



A\$6M PLACEMENT FOLLOWING STRONG DEMAND FROM INSTITUTIONAL INVESTORS

- Prospect receives subscriptions for 46,153,847 shares at A\$0.13 to raise A\$6m before costs via a private placement to sophisticated and professional investors.
- Funds to develop pilot plant to produce low iron spodumene & high purity petalite samples for glass & ceramics customers, initiate a Front End Engineering Design ("FEED") for Prospect's Arcadia Lithium Project and progressing Project financing activities.

African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to announce it has received subscriptions for 46,153,847 new ordinary shares at A\$0.13 per share to raise A\$6m before costs ("Placement"). The shares will be issued on Tuesday, 20 October 2020.

Viriathus Capital acted as sole Lead Manager and worked with Fresh Equities who assisted with cornerstone support of A\$5.5m. Funds raised from the placement will be used towards production of low iron spodumene and high purity petalite samples for downstream off-takers and customers through the design, supply and operation of a flotation pilot plant; undertake a FEED for Prospect's Arcadia Lithium Project; project finance activities and working capital.

Prospect's Managing Director, Sam Hosack, said *"This transformation growth capital will be deployed prudently on advancing the Arcadia Lithium Project. The strong demand from a number of institutional investors is in support of Prospects plan to get into production. Arcadia is in a unique position, as it is the only lithium deposit that can produce in the lowest quartile both low iron spodumene for the electric vehicle market and high purity petalite lithium concentrates for the glass & ceramics markets."*

"Prospect is pleased with this successful placement by Viriathus, enabling the business to build on its momentum as we complete the qualification process with glass & ceramics customers, continuing to advance our project economics as we target near term production."

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

ENDS



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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 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.

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.