



## Update to Offtake Discussions with Sibelco

On 15 April 2020, the Company announced it had entered into a Memorandum of Understanding (“**MOU**”) with SCR- Sibelco N.V (“**Sibelco**”) for the offtake of Arcadia’s ultra-low iron petalite product.

Under the terms of the MOU, the parties agreed to an exclusive period of time to negotiate and execute a binding offtake agreement for Arcadia’s ultra-low iron petalite product (“**Product**”). This exclusivity expires on 1 July 2020.

Whilst we are happy with the progress of negotiations, they will not be completed by 1 July 2020. The parties continue to negotiate terms with an expectation that a binding offtake agreement will be executed. Either party may terminate the MOU if the parties have not executed a binding offtake agreement by 1 September 2020.

At the time of this announcement, we are not aware of any operating lithium mine in the world that can produce ultra-low iron petalite suitable for the Sibelco’s customers in the glass ceramic industry. Whilst our self-imposed deadline will be missed, shareholders should note that Arcadia is the only JORC compliant deposit in the world that will be able to supply ultra-low iron petalite to these existing customers.

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

**\*ENDS\***



Africa’s leading  
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 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 160 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/>

### **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.