



Prospect Receives Penhalonga Gold Project Option Payment

- **Prospect Resources receives non-refundable deposit of US\$200,000**
- **Commencement of 180 days due diligence period**
- **US\$800,000 payable at completion on exercise of the option**

African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to announce that Luzich Partners LLC has paid the non-refundable deposit of US\$200,000 in accordance with the option to purchase the Penhalonga Gold Project announced on 23 October 2020.

Luzich will now undertake due diligence on the asset for a period of 180 days and pay further consideration of US\$800,000 if it elects to exercise the option.

Prospect's Managing Director Sam Hosack said: *"Prospect is focused on maximising shareholder value by rapidly progressing the Arcadia Lithium Project and extracting value from its non-core assets. The funds received strengthen the Company's balance sheet at a time when sentiment in the lithium market is improving and the opportunity for Prospect to become the next producer in the market is presenting itself."*

About Luzich Partners LLC

Luzich Partners LLC is a Las Vegas based multi-strategy private investment firm formed in 2013. It seeks investments in public and private investments globally across a range of industries including mining.

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

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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 high purity petalite and spodumene concentrates. Arcadia is one of the most advanced lithium projects globally, with a Definitive Feasibility Study, Offtake Partners secured and a clear pathway to production.

**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.