

## Prospect Increases Ownership of the Arcadia Lithium Mine to 87%

Prospect Resources Ltd (ASX: PSC) (“Prospect”, “the Company”) is pleased to announce it has reached a conditional agreement to increase its ownership in the Arcadia Lithium Mine from 70% to 87%.

Under the agreement, Farvic Consolidated Mines Pvt Ltd (“Farvic”) has agreed to transfer the shares it holds in Prospect Lithium Zimbabwe (Pvt) Ltd (“PLZ”) (holder of the Arcadia Lithium Mine) to Prospect Minerals Pte Ltd, a wholly owned subsidiary of the Company. In consideration for the transfer of shares in PLZ, the Company will issue 94,976,800 fully paid ordinary shares to Farvic, representing a dilution to existing Prospect shareholders of 4.6%, and pay Farvic A\$1,187,210 in cash. Upon completion of the transaction, the Company’s equity interest in PLZ will increase from 70% to 87%.

Currently, Prospect ‘free carries’ the other shareholders in PLZ to production, meaning that Prospect funds 100% of the project expenditure. The outcome of this transaction is that Prospect increases its share of future revenues and profits from the Arcadia Lithium Mine by 17% to 87% without an increase in expenditure (or risk).

The shares issued to Farvic will be subject to a voluntary escrow, with 25% of the shares being released every 6 months, subject to any additional escrow imposed by ASX.

The transaction is subject to a number of conditions precedent, including approval of the Zimbabwe Reserve Bank and the Company obtaining shareholder approval in accordance with the ASX Listing Rules.

### For further information, please contact:

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