PROSPECT DISCOVERS CAESIUM IN SATELLITE BODIES TO ITS ARCADIA MINE

Highlights

- **Significant caesium values returned from re-assaying of soil samples.**
- **Caesium values > 400ppm from soils around the Shabaash lepidolite bearing pegmatite.**
- **Anomalies located 3km west of the planned Arcadia Mine Pit.**

African lithium company, Prospect Resources Ltd (ASX:PSC, FRA:5E8) ("**Prospect Resources**" or "**the Company**") is pleased to announce the presence of significant caesium concentrations in soil, from a number of satellite bodies to Arcadia, notably the *Shabaash.*

The identified caesium occurs within pollucite, a high value rare caesium mineral that forms in extremely differentiated Lithium-Caesium-Tantalum ("LCT") pegmatite systems. Global supply is very constrained. The primary use of caesium is in Caesium Formate brine used in high temperature/high pressure oil and gas drilling.

Prospect's ground holdings at Shabaash consists of a block of three mining claims, covering some 50 hectares of open bushland. The Shabaash site is located 3km west of the planned Arcadia Pit.

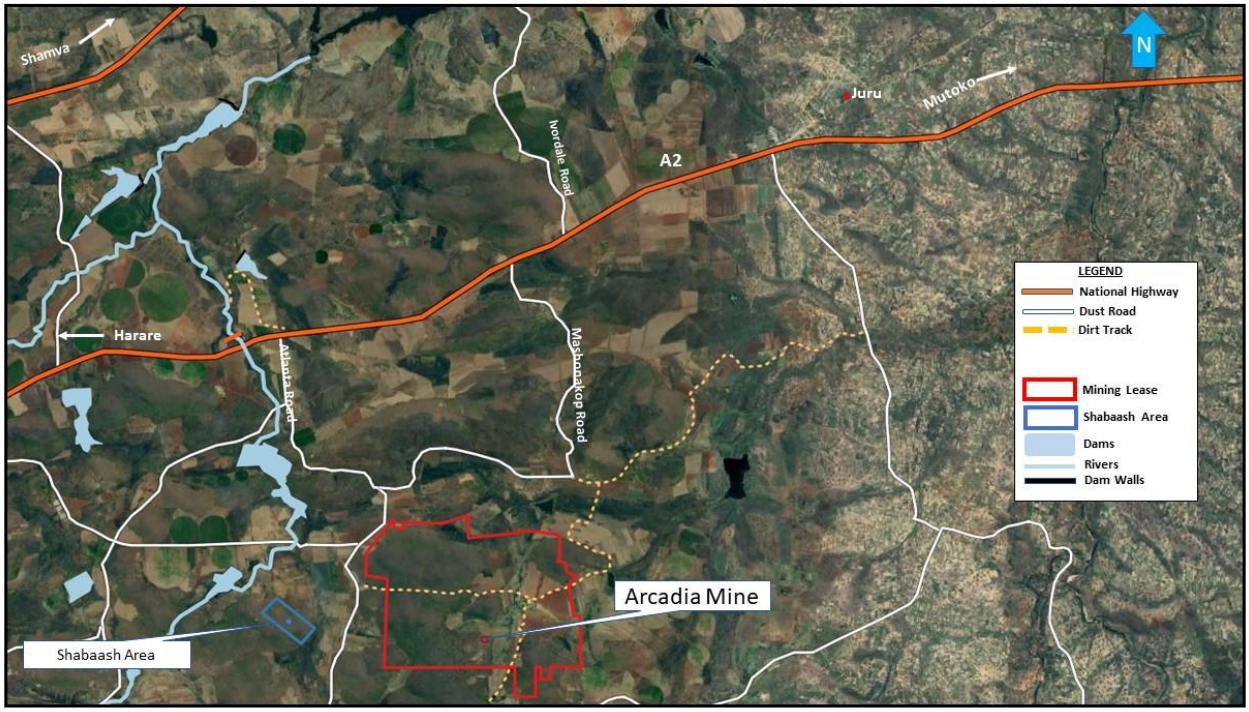

Figure 1: Locality Map showing the Shabaash claim west of Arcadia ML.

Background to the Discovery

The area is located within the east-west trending Arcturus limb of the Archaean age Harare Greenstone Belt. It consists largely of metabasalts of the Arcturus formation.

As part of its satellite exploration and ground sterilisation programme, 14,000 soil samples were collected from the area surrounding the drilled resource in 2017 – 2018. Soil samples were collected every 20m on 100m spaced lines, surveyed north-south, but due to time constraints, assayed only for Lithium, by atomic absorption at Zimlabs, Harare.

A number of lithium anomalies were defined, which were subsequently drilled in 2017 - 2018. All of these were subsequently drilled and proved to be mineralised pegmatites, albeit in some case too thin and low grade to be economic. The anomaly at Bermersyde, in contrast, was successfully drilled and, is now part of the reserve, and is the epicentre of the planned Northeast satellite pit.

In December 2019, a small number (61) of stored pulps were selected for re-assay for caesium. These were selected from samples which had previously returned Lithium anomalies.

These pulps were re-assayed successfully at UIS Analytical Services in Centurion, South Africa.

From a statistical analysis of the results, 13 of them returned caesium results > 100ppm, and four anomalous returned > 400pm. Of these results, 1 sample was located within the Company's Shabaash Claim holding.

As indicated by an analysis of the correlation matrix, the caesium anomalies are related to, but not directly associated with the higher lithium values. The anomalies at Shabaash lie along the approx. 800m zone in Shabaash pegmatite area.

It is strongly suspected that there is a swarm of east-west mineralised pegmatites (lepidolite + caesium bearing) lying under the agricultural field at Shabaash to the west.

The only significant natural mode of occurrence of caesium is in the zeolite mineral, pollucite. It can be safely concluded that there are least reasonable concentrations of pollucite around and within the Shabaash pegmatite.

A trenching programme into the pegmatite zone is planned by excavating at least 4 trenches, 30m long and 2-3m deep, across the strike of the anomaly.

Although no statements as to the dimension and grade of the mineralisation can be made until it is followed up by trenching and / or drilling; the presence of pollucite is highly encouraging. There is increasing evidence for large scale mineral zonation around the periphery of the 4.5km long Arcadia petalite-spodumene mineralisation. The implications for the proceptivity of the greater Arcadia area, for hidden deposits (Cs/Ta/Sn) are immense.

In addition, it is validation of the regional geological model, developed by our experienced successful exploration department, who continue to discover previously un-recorded deposits.

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

ENDS


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Well positioned Lithium Resource in regard to both Scale and Grade


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About Prospect Resources Limited (ASX:PSC, FRA:5E8)

Prospect Resources Limited (ASX: PSC, FRA:5E8) is an ASX listed lithium and battery minerals company based in Perth with operations in Zimbabwe, and exploration activities 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.

Competent Person Statement

The information in this announcement that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and The South African Institute of Mining and Metallurgy. Mr Tyler is the Company's Consultant Geologist. Mr Tyler has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tyler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• At the Arcadia Project, 14,000 soil samples were collected along surveyed lines from the area surrounding the drilled resource in 2017 – 2018. A number of lithium anomalies were defined, which were subsequently drilled, notably Gerard's Hill, Alderney and Bermersyde Farmhouse. All of these were subsequently drilled and proved to be mineralised pegmatites. The Bermersyde anomaly is now part of the reserve, and is the epicenter of the planned Northeast satellite pit. In Dec 2019 it was decide to re-assay some of the soil pulps for Cs. • Original soil samples were collected every 20m on 100m spaced lines. • Samples pulps were sent by trusted courier via airfreight to UIS Analytical Services in - Centurion South Africa.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• N/A
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A • N/A • .N/A •

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• N/A • • Standard Prospect Resources geological codes were used for detailed geological logging, using different logging parameters for texture, structures, alteration, mineralisation, lithology and weathering.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• N/A • N/A • The laboratory undertakes repeat analysis. In addition, 5% of the total number of assayed samples consisted of CRMs, blanks and field duplicates,
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All soil analysis was carried out by UIS Analytical Services. The analytical process began with a multi-acid digest using HF (hydrofluoric acid) to complete dryness. The completely dry sample was then reconstituted with HCl (hydrochloric acid) to put in back into solution, before reading using an ICP- MS unit. • QAQC results well within acceptable limits for soil samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data*	• Site regularly inspected by senior geological staff, including Chief Geologist and CP. • N/A. • Logging and assay data captured electronically

Criteria	JORC Code explanation	Commentary
	entry procedures, data verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	on excel spreadsheet
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• No Mineral Resource estimate has been carried out. • All measurements have collected by hand held GPS in UTM Zone 36 South(ARC 1950) values.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Soils collected every 20m, on east-west lines spaced 100m apart.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil lines run north-south, approximately perpendicular to the strike direction.
Sample security	• *The measures taken to ensure sample security.*	• Samples are placed in sealed bags to prevent movement and mixing. Minimal preparation was done on site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• To be advised.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Claim blocks GC168 – 170 (50 Ha) held by PLZ. • No environmental or land title issues. • Rural farmland - fallow
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No detailed records for any exploration, but the area was mapped in some detail by the Geological Survey in 1990. (Bulletin no 94) Small pegmatite mapped, but no sampling recorded. • On the Pride claims, to immediate north the Sekeramayi family has open up a pit measuring about 40m in length and about 3m to 13m wide
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The afore mentioned pit exploits two approx. 2 -3m wide feldspar rich pegmatites. They have an aplitic texture with lepidolite mineralization. The pit is excavated in a roughly E-W orientation and the pegmatite dips at 25˚- 30˚ to the south. The pegmatites continue east and west beyond the pit.

	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• N/A

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum e truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• N/A • .
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps are attached
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The Company believes that all results have been reported and comply with balanced reporting.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• N/A.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• 400m Trenching followed by 1,000m RC planned for Q2 2020