

Prospect Resources Ltd

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Prospect Resources Ltd developing Africa's largest lithium project

Prospect Resources Ltd (ASX:PSC) is focused on rapid expansion of lithium JORC Resources at the Arcadia lithium project in Zimbabwe.

Arcadia is now the largest JORC lithium resource in Africa and a top-10 lithium project globally.

Prospect has a three-pronged growth strategy for Arcadia comprised of 1) exploration; 2) JORC Resource expansion; and 3) development and mining.

A maiden resource estimate of 36 million tonnes grading 1.17% lithium oxide and 107ppm tantalum oxide was recently defined at Arcadia.

Mine development is expected to begin during January 2017.

Maiden resource

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.

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

The 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.

Arcadia lithium project

Drilling to date has covered less than 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.

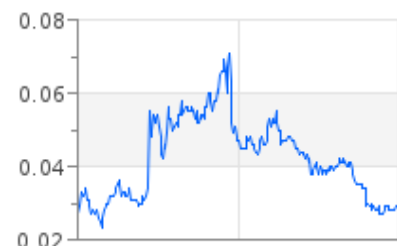
Metallurgical testing confirms the ability to upgrade ore to 6.5% spodumene concentrate with very low iron.

Zimbabwe

Price: A\$0.029

Market Cap: A\$57.45M

1 Year Share Price Graph



August 2017 February 2018 August 2018

Share Information

Code: PSC

Listing: ASX

52 week High Low
A\$0.08 A\$0.02

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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The Arcadia lithium project reflects the strategic importance of Zimbabwe's growing mining industry with its potential to be largest lithium mine in Africa.

Zimbabwe is already the largest lithium producer on the African continent through the Bikita Mine.

Zimbabwe is an English speaking country with one of the highest rates of literacy in Southern Africa.

Analysis

Prospect Resources is well placed to rapidly expand the JORC resource base at Arcadia with \$16.1 million in cash and no debt.

Five drill rigs are currently on site aiming to prove up a mineable resource at Arcadia.

The deposit remains open down dip and along strike, with news flow expected as further assays are pending.

Arcadia is already the largest JORC lithium Resource in Africa and is covered by granted mining licenses.

Additional lithium and cobalt opportunities are also being reviewed in Zimbabwe, Zambia and the Democratic Republic of Congo.

News flow is expected to continue with a busy period of activity upcoming:

November 2016

- Drilling underway;
- JORC Resource update; and
- Metallurgical testwork and site visits by potential off-take customers.

December 2016

- Drilling continues;
- Mine plan and plant design studies; and
- Off-take discussions.

January 2017

- Project financing if required
- Off-take discussions; and
- Mine development.

February 2017

- Exploration and resource drilling; and
- Mine development.

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