

## Good Days Option Extension

Prospect Resources Limited (ASX:PSC) ('Prospect' or 'the Company') is pleased to announce the extension of the Good Days Option until 14 April 2018. Prospect's flagship project is the Arcadia Lithium Project located some 45kms from the centre of Harare in Zimbabwe. The Arcadia Lithium Project represents a globally significant hard rock lithium resource and has been aggressively developed focusing on near term production of petalite and spodumene concentrates.

The ~20km<sup>2</sup> Good Days lithium project is located in north eastern Zimbabwe and contains numerous mineralised pegmatites, including historical workings for spodumene and tantalite (amongst other minerals) at the Good Days and Jordywyitt mines. It is currently held by the Zimbabwean company Barrington Resources Pvt Ltd, who Prospect entered in to an option agreement with in June 2017 to acquire a 70% direct interest in the project following a positive outcome from due diligence. The extension of this option agreement until April 2018 will allow Prospect time for our team to regionally map and sample the remainder of the Good Days claims before a decision on whether to exercise the option agreement is made.

The project area is located approximately 30km east of the town of Mutoka in north eastern Zimbabwe and some 160km from the capital city, Harare, and consists of a swarm of Lithium-Caesium-Tantalum ('LCT') pegmatites which were historically worked for spodumene, beryl, tantalite, columbite, cassiterite, feldspar and lepidolite. Since the option agreement was entered in to in June, Prospect has drilled the known mineralised pegmatite zone to verify the historic geological model, and has undertaken a first phase soil sampling survey to identify other areas which may host economic lithium pegmatites. The 704 soil samples were assayed, and a western extension to the previously identified Ford-Ntabeni lithium soil geochemistry anomaly was recognised. As a result of this, Prospect has begun a Phase 2 soil geochemistry programme which is expected to continue until the end of the year.

The Phase 2 programme aims to extend the occurrence of known mineralisation within the Good Days project. The identification of anomalous lithium values in soil samples suggests that hard rock mineralisation may be present beneath the soil cover, and increases the prospectivity of the Good Days project away from the site's historic workings. The discovery of further lithium mineralisation at the project would mean that the Good Days deposit could be a significant addition to Prospect Resource's strategic lithium resource base in Africa.

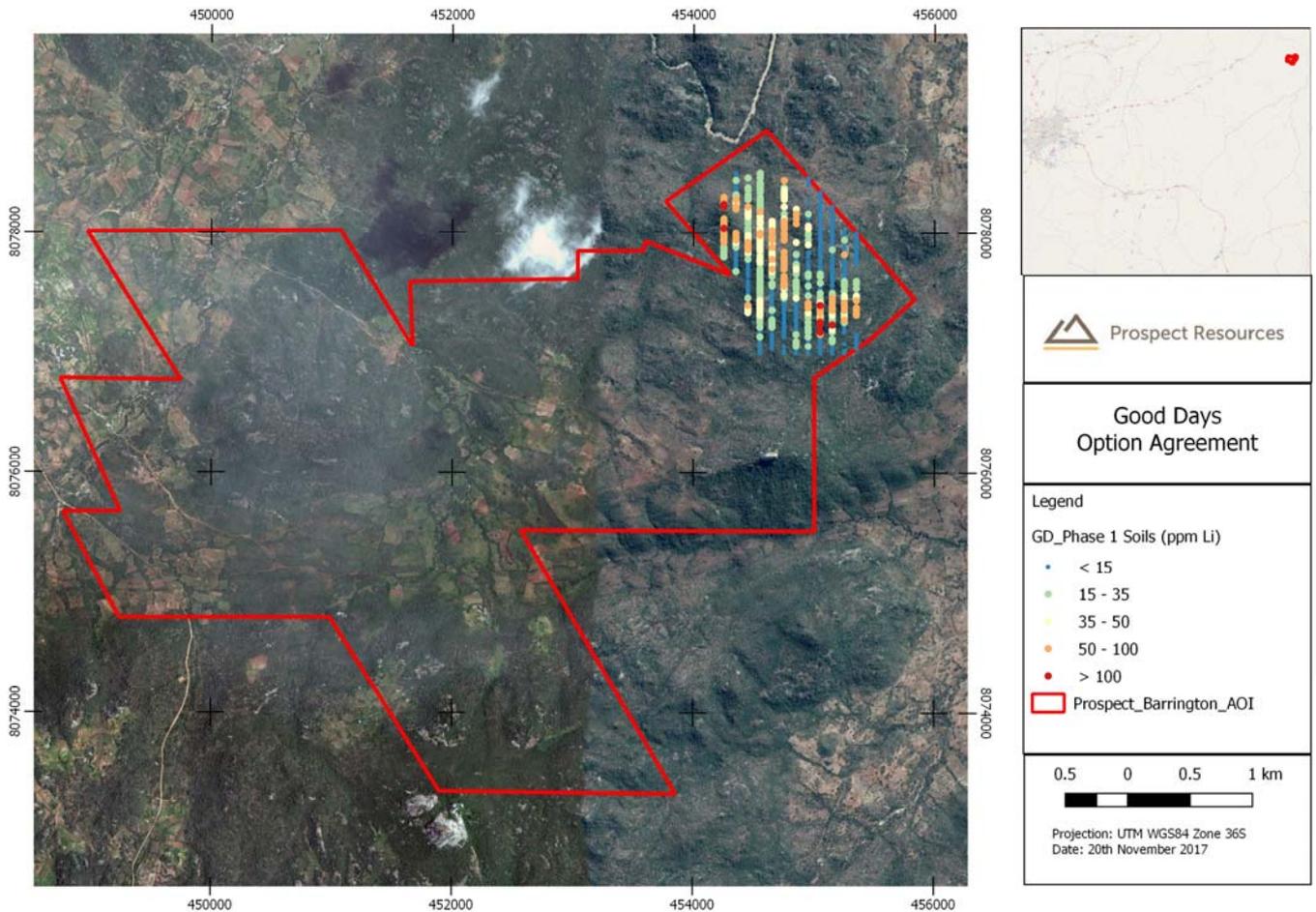


Figure 1. Area of interest covered by agreement between Prospect Resources and Barrington

Pending a successful outcome of this process and exercise of the option, the Company intends to commence with an exploration program focusing on defining a JORC reportable Mineral Resource and generating material for metallurgical testwork.

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**Competent Person's Statement**

The information in this announcement that relates to Exploration Results, Exploration Targets and Mineral Resources and Ore Reserves is based on information compiled by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and The South African Institute of Mining and Metallurgy. Mr Tyler is the Company's Senior 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 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.