

Prospect Resources Ltd

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Prospect Resources Ltd posts maiden lithium resource at company-maker Arcadia

Prospect Resources Ltd (ASX:PSC) has defined a maiden resource estimate of 36 million tonnes grading 1.17% lithium oxide and 107ppm tantalum oxide at the Arcadia lithium project in Zimbabwe.

Work has begun on a provisional mine plan, which will underpin the scoping study aiming for completion by the end of 2016.

Furthermore, drilling in progress since early October will look to extend the Mineral Resource estimate along strike and down dip.

Hugh Warner, chairman, commented: "This is a significant achievement and is just reward for the company's strategy of acquiring, developing and running profitable mines in the Southern African region."

Resource details

The Phase 1 and Phase 2 drill programs were primarily used to compile data for this JORC 2012 Mineral Resource estimate.

The resource contains 425,000 tonnes of lithium oxide and 9 million pounds of tantalum oxide.

53% of the total resource is within the Measured and Indicated categories.

The exploration target has been revised to 80-100 million tonnes grading 1.1-1.4% lithium oxide from 15-18 million tonnes at 3-5% lithium oxide.

Phase 3 drilling

Phase 3 drilling is underway, utilising three diamond and two reverse circulation rigs.

Work is focusing on testing three new areas; the southwest and northeast strike extension of the deposit, in addition to the northwest down dip extension.

To date 20 diamond holes for 2,400 metres and 12 reverse circulation holes for 1,100 metres have been drilled.

Arcadia lithium project

Drilling to date has covered 20% of the company's mining licence area.

The drilled strike of the 14 stacked pegmatites extends more than 1.7 kilometres and 700 metres down dip.

The company's ground position now covers more than 6 square kilometres of mining licences.

Price: A\$0.039

Market Cap: A\$77.26M

1 Year Share Price Graph



Share Information

Code: PSC

Listing: ASX

52 week High Low
0.077p 0.02p

Sector: General Mining

Website: www.prospectresources.com.au

Company Synopsis:

Prospect Resources Ltd (ASX:PSC) is focussed on minerals exploration and with operations in Zimbabwe.

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Analysis

Prospect's maiden resource estimate at Arcadia establishes it as a significant lithium deposit globally.

While the grade is not as high as initially expected, the close to surface, flat lying nature of the resource combined with the large tonnage makes this deposit a company maker for Prospect.

Prospect remains leveraged to further upside at the project with drilling in progress and significant potential to increase the resource estimate from Phase 3 drilling.

The board, management and advisors for Prospect include three Zimbabwean residents and a number of people with experience working and living in the country.

Shares in Prospect are trading up 660% year to date, currently priced at \$0.038.

The scoping study in progress is expected by the year's end.

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