



Prospect Resources' ultra-low iron petalite passes initial qualification process for leading Glass-Ceramics manufacturers

- **Arcadia's ultra-low iron petalite passes glass-ceramic market stringent product specification requirements**
- **Prospect to be the largest ultra-low iron lithium concentrate producer in the market**
- **Validates Prospect's ability to receive premium pricing**

African lithium company, Prospect Resources Ltd (ASX: PSC) ("**Prospect**" or "**the Company**") is pleased to announce that its ultra-low iron petalite product has progressed through the initial qualification process with two of the world's largest glass-ceramic manufacturers, both based in Europe.

Prospect provided both manufacturers with samples for laboratory testing and analysis. The outcomes from their analysis is that the ultra-low iron petalite meets the glass-ceramic market's stringent technical specifications.

The next steps in the product qualification process are:

1. A pilot trial manufacturing product in a large kiln; and
2. A Full test in the production kiln.

Testing will continue into 2020 as larger volumes of product become available after the pit is opened up and the pilot plant is constructed. The Company intends to operate a pilot plant for the life of the mine. This plant will continuously test future ores before they reach the production plant to ensure process efficiencies are implemented prior to ore being delivered to the plant.

All customers have requested additional samples to continue their testing programmes, to further enhance their mix-designs for feed products.

Prospect anticipates being one of only two mines in the world capable of producing ultra-low iron petalite and we expect to be the largest player in this natural oligopoly – none of which are based in Australia. Demand for the Company's ultra-low iron petalite is expected to be spread equally between Europe and Asia, with considerable supply deficit for the foreseeable future.

Within the glass-ceramics market, ultra-low iron petalite is a key lithium ingredient in dark glass (comprising up to 90% of the inputs). This dark glass produces glass-ceramics cooktops. The two key factors determining the input product mix are maximum iron content and maximum alkali content. Iron and Alkali levels impact the integrity of the cooktop and there is a maximum amount of iron and alkalis per volume of glass-ceramics that is acceptable.



In addition, the Company is also pleased to report that its ultra-low iron petalite product has met specification testing for ceramic production in Japan and China.

A key attraction from customers to Prospect is that the Company can provide a long-term reliable supply of product both in terms of monthly volumes and consistent product quality, underpinned by Arcadia being a lowest quartile operating cost producer.

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battery mineral
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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, FSE: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.