



Prospect Resources signs MOU with Sibelco

African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) (“**Prospect**” or “**the Company**”) is pleased to announce that it has entered into a Memorandum of Understanding (“**MOU**”) with SCR-Sibelco N.V (“**Sibelco**”) for the offtake of Arcadia’s ultra-low iron petalite product.

Memorandum of Understanding

The purpose of the MOU is to provide an exclusive period of time for the parties to negotiate and execute a Binding Offtake Agreement for Arcadia’s ultra-low iron petalite product (“**the Product**”). The MOU contemplates signing the Binding Offtake Agreement by 1 June 2020.

Whilst Prospect and Sibelco have agreed not to deal with any other party in relation to the supply of ultra low iron petalite, nothing in the MOU prohibits Prospect from continuing discussions with the Uranium One Group.

Prospect’s Executive Chairman, Hugh Warner said *“I am pleased to announce that we have signed an MOU with Sibelco for Arcadia’s premium ultra-low iron petalite. Sibelco is the largest distributor of ultra-low iron petalite in Europe and possibly the world. It is a significant ‘blue chip’ European customer, with annual turnover of some €3.5 billion. Once in production, Prospect will be the largest ultra-low iron petalite producer in the world.”*

About Sibelco

Sibelco is a global industrial minerals solutions company. Sibelco was founded in 1872, initially supplying silica sand from deposits in Flanders to Belgium’s major glass producers. Sibelco is a privately owned family business, generating revenues over €3.5 billion, operating 174 production sites in more than 30 countries and with a team of over 8,500 people. Sibelco’s main products are silica, high purity quartz and speciality minerals such as petalite. <https://www.sibelco.com/>

This release was authorised by Mr Hugh Warner, Executive Chairman of Prospect Resources Ltd.

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About Prospect Resources Limited (ASX:PSC, FRA:5E8)

Prospect Resources Limited (ASX:PSC, FRA:5E8) is an ASX listed lithium company based in Perth with operations in Zimbabwe. Prospect's flagship project is the Arcadia Lithium Project located on the outskirts of Harare in Zimbabwe. The Arcadia Lithium Project represents a globally significant hard rock lithium resource and is being rapidly developed by Prospect's experienced team, focusing on near term production of petalite and spodumene concentrates.

About Lithium

Lithium is a soft silvery-white metal which is highly reactive and does not occur in nature in its elemental form. In nature it occurs as compounds within hard rock deposits (such as Arcadia) and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. Lithium has the highest electrochemical potential of all metals, a key property in its role in lithium-ion batteries.

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 United States currency, unless otherwise stated.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.