



Prospect Resources secures power supply at Arcadia Lithium Mine

African lithium company, Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to announce that the Company has signed a secure power supply agreement ("**SPSA** or "**the Agreement**") with Zimbabwe Electricity Transmission & Distribution Company (**ZETDC**) for the supply of power to the Arcadia Lithium Project ("**Arcadia**").

Arcadia's primary source of power supply is from the existing Lake Kariba hydroelectric power station, whose main power distribution lines run adjacent to Arcadia, some 15 kms away via the Atlanta substation.

Material terms of the Agreement:

1. Commencement Date: 1 January 2020
2. Term: Three (3) years from Commencement Date;
3. Renewal: Automatic renewal for another three years;
4. Tariffs are approved by the Zimbabwe Energy Regulatory Authority; and
5. In the event of a major system fault, maintenance or major power supply shortfalls that may temporarily interrupt power supply to Arcadia, ZETDC is required to provide advanced notice in line with electricity regulations providing quality assurance.

Prospect's Managing Director, Sam Hosack, said "The development of the Arcadia Lithium Mine must be underpinned by secure, long term energy supply and the SPSA is the first stage in this process. Secondary sources of power, including a possible solar farm, will now be a focus for the team."

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:

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 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.