



Arcadia Pilot Plant Progress Update

- **Pilot Plant development works progressing on schedule and on budget**
- **Approx. 70% complete on Engineering, Procurement and Construction (EPC) scope**
- **First shipment of high purity petalite remains on target for end Q2 CY2021**

Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to advise that approximately 70% of the EPC scope for its high purity petalite pilot plant ("**Pilot Plant**") is completed.

The Company remains on schedule to achieve first shipment of high purity petalite by end Q2 CY2021. Importantly, the Pilot Plant remains on schedule and on budget.

Planned progress in Design, procurement and construction of the Pilot Plant is summarised:

- 100% of flowsheet and detailed engineering design completed;
- 100% of procurement completed (Dense Media Separation (**DMS**) unit and crushing modules delivered);
- 90% of non-process infrastructure completed (laboratory and site accommodation);
- 75% of modular equipment pre-assembly and 25% factory acceptance tested for DMS and crushing modules;
- 75% of power supply completed (transformer and electrical reticulation);
- 75% of mining contractor mobilisation achieved; and
- 50% earthworks and civils completed.

Further key upcoming milestones expected this quarter include:

- Site power operational, mining blast and mining contractor mobilisation;
- Crushing circuit commissioning;
- DMS module commissioning;
- Commencement of production and transportation to port; and
- First shipment of high purity petalite product.

Prospect's Managing Director, Sam Hosack, said: *"The Company's project team have now delivered approximately 70% of the works required to commence production at our Pilot Plant. Its pleasing to report development of the Pilot Plant remains on time and on budget, with Prospect on target to ship high purity petalite by the end of June 2021."*

"The Pilot Plan forms a critical part of our project development and market integration strategies and we look forward to providing key customers with high-value petalite product to complete their qualification requirements. Prospect is generating spodumene samples via an experienced third party laboratory, as downstream lithium chemical customers only require 2kg spodumene samples to qualify."



Figure 1 & 2 – Crusher Feed Hopper fully manufactured and DMS Feed Conveyor and Hopper Fabricated in South Africa



Figure 3 & 4 – DMS unit undergoing modifications and refurbishment in South Africa and Cone Crusher refurbished in South Africa, factory acceptance tested in Zimbabwe

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

ENDS



For further information, please contact:

Nicholas Rathjen

Head of Corporate Development

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 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. 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