



Appointment of Lycopodium for Optimised Feasibility Study

- **Following the strategy to assess a staged development plan of 1.2Mtpa to 2.4Mtpa, Prospect is moving swiftly to commence an Optimised Feasibility Study;**
- **Lycopodium Australia, a highly experienced mining engineering firm, to lead the Optimised Feasibility Study;**
- **Optimised Feasibility Study expected to be completed in Q3 CY2021;**
- **Key aspect to Optimised Feasibility Study is the commencement of construction of the Pilot Plant at Arcadia Lithium Project planned to ship samples Q2 CY2021;**
- **Discussions with various parties on Arcadia project funding progressing in parallel.**

Further to the announcement of 25th February 2021, African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect** or the **Company**) is pleased to announce that it has developed a scope of work for an Optimised Feasibility Study, for a staged development of the Arcadia Lithium Project ("**Arcadia**" or the "**Project**"), from a first stage of 1.2Mtpa, to 2.4Mtpa.

Further, Prospect announces that Perth based engineering consulting group, Lycopodium Ltd ("**Lycopodium**") has been appointed to complete the Feasibility Study. Lycopodium is a good fit given its past relationship with the Company and familiarity with the Project, as well as being leaders in Australia and Africa in designing, costing process plants and implementing projects across a wide range of commodities, including lithium.

Lycopodium's primary Scope of Work is the supervision of metallurgical testwork, optimisation of the staged 1.2Mtpa to 2.4Mtpa flowsheet, design for the process plant, as well as related infrastructure including site power reticulation and on-site water treatment and distribution. The engineering work during this stage will enable formal quotations to be secured from the market, in order to define the Project CAPEX to a Feasibility Study level of accuracy (+/-15%).

The Optimised Feasibility Study will include:

- Substantial Front-End Engineering and Design ("**FEED**");
- Evaluation of modular potential to reduce development and operational risk;
- Review of market pricing for Spodumene and Petalite products;
- Reducing execution schedule risk in providing greater accuracy on key equipment selection and sizing; and,
- Analysis of resultant project economics.

The Optimised Feasibility Study is expected to be completed in Q3 CY2021, with funding discussions being conducted in parallel.



The Company is in discussions with its existing offtake partners and, as well as institutional financiers with respect to financing pathways for the staged development of Arcadia. It is also in early-stage discussions with multiple strategic partners regarding joint development structures. The Company believes that the use of a tier one engineering firm for the Optimised Feasibility Study should assist in the process of securing funding for the Project.

Prospect will also continue to retain the ability to go direct to plant capacity of 2.4Mtpa, should market conditions and funding activities allow.

Prospect's Managing Director Sam Hosack said: *"We believe that Lycopodium is the perfect partner for Prospect to align with on the Arcadia Project. Their broad capabilities, technical rigour, team of highly skilled engineers and designers, and track record in Australia, Africa and Zimbabwe provide a highly valuable service offering to Prospect."*

"We are very pleased with the progress that the Company is making towards delivering on its plan to build and operate a Pilot Plant to rapidly move Arcadia through optimised feasibility and into development. Prospect is determined to deliver on a clear development pathway in as short a timeframe as possible, whilst still ensuring that the technical and economic risks are fully understood and addressed."

"The staged development plan of 1.2Mtpa to 2.4Mtpa reduces time to production by leveraging lower capital expenditure and funding requirements. It also enables clear expansion in line with market growth. This development strategy allows project execution and market integration risks to be minimised whilst accelerating the pathway to first cashflow. Critically, Prospect maintains the ability to go direct to a plant capacity of 2.4Mtpa should market conditions and funding activities allow. We look forward to providing regular market updates on the progress of the Optimised Feasibility Study over the coming months."

Lycopodium Minerals Africa director Andrew Jakins said: *"Our historical relationship with Prospect's management team and global involvement in Lithium projects makes Lycopodium a logical fit for the Arcadia Lithium project and one which we are excited to be a part of. It is Lycopodium's strategic intent to focus on battery mineral projects that will contribute to the success of sustainable battery powered transport solutions, and thereby contribute to a greener environment through the reduction of greenhouse gasses."*

About Lycopodium Limited (ASX: LYL)

Lycopodium is a leader in its field, working with clients to provide integrated engineering, construction and asset management solutions. Lycopodium have the expertise to deliver complex, multidisciplinary projects, through to the provision of feasibility studies and advisory services. Operating across the Resources, Infrastructure and Industrial Processes sectors, they offer a diverse team of industry experts to deliver bespoke and innovative solutions across all commodity types. With the capability to deliver



projects around the world, Lycopodium have offices in Australia, South Africa, Canada and the Philippines.

For more information, visit www.lycopodium.com

This release was authorised by the Sam Hosack, Managing Director 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 high purity petalite and spodumene concentrates. Arcadia is one of the most advanced lithium projects globally, with a Definitive Feasibility Study, Offtake Partners secured and a clear pathway to production.

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. Prospect confirms that for the purposes of Listing Rule 5.19.2, all material assumptions underpinning the information continue to apply and have not materially changed