Independent laboratory produces one of the lowest iron lithium concentrates in the market

Highlights

- **Independent laboratories use the Company's proprietary processes to produce ultra-low iron petalite concentrate of 4.37% Li_2O and 0.01% Fe_2O_3**
- **Arcadia ultra-low iron lithium petalite is expected to be the glass & ceramic industry's preferred lithium input**

African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to announce that it has achieved a market leading result for its ultra-low iron petalite.

	Pre-Magnetic Separation	Post-Magnetic Separation
Lithium Oxide (% Li_2O)	4.278	4.370
Iron Oxide (% Fe_2O_3)	0.105	0.01
Sodium Oxide (% Na_2O)	0.204	0.202
Potassium Oxide (% K_2O)	0.473	0.371

Table 1: Petalite sample results

Prospect has been focused on production process improvements at Arcadia, to generate higher quality and consequently higher value products.

The Company's proprietary production processes were independently carried out by PESCO and Light Deep Earth (LDE) to produce premium ultra-low iron petalite concentrate product achieving 4.37% Li_2O and 0.01% Fe_2O_3.

Prospect's Managing Director, Sam Hosack, said *"these independent results reinforce Arcadia's ability to consistently produce one of the lowest iron lithium concentrates in the market. These quality improvements continue to separate our products from our peers. Management has received numerous requests for samples from customers across Europe and Asia. We are now prioritising glass-ceramic customers to receive future petalite product samples."*

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 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 Persons Statements

The information in this announcement that relates to 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 Senior 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 JORC Code 2012 Edition. 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.

The information in this study that relates to Metallurgical Testing is based on information compiled by or under the supervision of Mr John Maketo, who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Maketo is an independent mineral processing consultant. Mr Maketo 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 JORC Code 2012 Edition. Mr Maketo 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 in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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 (e.g. '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.*	• •10 x 1 t bulk bags of broken ore were collected by hand from the exposed extension of the Main Pegmatite zone within the existing historical open pit workings. • •All samples were taken in Company transport to the Prospect laboratory in Kwe Kwe, where they were crushed to -25 mm and then dispatched by courier to Geolabs, Johannesburg. • •4 x selected bags were crushed to -3.35 mm by employing HPGR crushing at the ThyssenKrupp facility in Johannesburg. The remaining 6 x 1 t bags were sent to storage. • •Each crushed bag was sampled during crushing by taking regular 1 kg sub-samples during the crushing process. • •The sub-samples were blended and sampled again by rotary splitter at Geolabs to produce head samples for analysis and heavy liquid separation (HLS). • •.The crushed sample was sized to 3 size fractions 3.5x 1mm, 1 x 0.3 mm and -0.3mm for further Metallurgical testing • Each size fraction was sampled during crushing by taking regular sub-samples during the crushing and sizing process • The sub-samples were blended and sampled again by rotary splitter at Geolabs to produce head samples for analysis and heavy liquid separation (HLS). • 3.5 x 1mm and 1 x 0.3mm size fractions were subjected to a 2 stage DMS

Criteria	JORC Code explanation	Commentary
		process with further sampling of feed and products taken • The DMS final products were subjected to milling P100 300µm and then dry magnetic separation step carried out to remove magnetic material mainly Fe_2O_3 • Further sampling was carried out during the dry magnetic separation process and final analysis of the petalite product done • All samples were analysed by semi-quantitative XRD employing Reitveld mineral content estimation, and multi-element XRF and ICP-OES. • Validated quantitative mineral analysis was produced by matching ICP elemental analyses to the mineral phases present.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).*	• There was no drilling conducted in relation to this metallurgical testwork announcement
Drill sample recovery	•	• There was no drilling conducted in relation to this metallurgical testwork announcement
Logging	•	• There was no drilling conducted in relation to this metallurgical testwork
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*	• The samples were crushed to P100 25 mm at the Prospect Laboratory. • Secondary crushing to -3.5 mm was carried out using pilot-scale HPGR equipment. • 3.5 mm screen undersize was sampled on a regular basis to produce a representative composite sample of each batch of crusher feed. • The -3.5 mm material was then blended and split to provide a head analysis sample using a rotary splitter.

Criteria	JORC Code explanation	Commentary
	being sampled.	
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples were analysed by multi-element ICP (ME-MS61). Over limits (> on lithium analysed by LiOG63 method, after four acid dissolution. All assays were performed at ALS Johannesburg. • All samples were analysed by XRD techniques to produce an initial Rietveld estimate of mineral content. • The XRD data was subsequently validated against the ICP elemental analyses.
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 entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Prospect Resources' Chief Geologist and Technical services manager were on site during bulk sample collection. • The Technical Services manager accompanied the samples to the Prospect Laboratory and supervised the primary crushing, packaging and dispatch of all 10 bags. • Prospect Resources Metallurgist supervised the testwork carried out by Independent Laboratories in South Africa. • All hard copies of data are retained at the Prospect Resource Exploration offices. All electronic data resides in Excel™ format on the office desktop, with back-ups retained on hard-drives in a safe, and in an Access™ database in a data cloud offsite. • All assay results reported as Li_2O %. Ta assays are expressed as Ta_2O_5. Fe_2O_3 assays were reported in %.
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.*	• Virimai Mining was contracted to carry out blast hole drilling and blasting focused on the old Arcadia Pit • In order to generate the required material, three 1.2 m wide benches were developed to fully expose the 7 m vertical thickness of the Main Pegmatite

Criteria	JORC Code explanation	Commentary
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*	• Samples were generated from both from the blasted and broken Main Pegmatite stockpiles. Continuous 1 m samples were channel sampled and hand sampled along cut lines, every 2 m on the pit face.
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*	• Face sampling in the pit was carried out as vertical channels (approx. normal to the dip of the mineralisation.
Sample security	• *The measures taken to ensure sample security.*	• Bulk samples were placed in sealed bulk bags to loss during transport. Minimal preparation was done on site. Samples were transported in company vehicles accompanied by the Consulting Metallurgist to the pre-preparation laboratory in Kwe Kwe.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The Chief Metallurgist is continually reviewing sample management practices and data generation and collection.

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.*	• An approx. 10 square km (1,038 hectares) mining lease, no 38 was issued on August 16th 2018 to Prospect Lithium Zimbabwe (formerly Examix Investments (Pvt)). This encompasses the entire mineral resource. • No environmental or land title issues or impediments. EIA certificate of approval granted by the Environmental Management Agency, to cover all of the company's exploration activities. • Rural farmland – fallow, effectively defunct commercial farm.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Two rounds of historical drilling were done. Three EXT holes were drilled in 1969 with support from the Geological Survey of Zimbabwe, at the site of the historic pit. These logs are available, and the lithologies observed are consistent with that seen by Prospect Resources' drilling. • The sites of at least 10 previously drilled NQ sized boreholes have also been identified in the field. Much detailed records of this programme have been lost. But the work done is mentioned in the Geological Survey in their 1989 Harare bulletin, no 94 where a non-JORC compliant estimate of 18 Mt is recorded. • Recent investigations have revealed that this was actually two campaigns of drilling. The first in 1974, consisted of six diamond drill holes and a limited number of percussion holes by local company Rhodex. • The second round was undertaken in 1981 by Rand Mines' local subsidiary Central African Minerals. A total of 813.77 m was drilled in eight diamond drill holes. Six of the old the bore hole collars have been identified, one with a hole number AC#4, and depth 47 m. (This was twinned by PR hole ACD001). It is apparent that though Rand Mines intersected the Lower Main Pegmatite in one of the holes, they were not aware that the ore body thickened significantly to the north. • A weighted average grade of 1.47 % Li_2O over 26 m was recorded from the eight holes. Though

		non-JORC compliant, the order of magnitude of the results are consistent with Prospect's work.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit comprises a number of pegmatites hosted in meta-basalts of the Arcturus Formation within the Harare Greenstone Belt. • The pegmatites belong to the Petalite subclass of the Rare-Element pegmatite deposit class and belong to the LCT pegmatite family. • The pegmatites are poorly to moderately zoned (but not symmetrically or asymmetrically zoned and have no quartz core). The main lithium bearing minerals are dominantly petalite and spodumene, with sub-ordinate eucryptite, Bikitaite, and minor lepidolite. In addition, disseminated tantalite is present. Gangue minerals are quartz, alkali feldspars and muscovite. • The pegmatites strike 045° and dip at 10° to the northwest.
Drill hole Information	• *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 meters) 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.*	• There was no drilling conducted in relation to this metallurgical testwork announcement
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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*	• There was no drilling conducted in relation to this metallurgical testwork announcement. • There was no drilling conducted in relation to this metallurgical testwork announcement • Sampling for metallurgical testwork has no effect on current Mineral Resource..

	be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation on 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 (e.g. 'down hole length, true width not known').*	• There was no drilling conducted in relation to this metallurgical testwork announcement
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.*	• A map showing the location of the old Arcadia pit is attached in the body of the report
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 states 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.*	• Channel sampling also carried out at the adjacent dormant pit, previously mined in the 1970's. Continuous 1 m samples were channel sampled and hand sampled along cut lines, every 2 m on the pit face. Approximately 3 kg samples were collected, and assayed at ALS after crushing and milling at Zimlabs. Assays were incorporated into the MRE. • Geological mapping was undertaken down-dip and along strike of the pit and has been incorporated into the current MRE. • Soil sampling orientation lines have produced lithium geochemical anomalies that coincide with sub-outcropping projections of the pegmatites. • Detailed XRD and petrographic investigations have been completed on a range of samples from across and at depth from the Arcadia deposit. The results indicate the mineralogy of the lithium mineralisation is coarse grained petalite and fine grained spodumene, both of which

are amenable to conventional recovery methods for the production of a potentially saleable lithium concentrate. Initial heavy liquid separation results in petalite reporting largely to the floats and spodumene to the sinks. The two may be separated after primary fine crushing by dense medium separation (DMS) and after successive fine grinding, by flotation. Petalite is comparatively coarse grained, primarily reporting to gravity concentrates. The finer spodumene responds very well to conventional fatty acid flotation.

- Testing Lower Main Pegmatite ore produced spodumene concentrate grade of >5% lithium oxide (Li2O) and petalite concentrate at >4% Li2O from dense medium separation tests with a lithium recovery of up to 20% as petalite in gravity concentrates. Spodumene, reporting to DMS sinks graded ~5% Li2O at a lithium recovery of ~8%. Lithium recovery of ~44% to spodumene flotation concentrate grading >6% Li2O was achieved. These results reflect near total recovery of spodumene and significant initial recovery of petalite minerals. Work to maximize petalite recovery employing spirals and flotation is continuing. Further bulk testing of Main Pegmatite ore supports the selection of DMS for coarse petalite recovery, and specialist flotation testing has indicated additional petalite may be recoverable while achieving specification grade.

- The following products have been produced;
    - Spodumene flotation concentrate @ 6.5% Li_2O and 0.33% Fe_2O_3
    - Spodumene flotation concentrate @ 6.1% Li_2O and 0.52% Fe_2O_3
    - Spodumene concentrate @ 6.1% Fe_2O_3 and 0.18% Fe_2O_3
    - Petalite flotation concentrate @ 4.5% Li_2O and 0.02% Fe_2O_3
    - Petalite gravity concentrate @ 4.2 % Li_2O and 0.08 % Fe_2O_3
    - Petalite product post magnetic separation @ 4.37% Li_2O and 0.01% Fe_2O_3

- Battery grade lithium carbonate has been produced from the laboratory and pilot test facility established in Kwe Kwe, Zimbabwe. Excellent quality product significantly above battery grade specification been produced at lithium carbonate analyses >99.5%.

Further work	• *The nature and scale of planned further work (e.g. 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.*	• Phase 7 was drilled as infills within the existing grid on Arcadia to produce more Main Pegmatite intercepts for continuing the metallurgical test work. The Main Pegmatite intercepts have yet to be processed by the test work laboratories. The geological information from the logging will be used to update the geological and resource models, as the grid is now less than 30 m in these areas. • In addition a potential Phase 8 drilling that would involve drilling 14 x 140 m holes on the western edge of the planned Main Pit is being considered. This is to upgrade all of the Basal & Lower Basal Pegmatite to at least an Indicated Mineral Resource category.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All data is stored in Excel spreadsheets, which are checked by the Project Geologist prior to import into an Access Database. • Columns in the spreadsheet have been inserted to calculate the sample lengths and compare them to that recorded by the samplers. • The spreadsheets are set up to, allow only standardized logging codes. Checks are also done during data capture and prior to import to ensure there are no interval or sample overlaps, duplication of data or samples.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The project has regularly been visited by the Company's Chief Geologist and CP. In addition, Mr Michael Cronwright of The MSA Group, a pegmatite specialist and CP has undertaken a number of site visits to advise on pegmatite zonation and mineralogy and observe sampling practices.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geology of the deposit is relatively simple, a number of shallow dipping (10° to the NW) pegmatites hosted in meta-basalt. The deposit is cross-cut by southwest-northeast and north northwest – south southeast trending faults. The latter set is thought to have controlled initial emplacement of the pegmatites, but there is little discernible displacement of the pegmatites along them. • Estimations have been done separately on each of the major three pegmatites bodies; the Main Pegmatite, the Intermediate Pegmatite, the Lower Main Pegmatite and the Basal Pegmatite. • Lithium is a highly mobile element, and weathering has affected and leached the grade down to 20-30 m depth. Separate estimations have been made on the weathered and un-weathered zones.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The block model encompasses 2.6 km of the 3.5 km of SW-NE strike, by 900 m down dip, and to a depth of 130 m. The geological model is 300 m thick, which represents a depth greater than the combined maximum topographic height, plus maximum depth drilled.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*	• The initial geological models were constructed in Leapfrog software based on hand drawn sections compiled by the Project and Chief Geologists. The block model was constructed by Digital Mining Services (DMS) in Surpac software. No top cut was applied, as there were no statistical outliers. Based on frequency distribution analysis however a bottom cut off of 0.2% Li_2O was used. In addition, a higher grade resource was defined, using a cut-off of 0.8%% Li_2O. Ordinary Kriging (OK) was employed. A spherical model was used, with search parameters set to follow the SW-NE strike and NW dip of the pegmatites. • N/A • Estimations were also made on tantalum, the primary by-product and niobium, which is intimately (mineralogically) associated with it, and also rubidium. The latter has a very high background level and is considered to be associated with the K-Feldspar, but unlikely to form economic mineralisation. • Deleterious elements, such as Cd, Fe and U are at acceptable to low levels. • Initial block size was set at 40 m x 40 m x 5 m (standard Zimbabwean Bench height). Sub – blocking done at 10 x 10 x 2.5 m.

Criteria	JORC Code explanation	Commentary
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Statistical analysis suggests a strong correlation between Cs & Rb, and Ta, Nb and Be, but a weak to negative correlation between lithium and almost all other elements. • No outlier high values to warrant top cut-off. Statistical analysis suggested a 0.2 % Li_2O lower cut-off. • Sections were sliced through the body at 100 m intervals and bore hole intercept grades visually compared against the estimated block grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Estimated on a dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Commodity is an industrial mineral. Key value drivers are Li (or Li_2O) grade and mineralogy. Lower cut -off of 0.2% Li_2O determined statistically. • Metallurgical and mineralogical test work has been completed and is ongoing.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• 5 m block height size used to confirm with standard Zimbabwean bench height. Open cast mining is planned in the eastern part of the ore body to exploit the Basal, Lower Main, Intermediate, Main and Upper Pegmatites. • A stripping ratio of less than 2.79 : 1 to 130 m depth has been determined. • Although numerous thin pegmatite bands (14 in all) exist; practical minimum size of 2 m is deemed possible to economically mine (equates to average bucket width of an excavator). Bands thinner than this will dictate the necessity of establishing low grade stockpiles, which may be economic to process once mine and floatation plant and gravity circuits are running successfully. The current estimate was made on the four thickest bands; the Upper Pegmatite, Main Pegmatite, the Middle Pegmatite Lower Main Pegmatite, Basal and Lower Basal Pegmatites.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Refer Section 2 above
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• An EIA certificate has been issued by the Environmental Management Agency (EMA) of Zimbabwe for both the exploration and the mining phases. Sterilization drilling was successfully done at the planned plant site located away from any perennial water courses. There are no centres of dense human habitation.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Specific gravities for all RC and DD core samples have been measured, in both weathered and un-weathered zones. The pegmatites are competent units with no voids, and the specific gravities measured are considered to be a good estimate of future mined bulk densities. • In core, the Archimedes technique has been used by the company. For the RC chips, a pycnometer was used by SGS Harare, and the Archimedes technique by Zimlabs. The results from the DD have proved to be more statistically robust, and only in areas where there is no DD coverage, have the SG measurements from the RC been used.

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The deposits show reasonable continuity in geology and grade. The basis of resource classification is therefore largely based in drill hole density. Measured Resources at 50 m spacing, Indicated Resources up to 100 m and Inferred Resources > 100 m. • The company believes that all relevant factors have been taken into account. • The CP, Chief Geologist and Project Geologist agree that the Mineral Resource estimate is a fair and realistic model of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Mineral Resource Estimate was reviewed by amongst others Entech Mining of Perth, BGRIMM of Beijing and Lionhead of Johannesburg.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The individual pegmatite bodies are geologically consistent, and it is deemed that the estimates are valid for such deposits over significant distances. • N/A • The statement refers to the four main pegmatite bodies; the Upper Pegmatite, the Main Pegmatite, the Intermediate Pegmatite the Lower Main Pegmatite, Basal and Lower Basal Pegmatites.