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## PROSPECT ACQUIRES OPTION OVER THE MALEMBA NKULU LITHIUM & COPPER-COBALT PROJECT (PEPMs 12388 & 12390), DEMOCRATIC REPUBLIC OF CONGO

### Summary

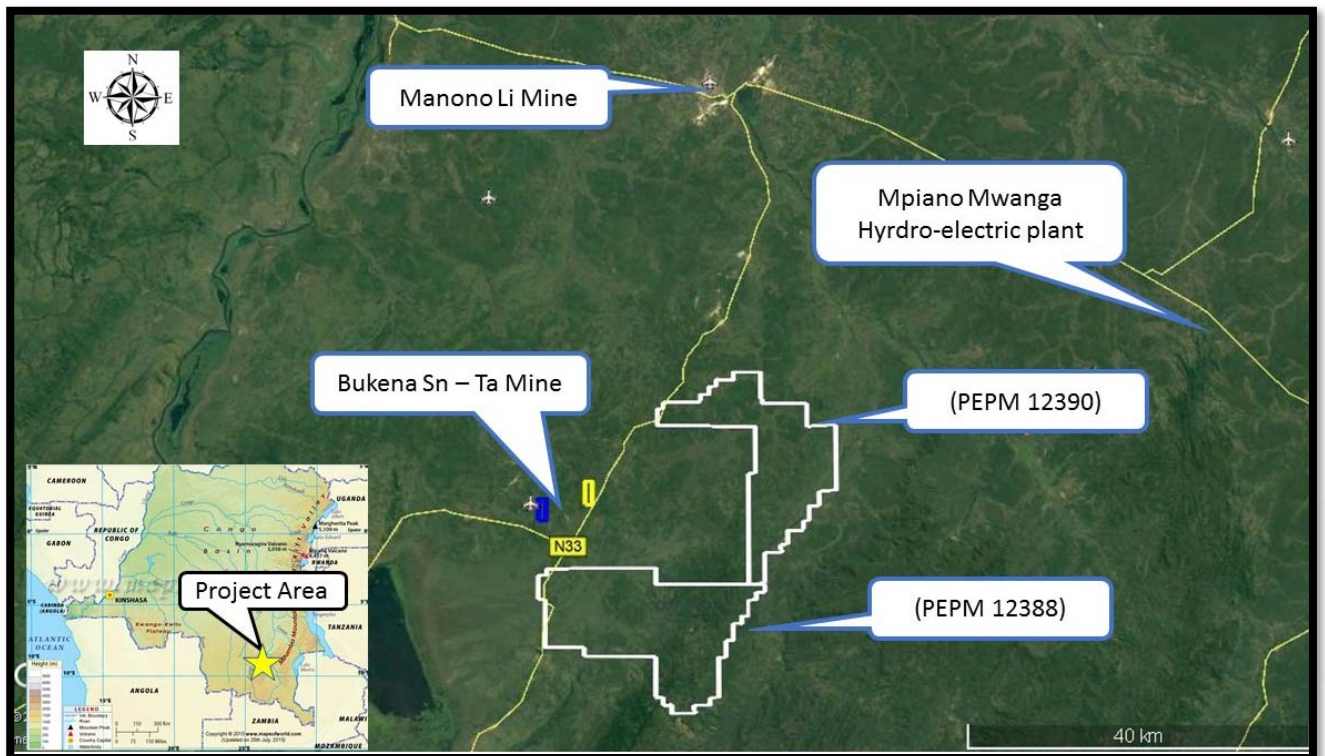
- Prospect Resources has secured an option to acquire a 75% direct interest in the Malemba Nkulu project, south of Manono Mine, Haut Lomani Province, the Democratic Republic of Congo.
- Option covers an area of 455 km<sup>2</sup> that is underlain by highly prospective stratigraphy at the faulted contact between Kibaran formation meta-sediments, intrusive Kibaran granites and Katangan, Upper Roan and Mwashia series rocks. Significant sized pegmatites have been observed.
- This large project area lies within one of the largest metallogenic terranes in the World. The belt of mineralised pegmatitic bearing rocks extend from Kolwezi in the southwest to Kalemie, some 600km.
- Exploration Target for the main pegmatite terrane is set at 100 Mt to 150 Mt at 1.5% to 1.6% Li<sub>2</sub>O, based on similarity to the Manono Project\*.
- Exploration Target with the Roan Group rocks is set at 2.0Mt to 2.5 Mt at 0.35% to 0.40% Co and 0.5 to 1.0 % Cu\* based on surrounding exploration results.
- Full scale exploration activities to commence immediately upon exercise of option.

**\* The potential quantity and grade stated by the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource over the exploration target area and that it is uncertain if further exploration will result in the estimation of a Mineral Resource**

Prospect Resources Ltd (ASX: PSC) (Prospect, the Company) is pleased to announce that it has entered into an option agreement with J3 Mining to acquire up to 75% of the Malemba Nkulu Project (PEPMs 12388 & 12390). The option agreement is subject to a free 90 day due diligence period.

The properties are registered as two "Permis de Exploitation de Petite Mines" ("PEPM" – a small mining permit) covering approximately 455 km<sup>2</sup>. The properties are located in the Manono district, Haut Lomani Province in the DRC. It sits approximately 400 km north-northeast of Lubumbashi, South Eastern DRC (Figure 1).

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**Figure 1: Location map showing PEPM 12388 and 12390 in relation to known pegmatites and geothermal activity**

Exploration work is being undertaken during the option period, which expires on 25<sup>th</sup> September. The Company has begun the first pass, technical due diligence which will include geological mapping, soil, termite hill sampling geochemistry, followed up where appropriate by trench and pit chip sampling.

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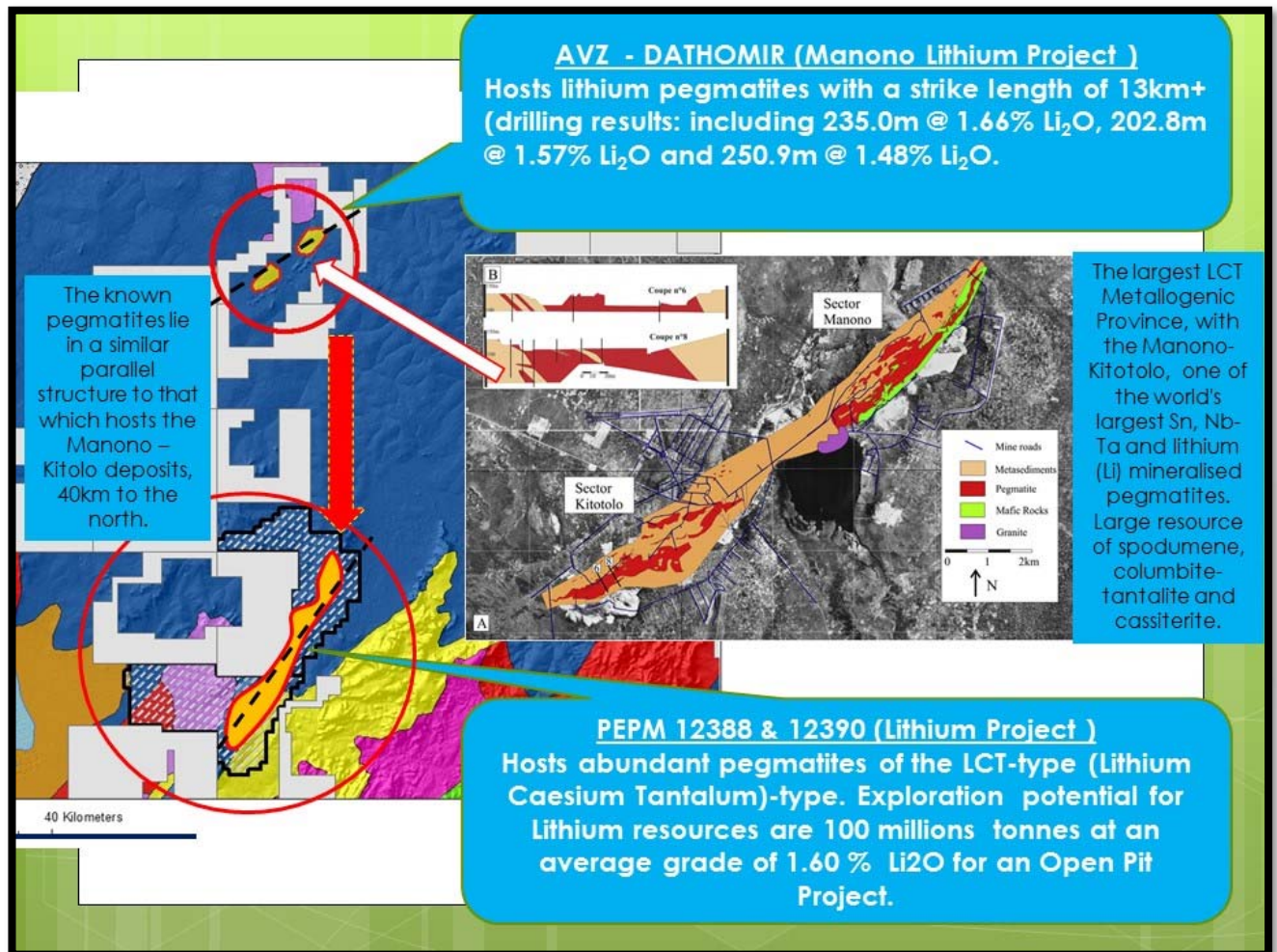


Figure 2. The Malemba Nkulu pegmatites are hosted by structures paralleling that hosting the Manono Kitoto Deposit.

The acquisition of another significant project, with lithium and cobalt potential fits with the Company's profile in energy metals, Mr. Hugh Warner had the following to say following signing of the option agreement: "Our team has reviewed numerous DRC Cobalt and lithium projects over the last 12 months. We look forward to getting on the ground to begin exploration at Malemba Nkulu. Adding a lithium project in such a key metallogenic province to our well-advanced Zimbabwean lithium project is another building block in establishing Prospect as the leading new energy provider in Africa. We are aware that the Malemba Nkulu project is a significant distance from infrastructure. We see the acquisition of this option and the exploration and possible resource definition as a strategic play to leverage off the infrastructure required for the Manono Project to North."

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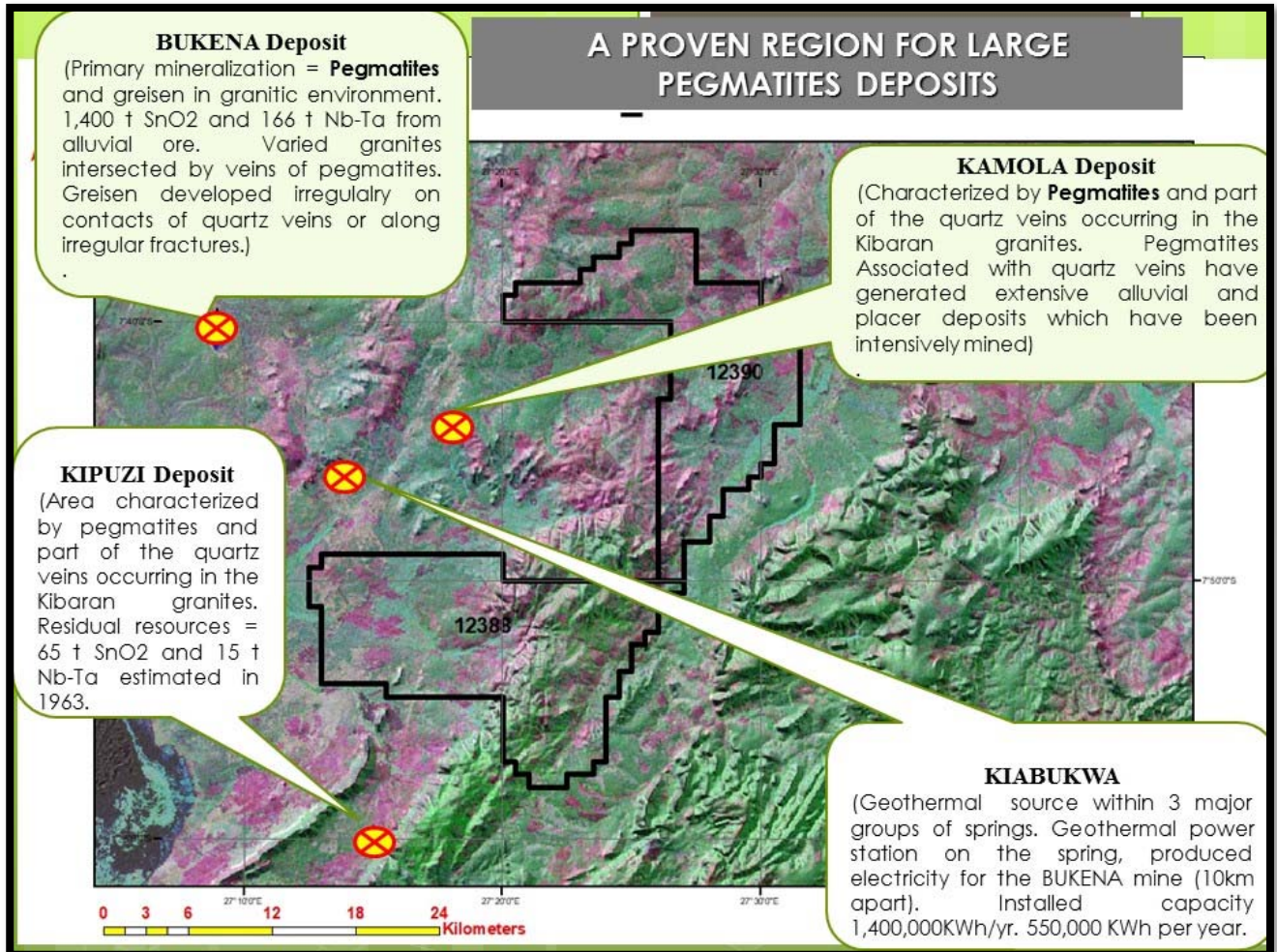


Figure 3: Location map showing PEPM 12388 and 12390 in relation to known significant related deposits

## PROJECT OVERVIEW & GEOLOGY

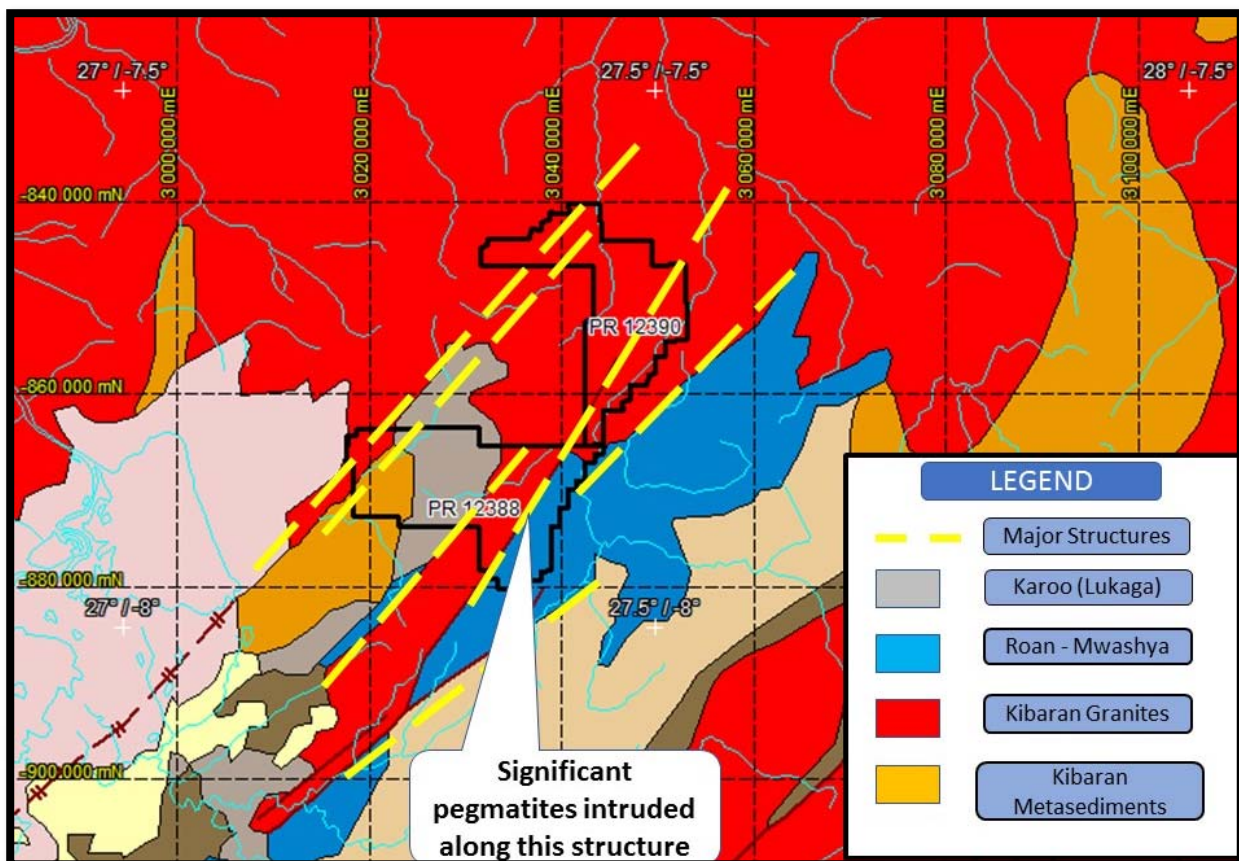
PEPM 12388 and 12390 cover 536 mining squares, or about 455 km<sup>2</sup>. They lie some 65km NE of Malemba Nkulu, and significantly 45km south of Manono Lithium Mine. The Kibaran fold belt consists predominantly of Lower to Middle Meso- Proterozoic meta-sediments, covered by younger Upper Proterozoic and Phanerozoic (mainly Karoo age) sedimentary rocks, that have been intruded by different generations of granitic and lesser mafic rocks.

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Typical pegmatite minerals of economic interest hosted by pegmatites in the region are, spodumene (LiAl(SiO<sub>3</sub>)<sub>2</sub>), columbite-tantalite (Nb-Ta) and cassiterite Sn.

The exploration target is within the known pegmatites in the southeast of the project is set at 100 Mt to 150 Mt at 1.5% to 1.6% Li<sub>2</sub>O\*. In addition, the Roan Group rocks host a target of 2.0Mt to 2.5 Mt at 0.35% to 0.40% Co, and 0.5 – 1.0% Cu\* based on previous exploration on surrounding ground.

\* The potential quantity and grade stated by the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource over the exploration target area and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.



**Figure 4. Schematic Regional geology.** The major southwest-northeast trending structures seem to host most of the major pegmatites. The largest concentration of pegmatites are seen in the south east of the project area along the faulted contact to the Roan Group rocks.

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The Project is accessible by air via the dirt strip at Manono; approximately 1.5 hours' flight time from Lubumbashi. Road access from Lubumbashi is via National Route N1 north to N33, a secondary road, which travels northeast to Bukena. It is expected that this road system will be upgraded as part of the development of the Manono Lithium project.

The large project area lies within one of the most significant metallogenic terranes in the World. The belt of mineralised pegmatitic bearing rocks extend from Kolwezi in the southwest to Kalemie, some 600km to the northeast.

The region is host to many former tin- tantalum producers; both hard rock and alluvial. There are numerous granite related tin-niobium tungsten (+/- lithium) pegmatites and gold bearing veins.

All commercial exploitation of Sn and Li ceased in the region during the political upheavals of the 1980's.

Much of the historical regional exploitation targetted tin from alluvials and eluvial deposits, but significant hard rock exploitation was undertaken at Manono, with lessor amounts at Bukena and Mitwaba. The most recent Government records (SERMIKAT, 1983) indicate 1 430 t of tin and 175 tonnes of columbite mined at Bukena, with non-JORC compliant reserves of 10,000t of tin.

The region is now a major focus for the exploration and re-assessment of LCT (lithium-caesium-tantalite) type pegmatites. Numerous mineralised pegmatites of considerable thickness and long strike lengths are recorded.

The most significant lithium producer was the Manono-Kitotolo deposit, one of the world's largest Sn, Nb-Ta and lithium (Li) mineralised pegmatites, with a large resource of spodumene, columbite-tantalite and cassiterite.

Remote sensing studies, and the initial reconnaissance work suggest that LCT type pegmatites with the same southwest-northeast trend occur within the south eastern part of PR12390.

There is also potential for classic copper-cobalt deposits hosted within the Roan Group rocks, in addition to Dikulushi style copper-silver mineralised breccia plugs.

The only known recent Exploration was reconnaissance mapping by Mudende Consultants in 2018, which confirmed the presence of large southwest-northeast trending pegmatites.

PR 12388 covers the strike extent of the highly prospective tin-bearing Kamola deposit. In addition wolframite,(refractory mineral of tungsten) has been recorded. The Katangan formations, which can host Cu-Co deposits, cover approximately 34 km<sup>2</sup> of the eastern part of the PR.

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**DUE DILIGENCE PROGRAMME**

The Malemba Nkulu Project area has previously only been the subject of reconnaissance mapping, but has never been subject to a multi-disciplinary, targeted exploration programme as planned by Prospect Resources. Tightly spaced geochemistry will be followed by ground magnetics, and where appropriate trenching and pitting followed by AirCore and Reverse Circulation drilling.

The Company is about to begin a first pass geochemical soil sampling programme covering the entire surface area of PEPM12388 and 12390. Soil and termite hill samples will be collected on a line/sample spacing of approximately 200 x 100 m.

Should results as anticipated be positive then the company plans an aggressive exploration programme across the project, which will consist of infill soil sampling, geological mapping, ground magnetics and AirCore and RC drill programmes. These will focus on defining a JORC reportable Mineral Resource and generating material for metallurgical testwork.

**For further information, please contact:****Hugh Warner**

Prospect Resources  
Executive Chairman  
Ph: +61 413 621 652

**Harry Greaves**

Prospect Resources  
Executive Director  
Ph: +263 772 144 669

**Competent Person Declaration**

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy (AUSIMM) and The South African Institute of Mining and Metallurgy (SAIMM). Mr Tyler is the Company's Chief 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. 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.