



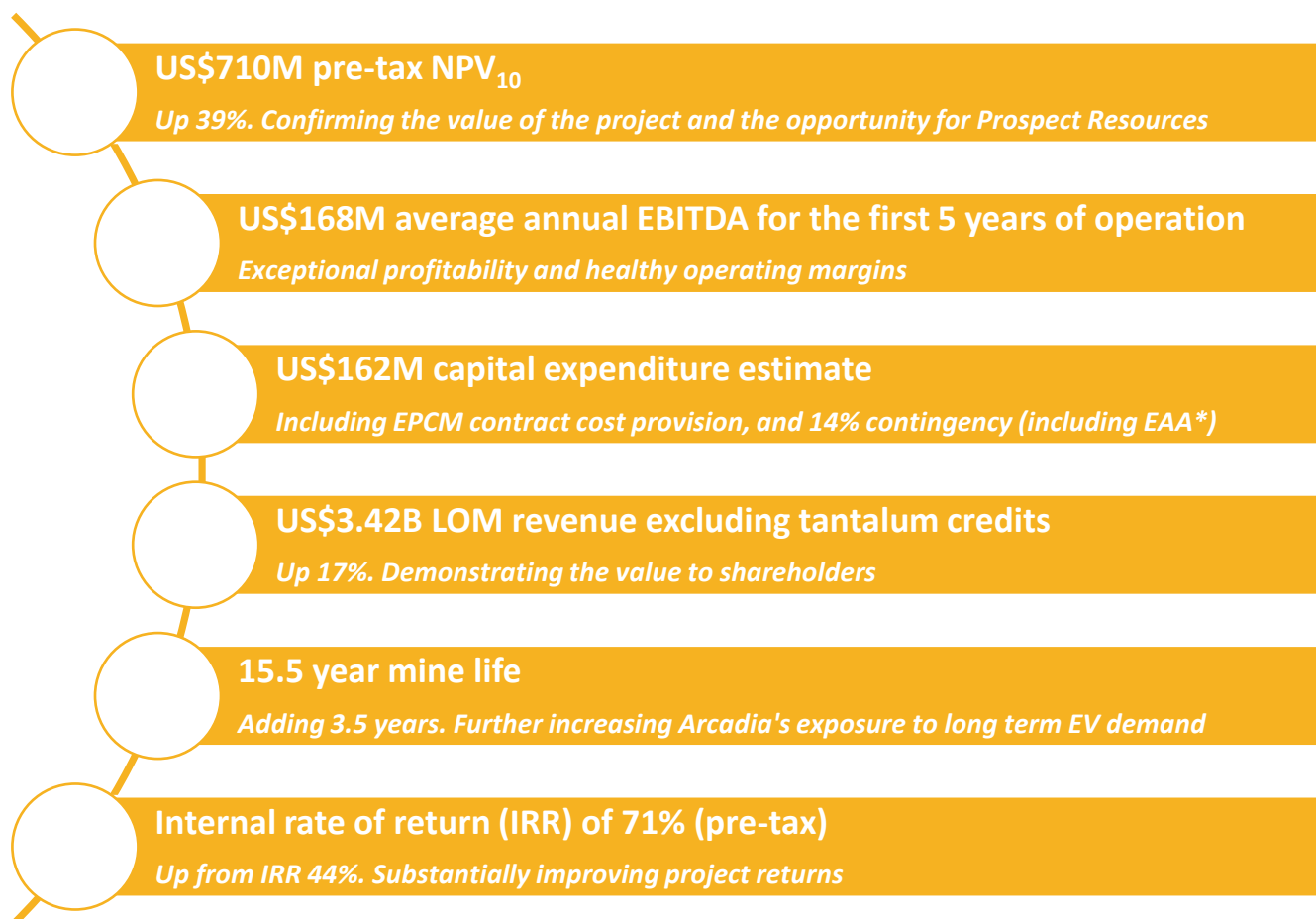
Prospect Resources Updates Arcadia Definitive Financial Study

Positive update to DFS on 2.4 Mtpa base case delivers investment metrics for project financing and development.

HIGHLIGHTS¹

Prospect Resources Ltd updates its Definitive Feasibility Study (DFS) for the 2.4 Mtpa Base Case development of the 87%² owned Arcadia Lithium Project located outside the capital city of Harare in Zimbabwe.

Key outcomes with reference to the updated DFS are:



¹ Compared with information released to the ASX on the 19 November 2018 titled "Arcadia DFS confirms leading Lithium Project"

² Completion outstanding as per ASX announcement 14 October 2019

*EAA – Estimate Accuracy Allowance



African lithium company, Prospect Resources Ltd (ASX:PSC, FRA:5E8) (“**Prospect**” or “**the Company**”), is pleased to advise that it has updated its DFS on the 2.4 million tonne per annum (Mtpa) development of its flagship 87% owned Arcadia Lithium Project (“**Arcadia**” or “**the Project**”) in Zimbabwe. The results reinforce the Project’s financial and geological merits, positioning the Company as a leading lithium producer to both the chemical and technical markets.

Prospect’s Managing Director Sam Hosack said “The material upgrade to our DFS on a base case of a 2.4 Mtpa development of the Project is a significant achievement. The DFS results position the Company to secure a key role in the expanding global lithium market and validates my belief that Arcadia is Africa’s leading lithium project with respect to its scale, grade, economics and management team. These outcomes demonstrate Arcadia’s ability to rapidly payback project finance.”

“What stands out from the intensive workstreams as part of the DFS update is the technical and financial strengths of Arcadia Project. This DFS represents a major milestone for Prospect as we transition through finance towards development. We are excited by the opportunity to capitalise on the strong fundamentals of the lithium market, particularly the unique ability to supply the glass and ceramics market with technical grade ultra-low iron petalite. We see the battery market as a key driver of lithium demand growth but remain focused on the glass & ceramics market where Arcadia seeks to become a significant, consistent and reliable high-quality supplier and thereby access the premium prices available in this market.

Summary of the DFS

Based on the proposed 2.4 Mtpa mining and processing operation, the DFS confirms that Arcadia will be a strong, high-margin project with current forecast Life of Mine (LOM) revenue of US\$3.42 billion and average annual EBITDA of US\$114 million over an estimated 15.5-year mine life.

A summary of the key DFS outcomes is provided in Table 1 below:

Study Outcomes	DFS – 2.4 Mtpa Base Case
Average Annual EBITDA First 5 Years (Real)	US\$168 million
Estimated Mine Life	15.5 years – Open Pit
LOM Project Revenue (Real & excluding tantalum credits)	US\$3.42 billion
LOM Project EBITDA (Real)	US\$1.77 billion
Capital Costs (pre-production)	US\$162 million
Sustaining Capital	US\$35 million
Pre-Tax NPV ₁₀	US\$710 million
Internal Rate of Return (IRR, Pre-tax)	71%
LOM Cash Operating Costs (Real, Net of Ta ₂ O ₅ credits)	US\$344/t
Project Payback (From First Production)	1.5 years

Table 1: DFS Financial Evaluation Summary

In November 2018 Prospect released its maiden DFS into the Project situated 38 km East of Harare in Zimbabwe. Subsequent work on the Mineral Resource, mine design, metallurgical testing programmes and product marketing have warranted a complete review of the DFS assumptions in order to ensure the contemporaneous nature of the DFS outcomes.

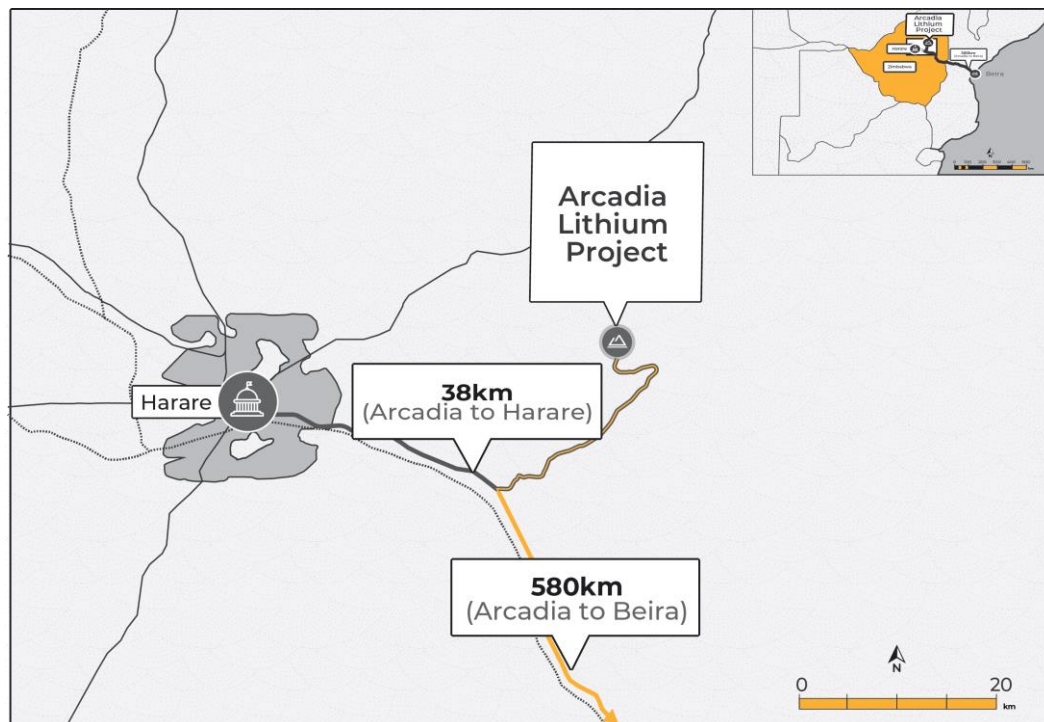


Figure 1: Project Location

In particular, this study has been based on a market-driven approach in which the production and sale of premium ultra-low iron petalite concentrate is a key driver of organisational strategy. This strategy feeds into mine planning and in turn influences the design of the primary petalite recovery circuit such that production of ultra-low iron petalite is maximised.

Marketing Strategy

The Arcadia Lithium ore body is globally unique in that it hosts two lithium minerals that can be concentrated economically with the ability to place its lithium products in both the chemical and the technical grade glass/ceramics markets.

Arcadia's product marketing strategy is to maximise spodumene sales into the chemical (battery) market, and ultra-low iron petalite sales into the premium technical (glass and ceramics) market. The intention is that all spodumene products will be marketed under long term 'off-take' agreements for utilisation in the chemical market, as well as all non-technical grade petalite product.

All ultra-low iron petalite products that achieve technical grade specifications will be marketed to the glass and ceramics technical market, with an assumed limit of 100,000 t being sold into this market in any given year. Supported by metallurgical testwork, it is expected that 80% of petalite production will



meet technical market specifications, which equates to approximately 94,000 tpa LOM average. All technical grade ultra-low iron petalite samples produced to date have met customers' specifications when subjected to their qualification processes.

Mining

The Ore Reserve has been prepared in accordance with the JORC Code, 2012 edition for the purpose of informing investors or potential investors and their advisors. Evaluation of the block model was carried out by CSA Global of Perth in November 2019 and summarises the mineable Ore Reserve that would be delivered to the processing plant.

The updated DFS including production targets and forecast financial information was based on the 37.4 Mt Ore Reserve (Table 2) prepared by a Competent Person in accordance with the JORC Code 2012 Edition and reported in the Company's announcement dated 20 November 2019³. The study consisted of a modification of the Mineral Resource (refer ASX announcement dated 25 October 2017) model to a mining model by adding several mining related attributes. This was followed by open pit optimisation to define the new economic mining envelopes and subsequent detailed in pit designs, mine scheduling and input into the Financial Model. Prospect confirms that for the purposes of Listing Rule 5.19.2, all material assumptions underpinning the information continue to apply and have not materially changed.

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Ta ₂ O ₅ (Mlb)
Proved	11.3	1.28	114	144	2.8
Probable	26.1	1.20	124	314	7.2
TOTAL	37.4	1.22	121	457	10.0

Table 2: Arcadia Ore Reserve estimate (November 2019)

Due to the shallowness of the orebody, open pit mining method is the most convenient and economic extraction method. The pit design takes cognisance of the local resource geometry to optimise the location of the ramps with respect to pit entry location, pit base access and utilisation of the pit floor for access to the final benches.

CSA Global developed a life of mine production schedule using MineSched software to meet production criteria constraints. The mine schedule was prepared based on the following criteria:

- The process plant has six-month ramp-up period prior to a steady state throughput rate of 200 000 tpm;
- Low grade ore is to be fed into the processes in the first month of commissioning, with high grade ore (+1.0% Li₂O) thereafter. The remaining mined low-grade ore is to be

³ Prospect confirms that for the purposes of Listing Rule 5.19.2, all material assumptions underpinning the information continue to apply and have not materially changed.

stockpiled and fed to the process plant when high grade ore reserves are exhausted or blended with very high-grade ore to produce a relatively constant product production profile over life of mine. A visualisation of Arcadia pits in Figure 2.

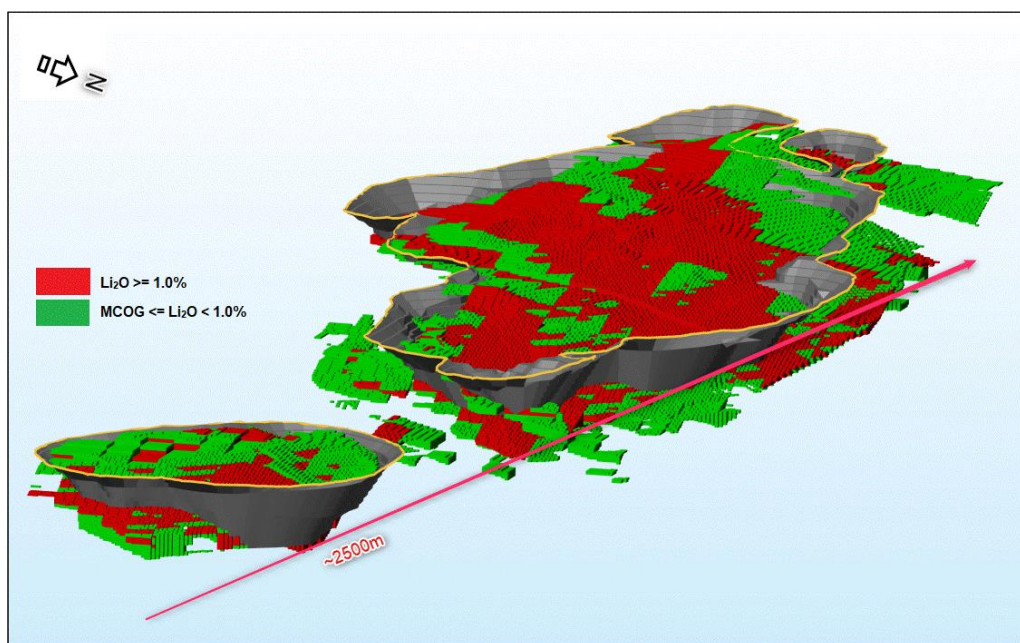


Figure 2: Arcadia Pits

Figure 3 summarises the scheduled waste and ore in tonnes mined on an annual basis and resultant high- and low-grade ore delivered to their respective stockpiles. The Project's LOM strip ratio is 3.2 tonnes of waste per 1 tonne of ore. Mining during the first 3 years will deliver petalite-rich Main Pegmatite ore to the treatment plant, thus enhancing early cash flow by the production of premium technical grade petalite concentrate.

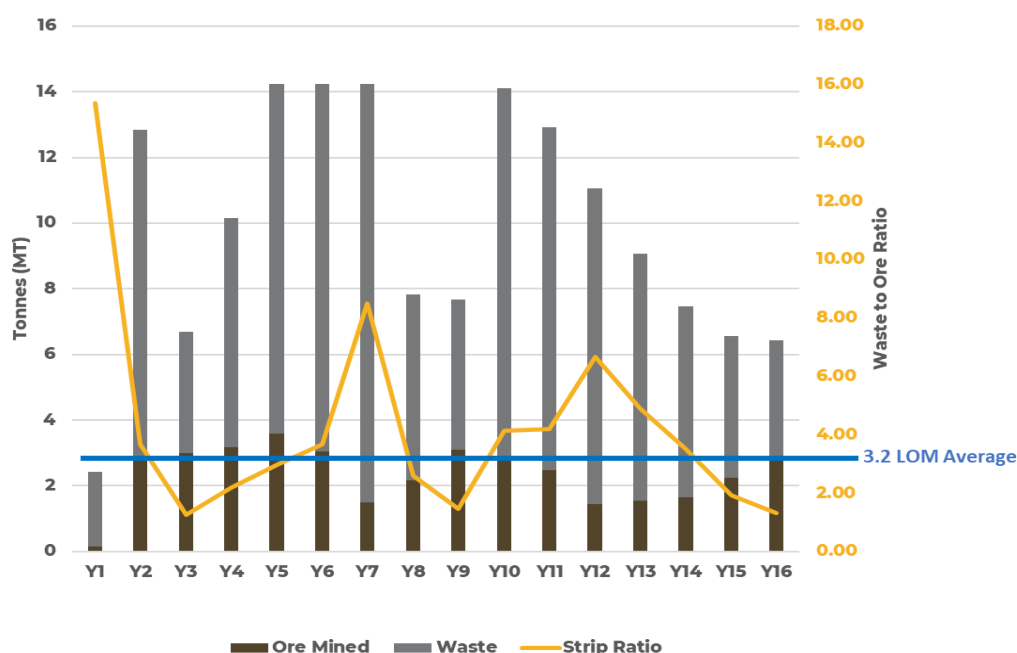


Figure 3: Mine Production Schedule

Waste dumps are located as close as possible to pit exit points to minimise haulage profiles without disrupting the access to the Ore Reserve or crushing plant. Mining operations are to be conducted utilising a contracted mining fleet. Prospect Lithium Zimbabwe (PLZ), the operating subsidiary, will be responsible for managing and supervising the contractor to ensure compliance to all business ethics, safety and occupational health and environmental compliances.

It is planned that mining will be performed by diesel hydraulic track mounted backhoe excavators with ore and waste hauled using off-road dump trucks. Optimisation of equipment fleets will continuously be monitored to ensure mining unit costs are minimised. To maximise project NPV, ore will split into high grade ore (+1.0% Li₂O) and low-grade ore. High grade ore will be trucked directly to the ROM pad, stockpiled on ore fingers and blended into the process plant using front-end loaders. Low grade ore will be stockpiled separately and rehandled to the ROM pad for crushing on completion of mining operations or where the grade of the high-grade feed is too high requiring blending to ensure a relatively constant product production profile over the life of mine.

Ore and waste are identified and mined separately in 2.5 to 10-metre-high benches respectively. Ore boundaries are identified using grade control drilling, blast drill holes and cross pit trenches.

Processing

Subsequent to the release of the November 2018 DFS, Prospect engaged Lycopodium Minerals Pty Ltd (Australia) to review all process design and metallurgical assumptions in the DFS. The outcomes of the review highlighted the need for additional metallurgical variability testing. Prospect, in conjunction with Lycopodium Minerals Africa (LMA), proposed an additional testwork programme as a result of this review. PLZ using reputable South African companies executed the testwork programme and the LMA



team interpreted the results for the purposes of process design. The samples used for the 2019 testwork program were taken from a bulk Main Pegmatite (MP) blast in the Arcadia pit and drill cores taken from within the 2018 DFS mining plans phase 1 and 2 pits. The testwork was completed in the following key areas; comminution improvement, gravity process enhancements (DMS and spirals), tantalum recovery and spodumene flotation.

The ore is hard, brittle and abrasive and 3-stage crushing incorporating high pressure grinding roll crushing (HPGR) has been selected to achieve the sub-3 mm crush size required to achieve adequate liberation of petalite for primary recovery by DMS. A split DMS concept (coarse and fines) with rougher and cleaner stages has been adopted. The target grade for petalite products is 4% Li_2O ; with 80% petalite from the DMS meeting Technical grade specification ($<0.05\% \text{Fe}_2\text{O}_3$) and the balance meeting Chemical grade specification.

The Technical Grade ultra-low iron petalite products will be milled, subjected to wet high intensity magnetic separation (WHIMS), dried and packaged while the Chemical grade petalite will be stacked to allow drainage and partial air-drying prior to being packed into bulk bags and weighed.

The process flow diagram is illustrated in Figure 4.

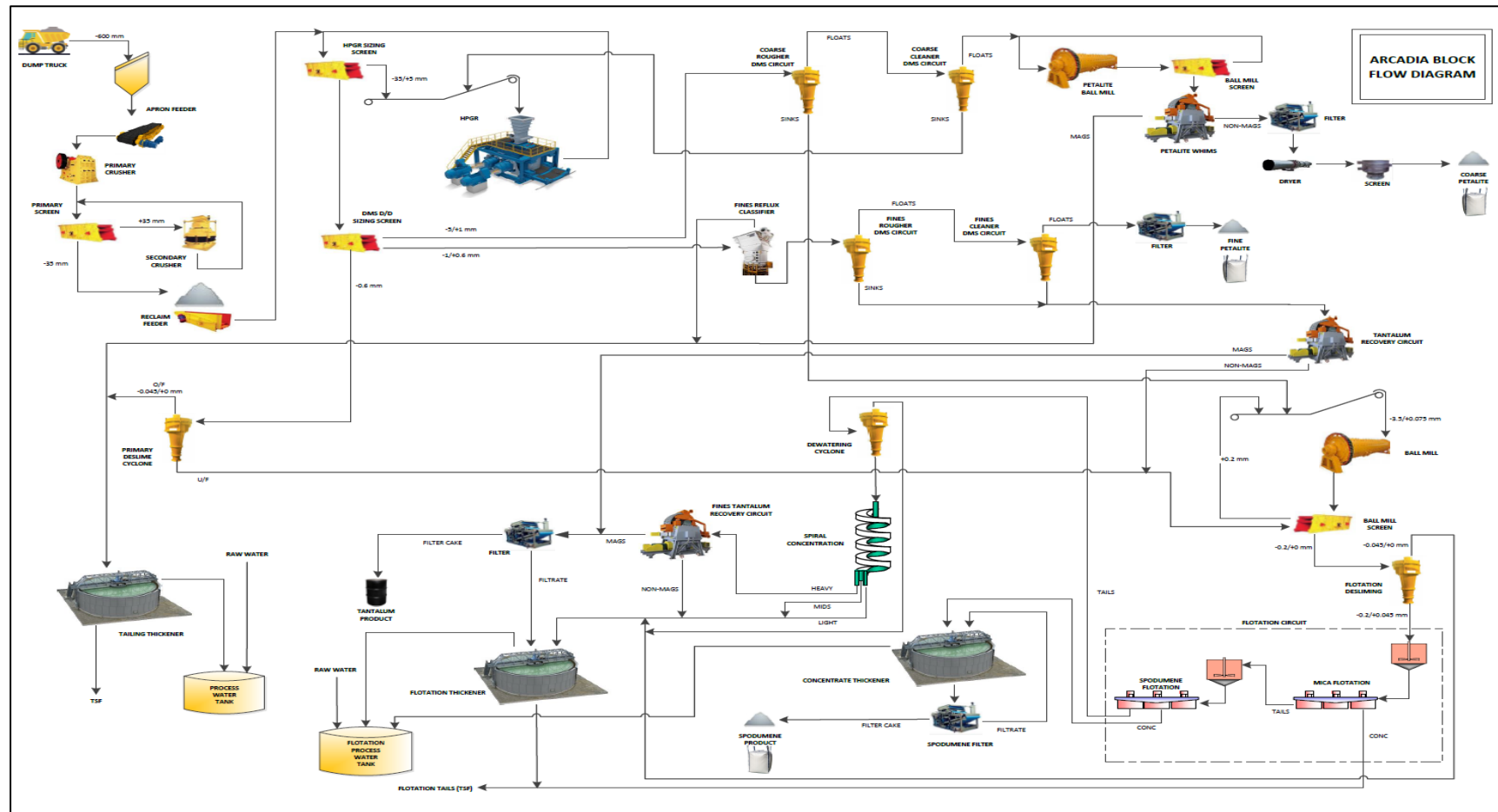


Figure 4: Arcadia Lithium Project Process Flow Diagram



The spodumene grain size is finer than the petalite at sub-millimetre size, and together with the presence of spodumene-quartz intergrowth in the MP, resulted in limited recovery of spodumene by DMS. Consequently, all ore post gravity recovery will report to the flotation circuit where spodumene is effectively recovered at a grind size P100 of 212 μm . The target grade for spodumene concentrate is 6% Li_2O . Spodumene concentrate will be filtered, dried, packed into bulk bags, sealed and weighed.

Tantalite will be recovered as rough concentrate by the application of spirals and wet high intensity magnetics separation (WHIMS) to reject streams from the DMS and flotation circuits. The rough tantalite will be upgraded to a saleable product containing approximately 25% Ta_2O_5 using conventional wet shaking tables. Tantalite product will be dried and packed into 200 litre steel drums and sealed. As this product will contain radionuclides in excess of 0.1%, it will be stored, handled and shipped as a Class 7 dangerous good.

Tailings Disposal

Process tailings will be disposed into an engineered tailings storage facility (TSF). Process residues will comprise slimes generated during primary comminution and milling ahead of flotation, and flotation tailings. Slimes will be thickened prior to co-disposal with flotation tailings.

Process water will be recovered for recycling to the process plant where reagent contamination is low risk.

Geotechnical

Rock Quality Design (RQD) structural logging has been undertaken by the exploration team, the results of which have been reviewed by Practara Ltd. Inspection of the core confirmed much of what is observed in the open pit; highly weathered, blocky shallow ground, transitioning into moderately jointed competent rock, eventually followed by slightly jointed very competent lithology. Both the pegmatites and meta-basalt were observed to be very competent, with distinct brittle contacts between lithologies that will enable ready separation during mining.

Overall, it is considered there are no fatal flaws nor critical risk factors to the design. Structures and blocky ground can be managed during operations by applying sound rock engineering methods and techniques to monitor and support.

Water

Hydrological and hydrogeological assessments show that there is high potential for both surface and groundwater to be available to provide the annual water demand of approximately 1.5 gigalitres. Surface water accessible to the mine is from the main catchment which has a superficial coverage of over 9 180 609 m^2 and surface runoff of above 5 054 503 m^3 . The models used in this assessment assumed minimum values thus minimising the supply risk factor.



Financial Evaluation

The pre-tax NPV (10% discount rate, real) of the project base case is US\$659M, at Benchmark Mineral Intelligences' long-term battery grade Lithium Carbonate price of US\$12 500 per tonne CIF China price. The key parameters and financial outcomes for the 2.4 Mtpa DFS are set out in Table 3 below:

Operating Parameters	Units	Value
Life of Mine Modelled (All Open Pit)	Years	15.5
Plant Throughput	Mtpa	2.4
Average Lithia Head Grade	%	1.22
Average Lithia Recovery	%	55.2
Average Life of Mine Spodumene Production	ktpa	173
Average Life of Mine Petalite Production	ktpa	122
-Average Life of Mine Chemical Grade Low Iron Petalite Production	ktpa	24
-Average Life of Mine Technical Grade Ultra-Low Iron Petalite	ktpa	98
Capital and Operating Costs	Units	Value
Average Life of Mine Cash Operating Cost ⁴ (FOB)	US\$/t	344
Capital Costs (Pre-production)	US\$M	162
Sustaining Capital	US\$M	35
Life of Mine Low Iron Spodumene Concentrate Price	US\$/t	701
Life of Mine Low Iron Petalite Chemical Concentrate Price	US\$/t	483
Life of Mine Ultra-Low Iron Petalite Concentrate Price	US\$/t	894
Financial Summary	Units	Value
Average first 5 years Annual Free Cash Flow from operations (post-tax)	US\$M	145
Average first 10 years Annual Free Cash Flow from operations (post-tax)	US\$M	116
Average Annual Free Cash Flow from Operations (post-tax)	US\$M	101
Average Annual EBITDA	US\$M	114
Pre-Tax NPV ₁₀	US\$M	710
Pre-Tax IRR	%	71
Post Tax NPV ₁₀ ⁵	US\$M	645
Post Tax IRR	%	70
Operating Margin	%	43
Payback Period (From Commencement of Production)	Years	1.5

Table 3: DFS Financial Evaluation Summary

⁴ Cash operating costs is FOB after tantalum credit, royalties and government marketing costs

⁵ Assumed tax rate of 0% for the first 5 years of operations, then 15% for the remaining term of the project. Refer to ASX announcement on 28 February 2019 titled "Arcadia approved for Special Economic Zone status"

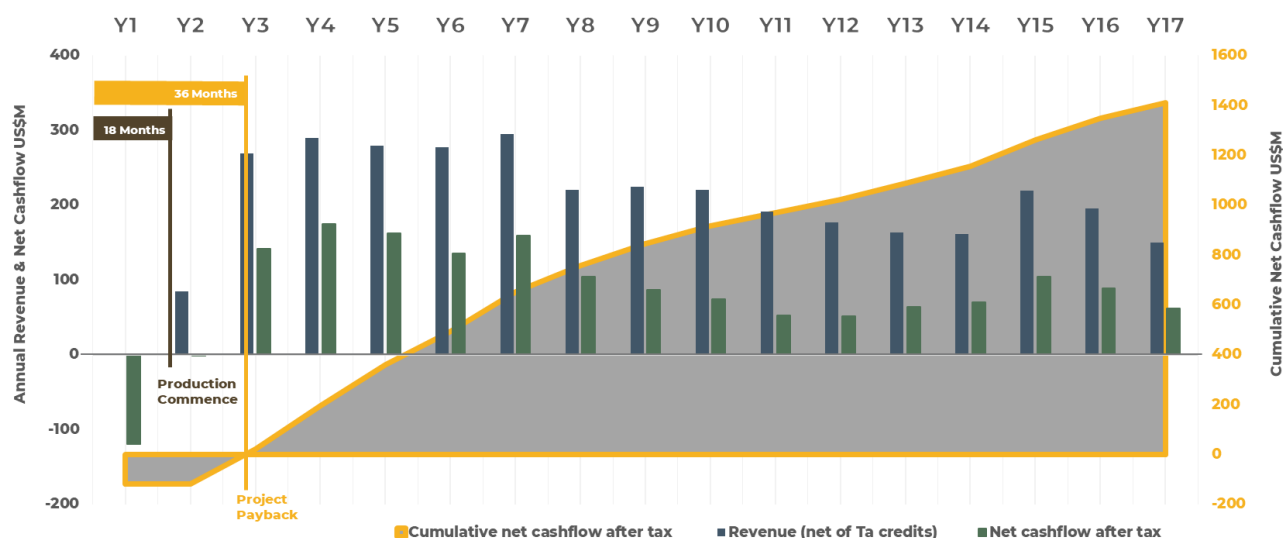


Figure 5: Revenue, Net Cash Flow and Cumulative Cash Flow

The Arcadia Lithium Project has a capital cost (pre-production) of US\$162 million, which will be incurred over an 18 month period. The Project has focused on generating strong net cash flow's after tax, especially in the first 5 years of operations, by processing high grade ore (+1%) and stockpiling low grade ore for future processing. Project payback is expected in 36 months (18 months post production).

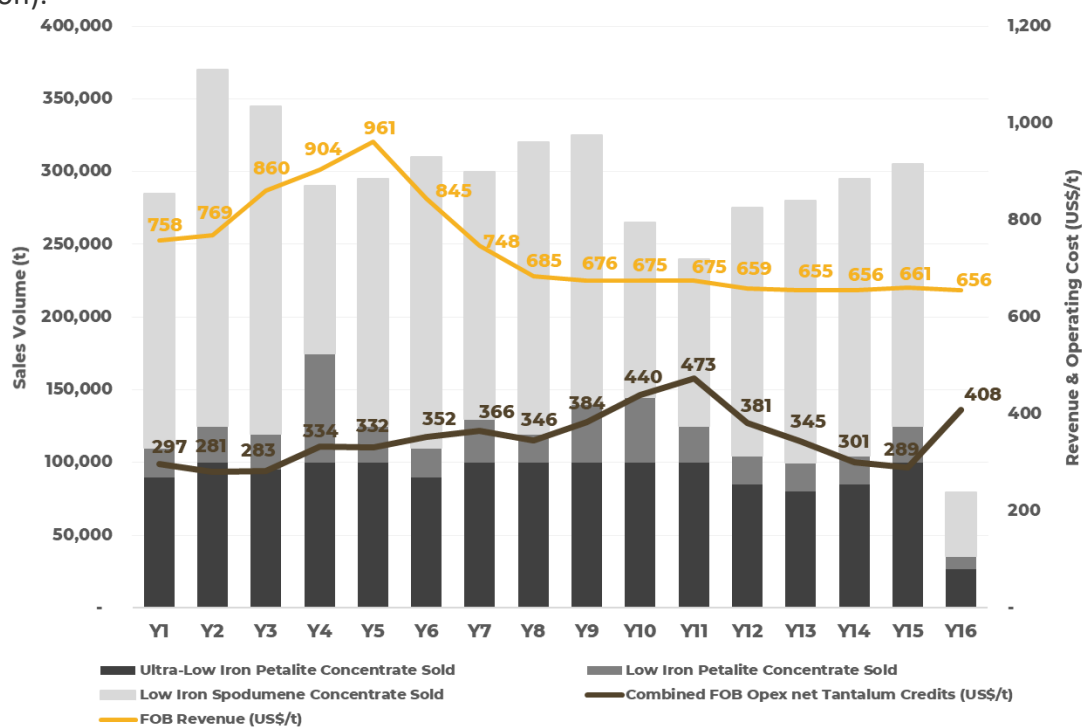


Figure 6: LOM Production Volumes, and Operating Costs and Sales



Capital Expenditure

Prospect's updated the 2018 DFS estimate to reflect the changes due to the additional engineering completed in 2019. The update was conducted with the assistance of 3rd party consultants. The base date of the capital cost estimate was October 2019, and the estimate was compiled in US\$. The estimate was for the end state production facility with a plant throughput of 2.4 Mtpa and includes owner's costs estimates to fund the Project until commencement of production. Table 4 outlines the Project capital cost estimate.

Main Area	(US\$ Thousands)
Mine Development Cost (Sub Total)	4 816
Process Plant (Sub Total)	117 715
Earthworks	5 047
Civil Works	8 269
Mechanical Equipment incl. Modular plant.	50 332
Structural Steel	4 098
Plate Work	3 381
Piping	3 862
Electrical, C&I	15 115
Spares & Consumables	1 411
Transport	3 016
Process Plant Installation	23 183
Tantalum Recovery	INCL. ABOVE
Owners Costs (Sub Total)	39 902
Mining & General Infrastructure	18 772
Engineering and Services	11 090
Mining Inventories on Hand at Commissioning	2 543
First Fill Spares & Consumables	4 783
Non – Plant CAPEX	2 714
TOTAL (Direct and Indirect Costs incl. Contingency)	162 433

Table 4: Capital Cost Estimate Summary



Operating Cost

The DFS operating cost model was developed in US\$ by Prospect in conjunction with Lycopodium Minerals Africa (Pty) Ltd (LMA). Annualised cost inputs have been used by Prospect in developing the direct ore treatment costs within the project cost model. Transport and selling costs are applied on a unit of sale basis. Table 5 is a breakdown of the Project cash operating cost estimate.

Main Area	US\$/t (LOM)
Mining	97
Processing (inclusive crushing)	136
General administration and selling costs	32
Transport and loading	70
Cash operating costs (before tantalite credit and royalties and government marketing costs)	335
Less tantalum credit	(36)
Total cash operating costs FOB (including tantalum credit, before royalties and government marketing costs)	299
Add royalties and government marketing costs	45
Total cash operating costs FOB (including tantalum credit)	344
Chemical grade spodumene cash operating cost FOB	268
Chemical grade petalite cash operating cost FOB	428
Technical grade petalite cash operating cost FOB	458

Table 5: Cash Operating Cost Estimate

Prospect has separated its cash operating cost FOB by product (per Table 5) to provide a peer relevant comparison of Arcadia to its peers for the production of spodumene concentrate for sale into the chemical market. Operating costs are allocated based on lithia content for mining and water, and by volume for other costs, then the total cash operating cost FOB Beira for Spodumene is USD268/t (after tantalum credit applied 100% to Spodumene), Petalite Chemical is USD428/t and Petalite Technical is USD458/t.



Sensitivity

Economic scenarios have been run on the project NPV₁₀ by varying key input assumptions. The tables below reflect the comparisons of NPV₁₀ (pre-tax) of the project against combinations of key inputs.

As can be seen in Figure 7 below, the Arcadia Project economics are sensitive to lithium pricing, with a 20% movement resulting in a 44% change in NPV₁₀. The next sensitive input is lithium recovery where a 10% change results in a 18% change in NPV₁₀. The following sensitive input is operating costs, with a 20% movement resulting in a 21% change in NPV₁₀. The Arcadia Project economics have been shown not to be sensitive to capital cost nor tantalum recoveries with a 10% movement resulting in less than 2% change in NPV₁₀.

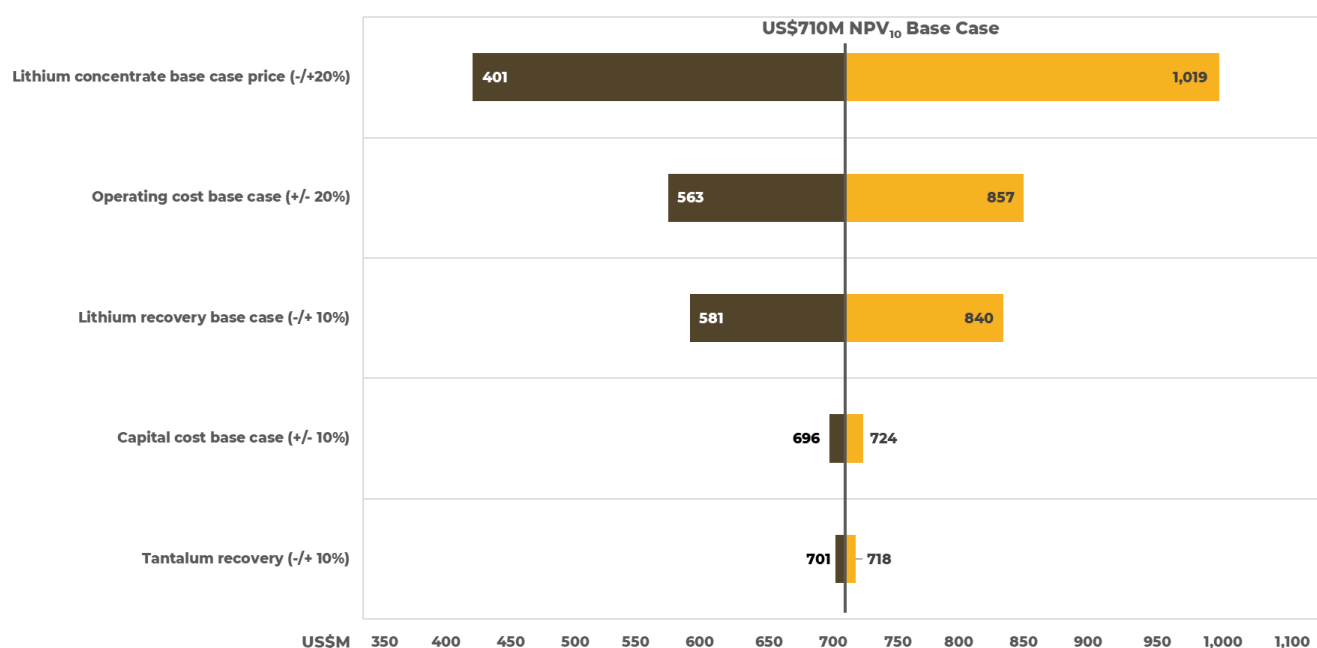


Figure 7: Sensitivity Analysis



Forecast Pricing

Prospect's lithium pricing deck has been based on price forecasts from leading independent commodity consultancy, Benchmark Minerals Intelligence (BMI).

BMI forecast the lithium carbonate price to fluctuate between US\$12,000 (in 2022) and US\$15,500 (in 2026) over Arcadia's life of mine, with a long-term average of US\$12,500 per tonne for lithium carbonate.

Prospect has reviewed the forecast lithium carbonate price from BMI and has adopted a price forecast that is linked to its current offtake agreement pricing structure and volume, with the balance of the volumes linked to BMI's independent pricing formula. These prices have been incorporated into the Arcadia financial model. Figure 8 outlines BMI's pricing forecast over the course of Arcadia's Life-of-Mine.

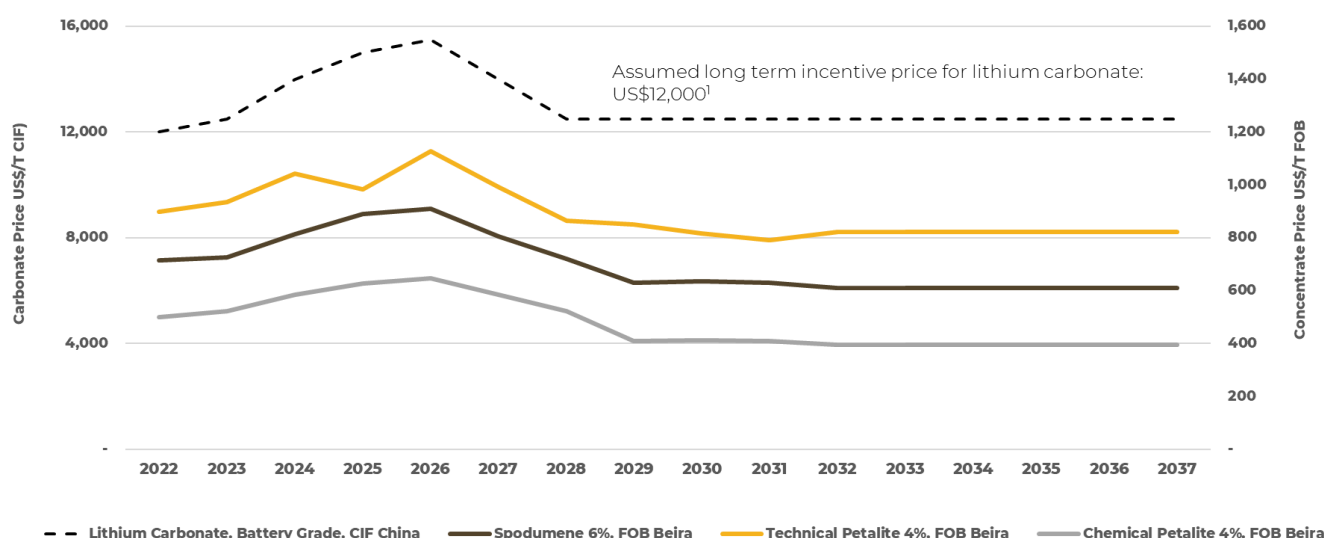


Figure 8: Lithium Price Forecast (BMI, 2019)

The Life-Of-Mine average price for Arcadia's lithium products adopted for this study are:

- Chemical Grade Low Iron 6% Spodumene concentrate US\$701/t FOB;
- Chemical Grade Low Iron 4% Petalite concentrate US\$483/t FOB; and
- Technical Grade Ultra-Low Iron 4% Petalite concentrate US\$894/t FOB.

Prospect's Tantalite pricing deck has been based on price forecasts from leading independent commodity forecaster Roskill. The LOM Tantalite Forecast headline price used was US\$75/lb FOB.



Offtake

Prospect and Sinomine Resource (Hong Kong) International Trading Co., Limited have entered into the Spodumene and Petalite Definitive Offtake Agreement (Offtake Agreement). The Offtake Agreement has a term of seven years delivering 280,000 tonnes 6% Li₂O spodumene concentrate and 784,000 tonnes 4% Li₂O petalite concentrate.

Under the Offtake Agreement, Prospect is entitled to increase the quantities of spodumene and decrease the quantities of petalite provided the lithia units of the combined spodumene and petalite concentrates meet the lithia units specified. This allows Prospect to take advantage of the premium prices available for the technical grade petalite product in the glass and ceramics market,

The agreement provides for attractive pricing linked to the Lithium Carbonate CIF price under harmonised code HS283691, as published by Global Trade Information Services or "GTIS" (owned by IHS Markit) and is calculated on an FOB Incoterms® 2010 basis at the loading port of Beira, Mozambique.

The agreement accounts for a cornerstone 42% of the Arcadia Lithium Project production over the first 7 years of operation, underpinning its production profile and providing great confidence for Prospect to fast-track development of the mine.

Pursuant to the offtake agreement, Sinomine has agreed to a pre-payment of US\$10 m upon the ball mill being delivered and bolt installed during the construction phase of the project.

Environmental Assessment and Approvals

PLZ intends to operate the Arcadia lithium mine under the following principles:

- International Finance Corporation (IFC) Performance Standards of 2012, and
- Equator Principles of June 2013.

An EIA was prepared by a local Zimbabwean consultant in 2017 with a revision in March 2019 to incorporate changes as per the DFS issued in November 2018. The Zimbabwe Environmental Management Authority (EMA) issued a certificate on the 24th May 2017 which gives approval from EMA for the project to proceed to construction and operation and also approved the revised Environmental Plan on 18 March 2019. This authority expires on 17 March 2021 and renewal is routine.

The environmental impact assessment was completed to comply with Zimbabwe legislation and EIA covered the following aspects:

- Scoping & baseline study;
- Baseline sample collection;
- Collect surface water and borehole water samples for lab analysis;
- Stakeholder consultation;
- Identification of key stakeholders;
- Siting of works plan;



- Technical drawing and process diagrams;
- Company registration documents;
- Claims certificates;
- Key focal point person for EIA project; and
- Tailings dam design study

Subsequent to the issue of these approvals a gap analysis was conducted by an independent consultant to compare the EIA with international standards. Further work required includes updating the baseline study to include seasonality as well as ongoing environmental monitoring.

Project Execution Plan

The overall project execution plan is based on a conventional EPCM implementation where the engineering consultant will be responsible for the engineering, procurement and construction management of the project.

The execution phase key activities timeline through to commercial operations is detailed below in Figure 9:

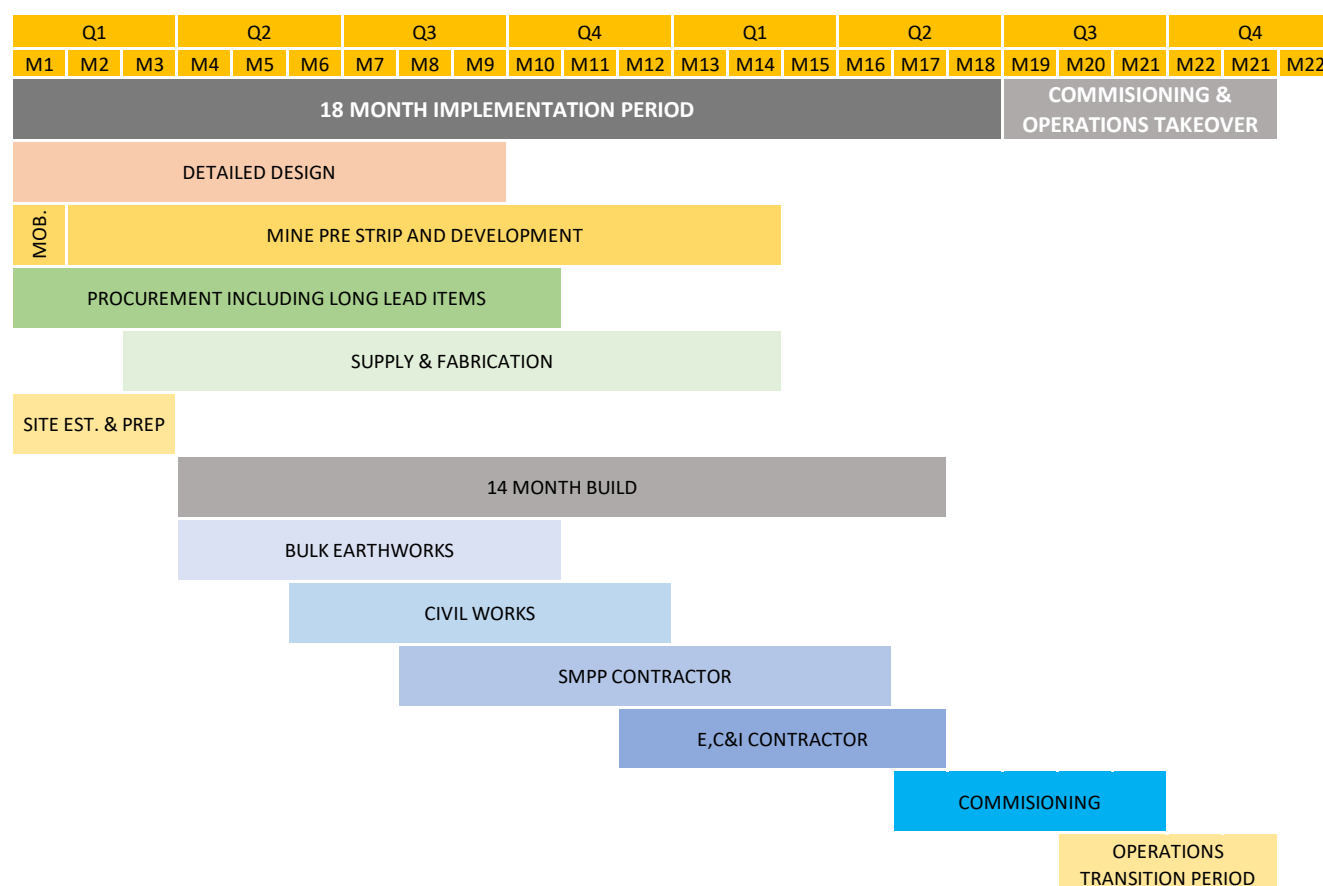


Figure 9: Arcadia Project Delivery Schedule



Technical success will result through a mining operation and processing plant that is able to ramp up to full production capacity in as short a time as possible. The adherence to the project schedule will be achieved through sound planning, particularly in relation to the critical path activities. Prospect will have a project management team (PMT) to oversee and monitor the work done by the EPCM contractor, equipment suppliers and installation sub-contractors.

Prospect's Arcadia updated Definitive Feasibility Study work has been completed in collaboration with best in class independent engineers, consultants and specialists listed in Table 5 below.

Contribution	Author
Resource Definition	Roger Tyler MEng (Mineral Resource Evaluation), BSc (Mining Geology), MAusIMM, MSAIMM, ARSM, SACNASP (PLZ)
Resource Modelling	Ms. Gayle Hanssen BSc Geology (Natal), SACNASP of DMS, Zimbabwe
Project Geologist	Adam Moodley BSc(Hons), MSc (CT) (PLZ)
Geotechnical services	Practara Ltd of Johannesburg South Africa Civil Technics of Bulawayo, Zimbabwe BCHOD of Harare, Zimbabwe
Mine Planning	CSA Global (Pvt) Ltd of Perth, Australia David Miller BE (Mining), MAusIMM (PSC)
Environmental Impact Assessment	Gap Analysis by SRK Consulting of Johannesburg, South Africa Evans Matore of EnviroSmart Consultancy
Hydrogeological Assessment	Constant Chuma of NUST university Zimbabwe
Metallurgy	Mike Kitney MSc, MAusIMM (PSC)
Tailings disposal facility design	EPOCH Resources (Pty) Ltd Blonton of Bulawayo, Zimbabwe
Preliminary process design	Lycopodium Minerals Africa (Pty) Ltd
Process design review	Lycopodium Australia
Update Engineering cost estimate	Prospect Lithium Zimbabwe
SHE Management Plan	ADP Modular & Marine, Cape Town South Africa
Project Execution Plan	Lycopodium Minerals Africa (Pty) Ltd
Quality Management Plan	ADP Modular & Marine, Cape Town South Africa
Electrical Network Analysis	Norconsult
Transport Fleet Study	Prospect Lithium Zimbabwe
Project Manager	Trevor Barnard (PLZ)
Project coordinator	Chase Charsley (PLZ)
Minerals Marketing	Lithium – Benchmark Minerals Intelligence, United Kingdom Tantalum – Roskill, United Kingdom Nicholas Rathjen MAppFin, BComm (PSC)
Project modelling	Iain Sheasby (PLZ), with support from Mazars

Table 5: DFS contributing authors



This release was authorised by Mr Sam Hosack, Managing Director 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

For further information, please contact:

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Competent Person's Statement

The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 25 October 2017.

The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Ore Reserve Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its reserve announcement made on 20 November 2019.

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.