



## ARCADIA RECEIVES GOVERNMENT INCENTIVE

### Highlights

- **Exemption from 5% un-beneficiated lithium export tax for the first 5 years of operation**

African lithium company, Prospect Resources Ltd (ASX:PSC, FRA:5E8) (“**Prospect Resources**” or “**the Company**”) is pleased to announce that the Ministry of Finance and Economic Development of Zimbabwe (“MFED”) has advised that, in regards to the Company’s Arcadia Lithium Project:

“The development of beneficiation facilities requires time for feasibility studies, mobilisation of resources and construction. In this regard, The Zimbabwean Treasury (department within MFED) has approved the exemption from the export tax of un-beneficiated lithium originating from a new mine for a period of five years from the date of commencement of mining operations.”

Prospect Resource’s Managing Director, Sam Hosack, said: *“This is further confirmation that the Government of Zimbabwe is supportive of Arcadia and is focused on attracting foreign investment into the country. This incentive will materially lift Arcadia’s project economics and will accelerate payback of project finance.”*

*“Our previously announced DFS and updates have all applied a 5% tax on un-beneficiated lithium to products sold. Removing the 5% tax for the first 5 years of production will reduce operating costs per tonne, increase profitability and lift the projects Net Present Value (NPV). Further details will be provided in due course.”*

**\*ENDS\***



Africa’s leading battery mineral company



Well positioned Lithium Resource in regard to both Scale and Grade



Strong Project Economics demonstrated in DFS



Path forward to Financing, Development and Production



Offtake Agreement in place and positioned to capitalise on Market Demand

### **For further information, please contact:**

Nicholas Rathjen  
General Manager, Corporate Affairs  
nrathjen@prospectresources.com.au

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### **About Prospect Resources Limited (ASX:PSC, FRA:5E8)**

Prospect Resources Limited (ASX:PSC, FRA:5E8) is an ASX listed lithium and battery minerals company based in Perth with operations in Zimbabwe, and exploration activities in Zimbabwe and the DRC. 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.