



Partnership Process Update

Prospect Resources Limited (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) is pleased to provide an update on the current strategic partnership process for its 87%-owned Arcadia Lithium Project (**Arcadia**), as previously announced on 23 August 2021.

Following a period of engagement (including data room access and site visits) with interested parties, over the past week, Prospect has received seven non-binding proposals for the advancement of Arcadia from a range of international parties, encompassing structures including development joint venture, offtake prepayment debt funding and outright acquisition of Prospect's interest in Arcadia.

Prospect, in conjunction with its financial advisers, Azure Capital and Vermilion Partners, is currently assessing the non-binding proposals to determine the preferred path forward.

Prospect notes that there is no certainty that a transaction will be pursued or whether any proposal will result in a definitive agreement being reached. Prospect will keep the market informed of material developments, as appropriate.

This release was authorised by Sam Hosack, Managing Director of Prospect Resources Ltd.

For further information, please contact:

Sam Hosack
Managing Director
shosack@prospectresources.com.au

Nicholas Rathjen
Head of Corporate Development
nrathjen@prospectresources.com.au

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.