



NEW PETALITE METALLURGICAL TESTWORK RESULTS DELIVER INCREASED RECOVERY

Highlights

- **Extensive petalite bulk metallurgical testwork and dense media separation (DMS) program results meet technical grade concentrate and improves petalite recovery rate**
 - **Technical grade petalite concentrate (+4% Li₂O, <0.1% Fe₂O₃) delivered through the DMS circuit**
 - **Improved petalite recovery results in higher global recovery to +70%**
- **Follow up bulk testwork program to optimise petalite recovery by gravity separation has commenced**
- **Expanded spodumene flotation program underway**

African lithium developer, Prospect Resources Ltd (ASX: PSC) (“Prospect” or “the Company”) is pleased to report significant improvements to the global lithium recovery for its 87%¹-owned Arcadia Lithium Project in Zimbabwe, as a result of petalite DMS testwork.

Following the release of the Definitive Feasibility Study (DFS) for Arcadia in November 2018, Prospect has continued with bulk metallurgical variability testing, focussing on dense media separation and spiral treatment of bulk ore samples taken from the Upper and Main Pegmatite zones within the proposed pit at Arcadia. The results of this bulk testwork, together with the results of a review of the metallurgical database support the recovery factors employed in the DFS and indicate the potential for an overall increase in Project lithium recovery from 67.9% to +70%.

This bulk testwork was undertaken at independent third-party facilities in order to provide impartiality and ensure quality control. This program confirmed the amenability of Arcadia ore to deliver premium low iron petalite concentrate product containing +4% Li₂O and <0.1% Fe₂O₃.

The Company has conducted these programs to further optimise design and operating parameters in order to de-risk the plant construction and project ramp-up to production. The extensive metallurgical testwork program will exceed similar programs completed by peer projects, given Arcadia’s ore body contains petalite in addition to commonly produced spodumene.

¹ Subject to Reserve Bank of Zimbabwe and shareholder approval



Prospect's Managing Director, Sam Hosack, said the testwork results demonstrated the quality of the project and the Company's ability to de-risk and optimise the project prior to development.

"The investment we have made into technical validation and value engineering for the project, supports our ability to successfully deliver on the Arcadia Lithium Project. The Company has attracted market leading professionals to join the team, including individuals with extensive experience in DMS, gravity and flotation processing of lithium bearing minerals. With these initiatives being undertaken by leading independent specialist organisations, we are delivering on a high level of quality for each initiative and de-risking the Project as we go into development"

"Prospect will continue to invest in building upon Arcadia's existing strong project economics by optimising the plant construction, pit design and efficient operation of the project."

With extended petalite recovery and concentration bulk testwork nearing completion, the Company is undertaking spodumene metallurgical bulk testwork, to conclude the post-DFS testwork and develop a revised global lithium recovery result.

ENDS



African focused
ASX listed
emerging Lithium
and Battery
Mineral Company



Well positioned
Lithium Resource
in regard to both
Scale and Grade



Strong Project
Economics
demonstrated in
DFS



Path forward to
Financing,
Development and
Production



Offtake Agreement
in place and
positioned to
capitalise on
Market Demand

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About Prospect Resources Limited (ASX: PSC)

Prospect Resources Limited (ASX:PSC) 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.