

BULK AND GRADE CONTROL SAMPLING COMMENCES AT ARCADIA

Highlights:

- **Bulk and Grade Control sampling exercise underway focused on Main Pegmatite**
- **Approximately 20t of Main Pegmatite to be generated to:**
 - **Provide 4t bulk samples for metallurgical optimisation studies; and**
 - **Provide monthly 2t bulk sample for submission to proprietary pilot lithium chemical plant**
- **Pre development grade control sampling initiated on Main Pegmatite**

Prospect Resources Ltd (ASX: PSC) (the "Company") is pleased to announce the commencement of its bulk sampling and pre development grade control programs at its Arcadia Lithium Project in Zimbabwe. Targeting the Main Pegmatite (exposed in the historical Arcadia Pit), the Company intends to generate approximately 20t of pegmatite to provide material for ongoing metallurgical optimisation studies as well as feed for the Company's newly established pilot lithium chemical facility. The bulk sampling and full exposure of the Main Pegmatite has also enabled the Company to initiate pre development grade control sampling.

On initiation of the bulk sampling exercise, Mr Hugh Warner (Chairman) had the following to say: "This first blast at Arcadia marks a milestone for The Arcadia Project and its team. Importantly the bulk sampling will generate material essential to further optimise our process flowsheet and recoveries as well as to initiate grade control programs in anticipation of production. We also plan to use part of the bulk sample to provide a consistent feed to our, in – country, pilot lithium chemical facility that is making considerable progress in producing battery grade lithium products."

**Preparing for the first blast****Blasted Main Pegmatite ready for stockpiling**

Virimai Mining was contracted to carry out blasthole drilling and blasting focused on the western end of the old Arcadia Pit where the Main Pegmatite is exposed. In order to generate the required 20t of material, three 1.2m wide benches are being developed to fully expose the 7m vertical thickness of the Main Pegmatite. From this, two 4 tonne bulk metallurgical test samples will be sent to Johannesburg and Western Australia for further metallurgical testing aimed at optimising the process flowsheet and to ultimately improve recoveries. The remaining 12t will be stockpiled and used to feed the Company's pilot lithium chemical facility at a rate of 2t per month over the next six months.

The first production samples are being generated as part of this exercise; both from the broken Main Pegmatite stockpile and the clean pit faces using a 1m x 1m resolution grid. In addition to providing the Company with check grades to reconcile against the results from the test work, the technical team is developing grade-control procedures that will be essential during full scale production.

For further information, please contact:**Hugh Warner**

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Competent Person's 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 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 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.