited (ASX: PSC) (**Prospect** or the **Company**) is pleased to advise that it has executed an investment agreement (**Investment Agreement**) with First Quantum Minerals Ltd (**First Quantum** or **FQM**) (TSX: FM) to make a placement to raise new equity proceeds of approximately A\$15.2 million (before costs) (**FQM Strategic Investment**).

Under the FQM Strategic Investment, First Quantum is set to become a 15% shareholder in Prospect through its subscription for a placement of 101.06 million new ordinary Prospect shares at an issue price of A\$0.15 per share. This issue price represents a 36% premium to Prospect's last closing price of A\$0.11 and 28% premium to Prospect's 20-day Volume Weighted Average Price (**VWAP**) of A\$0.117.²

Upon completion of the FQM Strategic Investment, First Quantum will have the right to nominate an appointee to the Prospect Board. Participation rights, voting support, standstill and escrow

¹ The EE Investment will trigger First Quantum's participation right, and First Quantum will have an opportunity to subscribe for additional shares, potentially raising a further A\$0.5 million (before costs), subject to receiving Prospect shareholder approval.

² Up to close of trade on Friday, 11 April 2025.

provisions will also apply to the First Quantum shareholding in Prospect (refer section below entitled *FQM Strategic Investment Details*).

The FQM Strategic Investment offers significant advantages to both parties, with First Quantum also set to work closely with Prospect as a technical partner across future exploration and evaluation workstreams for Prospect's 85%-owned Mumbeshi Copper Project in north-west Zambia (**Mumbeshi**). Prospect has agreed to apply at least US\$2.5m of the amount raised towards agreed exploration activity at Mumbeshi outside Nyungu Central.

First Quantum possesses a breadth of regional expertise as a substantial and long-established copper explorer and producer in Zambia (and globally). Its portfolio includes two owned and operated copper mining and processing operations in Zambia, being the Sentinel and Kansanshi Copper Mines. These two operations combined produced a total of 402kt³ of copper-in-concentrate during 2024 (100% basis). First Quantum has also invested significantly in ramping up its copper smelting capacity in Zambia, including as part of the recent Kansanshi S3 expansion, with capacity now standing at over 400ktpa of copper.

With a long-standing track record in Zambia, including deep technical, commercial, environmental, and social expertise, First Quantum's entry as both a strategic investor and technical partner is a significant milestone for Prospect. The FQM partnership enhances Prospect's capacity to accelerate exploration across the wider Mumbeshi Project area, fast-track future development scenarios with experienced input and leverage FQM's regional geological expertise and proven approach to resource growth.

Notably, Mumbeshi lies in the same regional geological setting as FQM's Sentinel operations, reinforcing the technical alignment between the companies and the potential for scalable copper discovery.

Eagle Eye Investment

Prospect is also pleased to advise that it has executed a separate subscription agreement with Eagle Eye Asset Holdings Pte Ltd (**Eagle Eye**) to raise new equity proceeds of approximately A\$2.8 million (before costs), subject to Prospect shareholder approval (**EE Investment**).

Through the EE Investment, Eagle Eye will maintain its 15.3% shareholding in Prospect through its subscription to a placement of 18.86 million new ordinary Prospect shares at an issue price of A\$0.15 per share, being the same issue price as the FQM Strategic Investment.

The EE Investment is subject to obtaining Prospect shareholder approval, with a general meeting expected to be held in late May 2025.⁴ These new shares are expected to be issued shortly after receiving shareholder approval and will rank equally with existing fully paid ordinary shares.

The total funds raised from the FQM Strategic Investment and EE Investment will be used to fund ongoing activities at Mumbeshi and for working capital purposes.

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

"We are delighted to welcome First Quantum to the Prospect share register testament to their conviction on the scale potential at Mumbeshi. The FQM Strategic Investment offers us considerable funding runway, coupled with serious regional exploration expertise, to continue

³ <https://www.first-quantum.com/English/announcements/announcements-details/2025/First-Quantum-Minerals-Reports-Fourth-Quarter-2024-Results/default.aspx>

⁴ The EE Investment entitles First Quantum an opportunity to subscribe for a further 3.33m new Prospect shares at an issue price of A\$0.15 per share, subject to receiving Prospect shareholder approval, raising up to A\$0.5 million (before costs).

advancing our planned exploration of Mumbezhi. We are also grateful for the continued support of our existing shareholder, Eagle Eye, as a reflection of its confidence in Prospect's strategy and vision in Zambia as we welcome First Quantum.

"Bringing First Quantum into the fold as both a strategic cornerstone shareholder and technical partner offers exceptional value-accretive opportunities for both parties. Mumbezhi is hosted in a similar regional geological setting to First Quantum's existing Zambian operations at Sentinel, which is located proximal to the Mumbezhi Project. Gaining access to First Quantum's breadth of regional expertise to complement our current multi-disciplinary exploration strategy, Prospect is well placed to continue identifying further regional prospects, make targeted new discoveries, and add potential new copper tonnage to the existing Mumbezhi Mineral Resource estimate at a far greater rate.

"This investment strongly validates our conviction for scale at Mumbezhi, as well as 2024 works which recently culminated in the delivery of a significant maiden 515 kt contained copper Mineral Resource⁵ across just the Nyungu Central and Kabikupa deposits. It also demonstrates a robust belief in the long-term growth potential on offer across the broader Mumbezhi tenure, which covers two granted mining licenses.

"With our Phase 2 drilling programme expected to commence this quarter and test further prospective regional targets at Nyungu North, Nyungu South and West Mwombezhi, there is ample potential resource upside waiting to be unlocked at Mumbezhi.

"We look forward to working closely with First Quantum with the ongoing support of Eagle Eye in targeting the next world-class copper asset in Zambia and in doing so making a material contribution to the Zambian strategy 2031 to produce 3 million tonnes of copper."

FQM Strategic Investment Details

Under the FQM Strategic Investment, Prospect will issue 101.06 million new ordinary shares at an issue price of A\$0.15 per share, pursuant to its existing ASX Listing Rule 7.1 and 7.1A capacity. These new shares are expected to be allotted on or before Tuesday 22 April and will rank equally with existing fully paid ordinary shares.

In recognition of the strategic relationship with First Quantum, First Quantum has been granted certain rights and agreed to certain obligations pursuant to the Investment Agreement, including:

- **Board representation:** First Quantum can nominate one person for appointment to the Prospect Board, who will remain in place whilst First Quantum continues to hold an interest in Prospect of at least 10%.
- **Technical working group:** Prospect and First Quantum to establish a technical working group for the purposes of guiding the exploration and development of Mumbezhi, which will remain in place whilst First Quantum continues to hold an interest in Prospect of at least 10%. First Quantum will also have limited information rights whilst it holds an interest in Prospect of at least 5% and below 10%.
- **Participation right:** First Quantum to be given a reasonable opportunity to participate in future equity offers, subject to certain exceptions, on terms no less favourable than to other subscribers, provided that First Quantum continues to hold an interest in Prospect of at least 10%.
- **Securities dealing restrictions:** a standstill and voluntary escrow for a period of 18 months on the acquisition and disposal of shares by First Quantum, subject to customary

⁵ Refer Prospect release "Mumbezhi Mineral Resources Exceed 500kt Contained Copper" dated 11 March 2025 for details.

exceptions, including the ability to buy on-market to maintain its percentage interest in Prospect, an acquisition through the participation right and to allow First Quantum to accept into or transfer its shares in connection with a board-recommended control transaction.

- **Voting support:** for a period of 18 months, First Quantum will vote in the manner recommended by the Prospect Board to shareholders, subject to agreed exceptions. For some exceptions (e.g. resolutions to approve adoption of the remuneration report, share issues, related party transactions or selective share buy-backs), First Quantum will have full discretion. In other cases (e.g. Board recommended schemes and other material transactions with third parties), First Quantum shall have the discretion to abstain from voting.

Prospect's financial adviser with respect to both Strategic Investments is Azure Capital. King & Wood Mallesons has acted as Prospect's legal advisers.

About First Quantum Minerals

First Quantum Minerals Ltd (TSX: FM) (**First Quantum**) is a Canadian-domiciled global mining company producing mainly copper, gold and nickel. The company's existing operations are in Zambia, Panama, Peru, Turkey, Spain, Australia, Argentina, Finland and Mauritania. First Quantum is one of the world's largest copper producers. In 2023, First Quantum globally produced 707,678 tonnes of copper, 226,885 ounces of gold and 26,252 tonnes of nickel.

First Quantum operates two producing copper assets in Zambia: Sentinel (2024 copper production of 231 kt), located approximately 25km northwest of Mumbhezhi, and Kansanshi (2024 copper production of 171 kt), located approximately 100km northeast of Mumbhezhi.

Mumbhezhi Phase 2 Drilling Programme

Prospect will commence its Phase 2 drilling programme at Mumbhezhi later in Q2 2025. This programme is set to target further growth in the recently declared Mineral Resource estimates (**MRE**) for Mumbhezhi (107.2Mt @ 0.5% Cu for 514.6 kt of contained copper; refer Prospect ASX release dated 11 March 2025, *Mumbhezhi Mineral Resources Exceed 500kt Contained Copper*).

As well as targeting these mineral resource extensions to the Nyungu Central and Kabikupa deposits, key regional targets defined at Nyungu North, Nyungu South and West Mwombhezhi are also set to undergo preliminary exploration drilling as part of the Phase 2 programme.

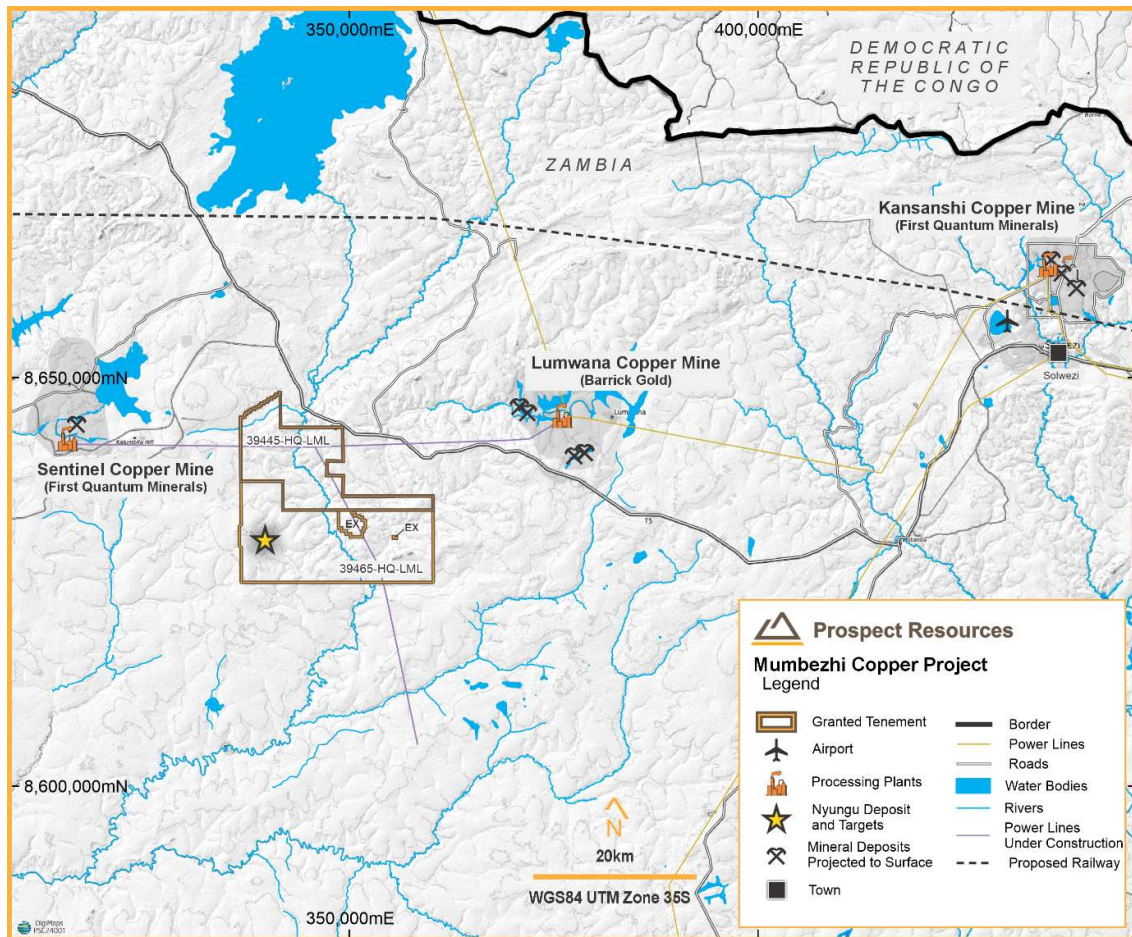


Figure 1: Mumbeszi Copper Project and surrounding copper operations in north-western Zambia

This release was authorised by Sam Hosack, CEO and Managing Director.

For further information, please contact:

Sam Hosack
Managing Director
shosack@prospectresources.com.au

Ian Goldberg
Executive Director - Financial
igoldberg@prospectresources.com.au

Competent Person's Statement

The information in this announcement that relates to Exploration Results, is based on information compiled by Mr Roger Tyler, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and The South African Institute of Mining and Metallurgy. Mr Tyler is the Company's Chief Geologist. Mr Tyler has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tyler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Prospect confirms it is not aware of any new information or data which materially affects the information included in the original market announcements referenced in this announcement. Prospect confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 Australian currency, unless otherwise stated. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

For personal use only

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 electrification and battery metals mining projects in the broader sub-Saharan African region.

About the Mumbezhi Copper Project

The Mumbezhi Copper Project (85% Prospect) (**Mumbezhi**) is situated in the world-class Central African Copperbelt region of north-western Zambia. Located on two granted Large Scale Mining Licences (39445-HQ-LML; 39465-HQ-LML), Mumbezhi covers approximately 356 square kilometres of highly prospective tenure which lies in close proximity to several major mines which are hosted in similar geological settings.

Prospect's Phase 1 drilling programme at Mumbezhi returned highly encouraging results, validating the growth potential of the significant endowment of copper mineralisation at Nyungu Central and delivering further confidence in a potential future large-scale, open pit mining development at Mumbezhi.

In March 2025, Prospect delivered a maiden JORC-reportable Mineral Resource estimate (**MRE**) for Mumbezhi of 107.2Mt @ 0.5% Cu for 514.6 kt of contained copper.



About Copper

Copper is a red-orange coloured metallic element in its pure form. It 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 up to 80kg of copper, four times the amount typically used in combustion engine vehicles.