



Prospect grants option to buy the Penhalonga Gold Project for US\$1,000,000

African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to announce that in line with its strategy to extract value from non-core assets, it has entered into a binding term sheet with Luzich Resources (Africa) LLC, an affiliate of Luzich Partners LLC ("**Luzich**"), whereby Luzich has acquired an option to buy 100% of the Company's Penhalonga Gold Project ("**Transaction**") for US\$1m ("**Purchase Price**"), payable as follows:

- a) A non-refundable deposit of US\$200,000 to be paid within 45 days of the date of this agreement; and
- b) US\$800,000 within 180-days commencing from the payment of the non-refundable deposit.

The Penhalonga Gold Project is being sold on a debt free, cash free basis. Completion of the Transaction is subject to Luzich being satisfied with its due diligence investigations, Prospect obtaining all necessary regulatory consents and approvals and normal commercial terms and warranties associated with a transaction of this nature.

Prospect's Managing Director, Sam Hosack, said *"it is good news to see a North American investor of Luzich Partners' status investing in Zimbabwe and it is further evidence that Zimbabwe is becoming an attractive international investment destination. Prospect is focused on taking the Arcadia Lithium Project into production as soon as possible. The agreement allows Prospect to extract value from its non-core assets and further strengthen Prospect's balance sheet. Proceeds from the sale of the Penhalonga Gold Project will be applied to this aim."*

About Luzich Partners LLC

Luzich Partners LLC is a Las Vegas based multi-strategy private investment firm formed in 2013. It seeks investments in public and private investments globally across a range of industries including mining.

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

ENDS

**For further information, please contact:**

Nicholas Rathjen
General Manager, Corporate Affairs
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. 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.

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.