

3rd Drill Hole intercepts a total of 17m of metres of visible Spodumene & Petalite Bearing Pegmatites

4th Drill Hole intercepts a total of 24m of metres of mineralised Pegmatites at the Company's Arcadia High Grade Lithium Project

Drill Hole Summary ACD003

- Drill hole ACD003, which is situated 50m down dip of the first borehole has intercepted a similar number of visibly identified spodumene and petalite bearing **pegmatites totalling 17m**. The most significant are as follows:
 - **0.55m Upper spodumene bearing pegmatite** from 9.38m – 9.93m
 - **Total of 5.70m Main Zone spodumene bearing pegmatite** in two zones from 30.58m - 32.78m and 34.39 – 36.69m, well mineralised in spodumene and petalite
 - **1.91m L5 Zone spodumene bearing pegmatite** from 60.34 – 62.25m
 - **4.78m of L6 Zone spodumene bearing pegmatite** from 66.75 – 71.53m

Drill hole Summary ACD004

- ACD004 was collared 50m northeast of ACD003, and 60m north of ACD001
- Fifteen mineralised **pegmatites** were intercepted, **totalling 24.06m**
- The most significant being:
 - **3.71m of U2 Zone spodumene and petalite bearing pegmatite** from 27.5m - 31.21m
 - **5.54m of Main Zone spodumene, petalite and beryl bearing pegmatite** from 36.06m – 41.6m
 - **1.53m of L5 Zone, spodumene and petalite bearing pegmatite** from 56.6m - 58.13m
 - **6.3m of L8 Zone, spodumene, petalite and lepidolite bearing pegmatite** from 64.73m - 71.03m
- Drilling results continue to be in line with expectations from historic data.
- The second diamond drill rig has arrived on site and is now in operation.

Arcadia Lithium Deposit Summary:

- Deposit lies within one of the three well known lithium camps, approx. 35kms north east of Harare.
- Initial Exploration Target of 15-18Mt at 3-5% Li₂O.*
- Intermittent production from 1954 to 1972, produced over 15,000 tonnes of mixed lithium ore.
- Two rounds of historical drilling in 1969 and 1981, confirmed that the pegmatite extends at least 1,500m along strike, and very high grades (ranging from 3.5% – 5.5% Li₂O).

Note* The Arcadia Lithium Deposit has been the subject of historic drilling, exploration and production. The Exploration Target is based on previously published data, all of which predates JORC 2012 and the Company's current exploration programme. The potential quantities and grades are conceptual in nature because there has been insufficient exploration to date to define a Mineral Resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012).

The Arcadia Lithium Deposit

The pegmatite is exposed in a 150m long pit on a steep hill slope and has 3 to 10 metre thickness; it is flat dipping at 3°-5°NW and significantly is known to extend for at least 1,500m along strike.

The Arcadia claims pegmatite is of the Na-Li (sodium – lithium) group, is zoned and is mainly mineralised in spodumene, eucryptite, petalite and amblygonite. Spodumene is abundant in the east and petalite constitutes 10% to 50% of the pegmatite in the west. Petalite is an important lithium ore and is mined commercially. It is similar to spodumene but has a lower maximum grade. Eucryptite also occurs in the deposit and is very similar to spodumene, except it has a higher maximum lithium grade. This may explain why the deposit exhibits grades significantly higher than most lithium deposits in Australia.

Composite grade of the Arcadia claim is reportedly around 5% Li₂O. The high grades and large tonnage potential, given the known strike length, make this a significant project.

Location

The Arcadia Camp is situated some 35km northeast of Harare, Zimbabwe close to the Arcturus Gold mine. It is the most easterly of three well known pegmatite camps in the area that are mineralised in lithium, beryllium, tantalum and caesium.

Historical Mineral Production

Zimbabwe has always been recognised as a global player in the production of lithium with the bulk of the production having come from the Bikita Mine. At its peak production, Zimbabwe has been the 5th largest lithium producer in the world.

Previous Exploration

Two drilling programmes have been undertaken in the claims area, with one campaign done in the late 1960s and a more recent one done in 1981.

Late 1960s drilling

Three EX-size drill holes were drilled in the pit to expose the pegmatite extent to the north, with a further two holes sunk in the quarry floor in the footwall of the main pegmatite and one hole sunk in the western strike extension. Core recovery was reportedly poor at 50%.

Conclusions from 1961 drilling:

- The fine grained greisen beneath the main quarry contains up to 1.61% Li₂O
- The coarse grained pegmatite yielded up to 3.77% Li₂O
- There occurs a second lithium bearing pegmatite below the quarry and in fine greisen footwall.

Drilling Campaign done in 1981 & Exploration Target

An extensive drilling programme was referred to in Geological Survey Bulletin No.94 in 1991 including the publication of a reserve (non JORC compliant). **Based on the Company's review of existing publicly available information (including historic exploration, past drilling and production history), Prospect believes that the potential exists for an Exploration Target of 15-18 million tonnes with grades ranging from 3-5% Li₂O.***

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Competent Person's Statement

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves 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.