



## **CORPORATE PRESENTATION:**

### **2020 ANNUAL GENERAL MEETING**

African lithium developer, Prospect Resources Ltd (ASX: PSC, FRA:5E8) ("**Prospect**" or "**the Company**") is pleased to enclose the following Corporate Presentation being given by Managing Director, Sam Hosack at the Company's Annual General Meeting being held at 10am (AWST) today.

**\*ENDS\***

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

**For further information, please contact:**

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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 high purity petalite and spodumene concentrates. Arcadia is one of the most advanced lithium projects globally, with a Definitive Feasibility Study, Offtake Partners secured and a clear pathway to production.

**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.



# LOW COST, HIGH PURITY LITHIUM

**2020 Annual General Meeting**

**27 November 2020**



Prospect Resources

Sam Hosack – Managing Director

ASX:PSC FRA:5E8

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### Competent Person’s Statements

The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 25 October 2017.

The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Ore Reserve Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its reserve announcement made on 20 November 2019.

# Board of Directors and Executives

## Lithium, project development and African mining experience



**Harry Greaves**  
Interim Chair,  
Executive  
Director



**Sam Hosack**  
Managing Director



**Zed Rusike**  
Non-Executive  
Director



**Gerry Fahey**  
Non-Executive  
Director



**Henian Chen**  
Non-Executive  
Director

**Chris Hilbrands**  
Chief Financial  
Officer



**Trevor Barnard**  
General Manager



**Nick Rathjen**  
Head of Corporate  
Development



**John Maketo**  
Production  
Manager



**Roger Tyler**  
Geologist



# Agenda

- 1 Managing Directors Address
- 2 Resolutions, proxies and voting
- 3 Company and project update
- 4 Questions



1 Managing Directors Address

2 Resolutions, proxies and voting

3 Company and project update

4 Questions



1 Managing Directors Address

2 Resolutions, proxies and voting

3 Company and project update

4 Questions

# Overview of proxy votes

Resolution	FOR	AGAINST	EXCLUSION/ ABSTAIN	DISCRETIONARY
<b>Resolution 1</b> – Remuneration Report	58,411,027	214,068	14,185,460	4,000
<b>Resolution 2</b> – Re-election of Gerard Fahey as Director	72,708,257	79,568	14,730	12,000
<b>Resolution 3</b> – Re-election of Zivanayi (Zed) Rusike as Director	72,706,314	81,511	14,730	12,000
<b>Resolution 4</b> – ASX Listing Rule 7.1A of Future Issue of Securities	71,998,415	368,168	435,972	12,000
<b>Resolution 5</b> – Ratification of Prior Issue of Shares	61,501,964	170,168	11,130,423	12,000
<b>Resolution 6</b> – Ratification of Prior Issue of Shares	56,439,599	64,817	10,161,539	8,000

# Resolution 1

## Remuneration Report

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2020.”*

PROXY VOTES	VOTING INTENTION	NUMBER	%
	For	58,411,027	99.63%
	Discretionary	4,000	0.01%
	Against	214,068	0.37%
	<b>Total valid directed proxies received</b>	<b>58,629,095</b>	<b>17.65%</b>
	Exclusions/Abstain	14,185,460	NA

# Resolution 2

## Re-election of Gerard Fahey as Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*“That Gerard Fahey, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

PROXY VOTES	VOTING INTENTION	NUMBER	%
	For	72,708,257	99.87%
	Discretionary	12,000	0.02%
	Against	79,568	0.11%
	<b>Total valid directed proxies received</b>	<b>72,799,825</b>	<b>21.92%</b>
	Exclusions/Abstain	14,730	NA

# Resolution 3

## Re-election of Zivanayi (Zed) Rusike as Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*“That Zivanayi (Zed) Rusike, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

PROXY VOTES	VOTING INTENTION	NUMBER	%
	For	72,706,314	99.87%
	Discretionary	12,000	0.02%
	Against	81,511	0.11%
	<b>Total valid directed proxies received</b>	<b>72,799,825</b>	<b>21.92%</b>
	Exclusions/Abstain	14,730	NA

# Resolution 4

## ASX Listing Rule 7.1A Approval of Future Issue of Securities

To consider and, if thought fit, to pass the following resolution as an Special Resolution:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

PROXY VOTES	VOTING INTENTION	NUMBER	%
	For	71,998,415	99.47%
	Discretionary	12,000	0.02%
	Against	368,168	0.51%
	<b>Total valid directed proxies received</b>	<b>72,378,583</b>	<b>21.79%</b>
	Exclusions/Abstain	435,972	NA

# Resolution 5

## Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 17,560,195 fully paid ordinary shares issued on Tuesday 20 October 2020 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

PROXY VOTES	VOTING INTENTION	NUMBER	%
	For	61,501,964	99.70%
	Discretionary	12,000	0.02%
	Against	170,168	0.28%
	<b>Total valid directed proxies received</b>	<b>61,684,132</b>	<b>18.57%</b>
	Exclusions/Abstain	11,130,423	NA

## Resolution 6

# Ratification of Prior Issue of Shares (Listing Rule 7.1A)

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 28,593,652 fully paid ordinary shares issued on Tuesday 20 October 2020 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

PROXY VOTES	VOTING INTENTION	NUMBER	%
	For	56,439,599	99.87%
	Discretionary	8,000	0.01%
	Against	64,817	0.11%
	<b>Total valid directed proxies received</b>	<b>56,512,416</b>	<b>17.02%</b>
	Exclusions/Abstain	10,161,539	NA

1 Managing Directors Address

2 Resolutions, proxies and voting

3 **Company and project update**

4 Questions



# Corporate overview

A unique, low cost and high quality lithium development specialist

1

7<sup>th</sup> largest hard rock lithium asset globally – with DFS and fully permitted

2

Offtake agreements secured with tier one partners across Europe and Asia

3

Pilot plant launching H1 2021 to produce high purity petalite & spodumene. Targeting near term, low capex staged development

4

Management is invested.  
\$572k invested in May 2020 & hold 7% of shares on issue

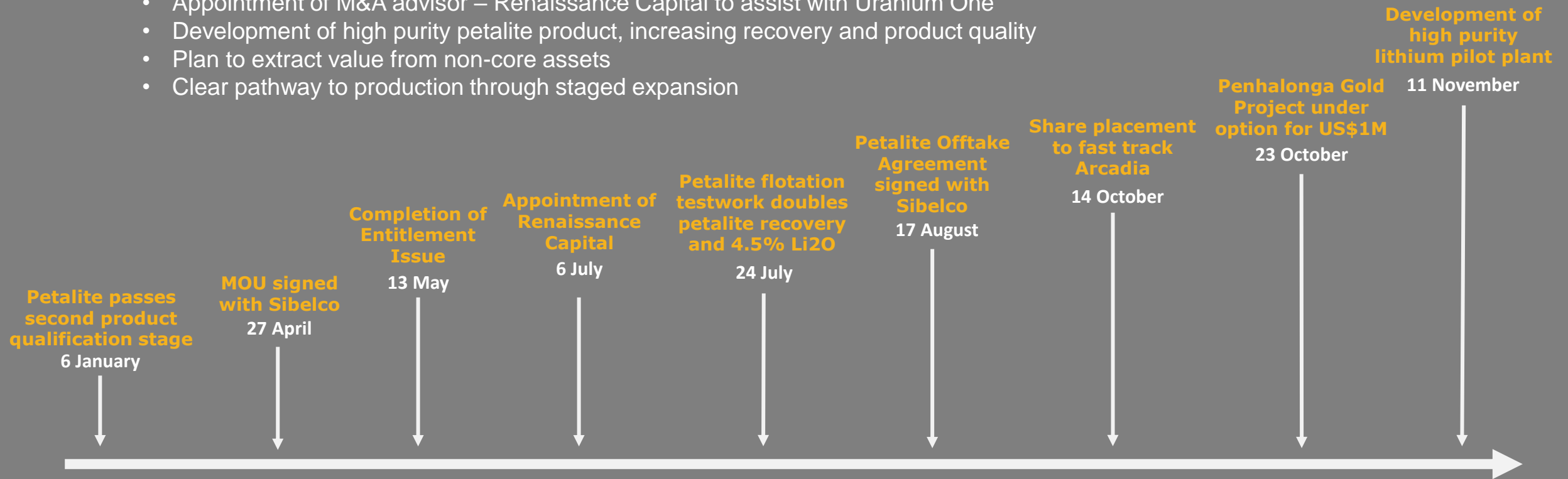


# 2020 Review

## A year of tangible progress of Arcadia

Delivered on:

- Preliminary product qualification with customers
- Offtake Agreement – Petalite Agreement with Sibelco
- Appointment of M&A advisor – Renaissance Capital to assist with Uranium One
- Development of high purity petalite product, increasing recovery and product quality
- Plan to extract value from non-core assets
- Clear pathway to production through staged expansion



# Tier one partners secured

## Offtake agreements in place across Europe & Asia



中矿资源集团股份有限公司  
SINOMINE RESOURCE GROUP CO., LTD.

- 7 year offtake agreement for:
  - 40,000tpa of 6% spodumene concentrate;
  - 112,000tpa of 4% petalite concentrate; and
  - US\$10m pre-payment
- A\$10m equity investment in Prospect Resources<sup>1</sup>



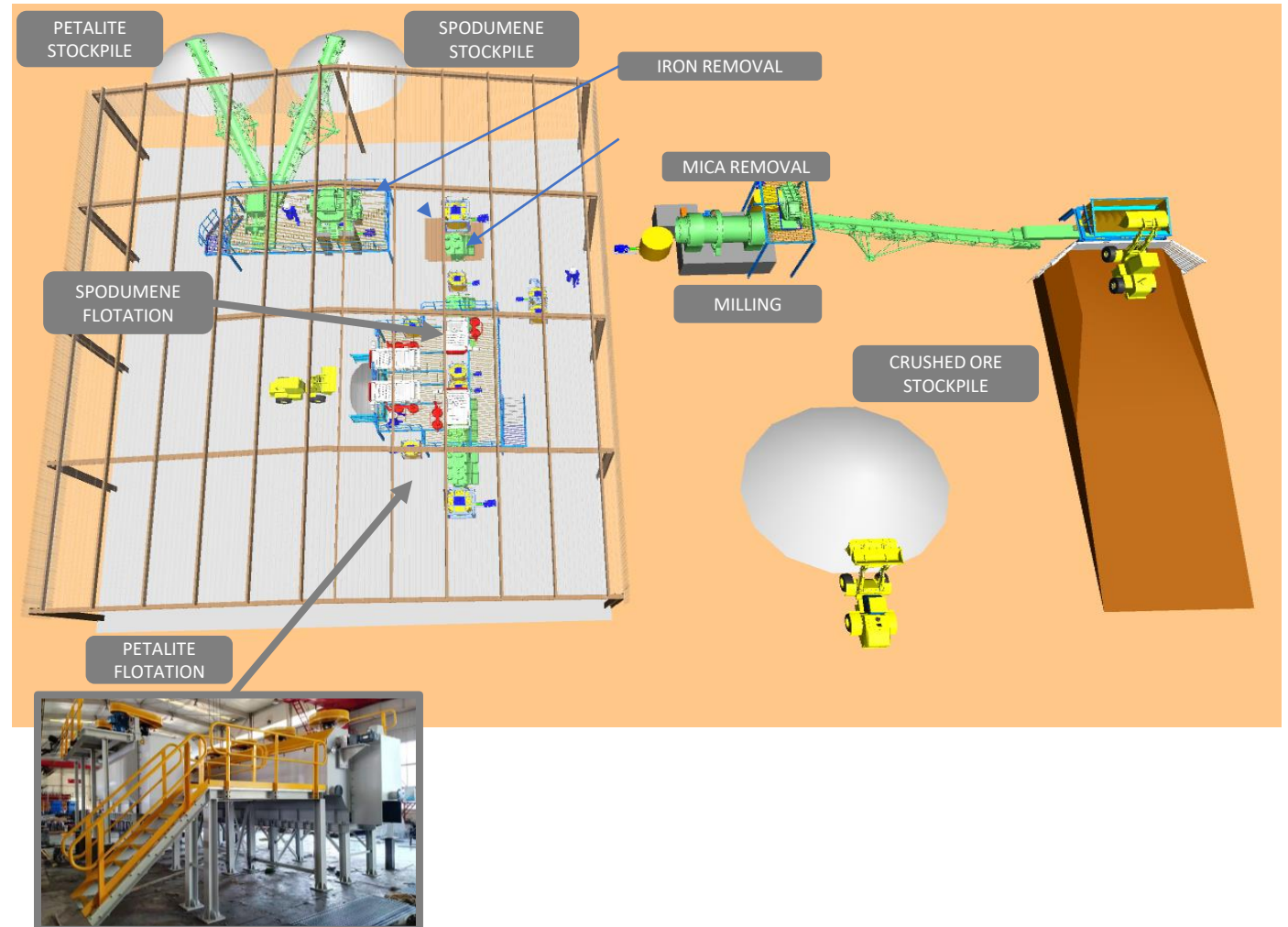
**SIBELCO**  
Material solutions advancing life

- 7 year term for up to 100,000tpa of a 4% petalite concentrate
- World's largest known ultra-low iron petalite offtake agreement
- Sibelco's has been processing petalite for over 40 years

# Pilot Plant

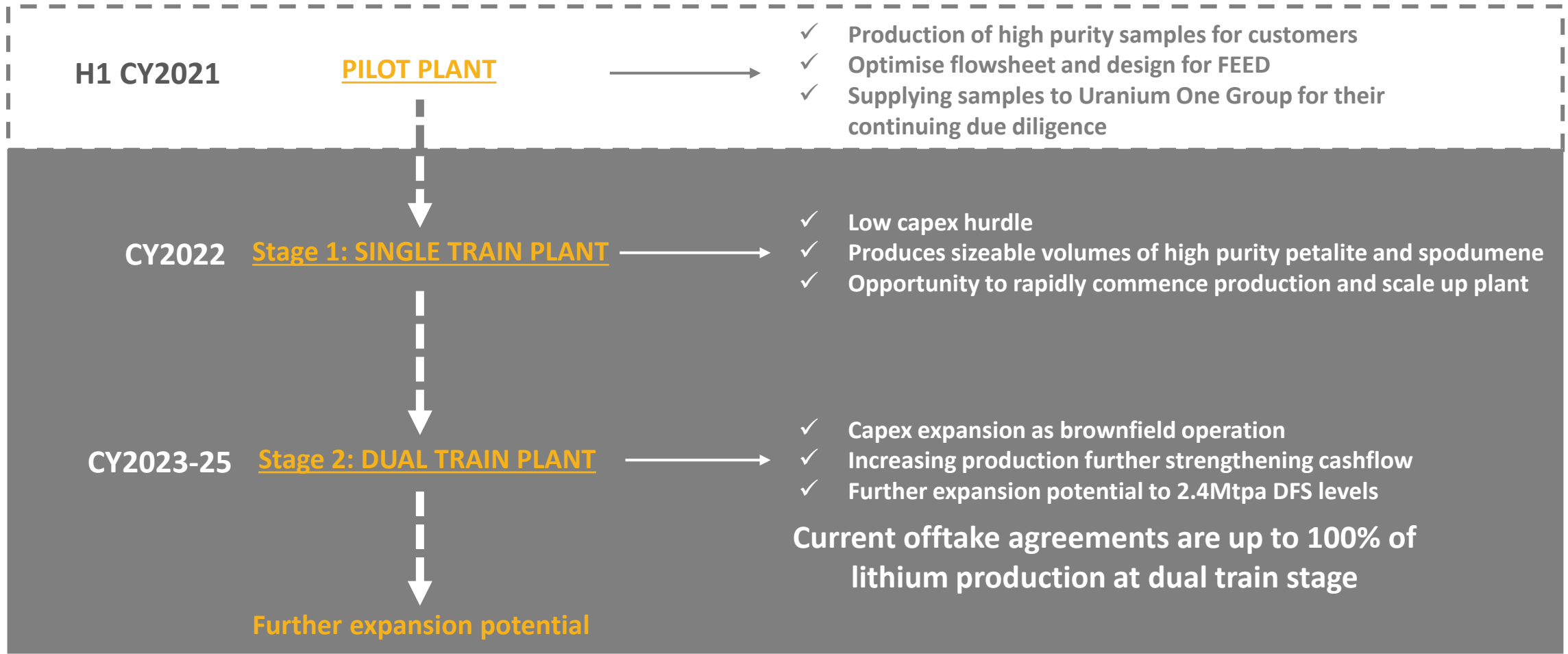
## On schedule to ship high purity lithium samples in H1 2021

- Pilot Plant designed to replicate commercial size operations:
  - ANZAPLAN validated flotation testwork
  - Beijing General Research Institute of Mining & Metallurgy (BGRIMM) flotation technology
  - Engineering design done by ADP Marine & Modular
  - Produce products to specification and quality representative of planned operations
- First shipment of product to customers in H1 2021, with planned production of:
  - 500t of petalite
  - 120t of spodumene



# Clear pathway to production

## Staged development, producing of high purity products



# Lithium Market

## EV adoption accelerating

- UK and Europe leading the way. Set to become the largest EV market of 2020
- In order for the UK to meet their EV target, it needs:
  - Half of the world's 2020 lithium supply to meet future battery capacity challenge<sup>1</sup>
  - Half of the world's lithium produced in 2020 (49% of 315,000 tonnes LCE in 2020)
  - More than the entire world's supply of anode material in 2020<sup>1</sup>
- Customer feedback suggesting higher prices in 2021 across both the chemical and glass & ceramics markets

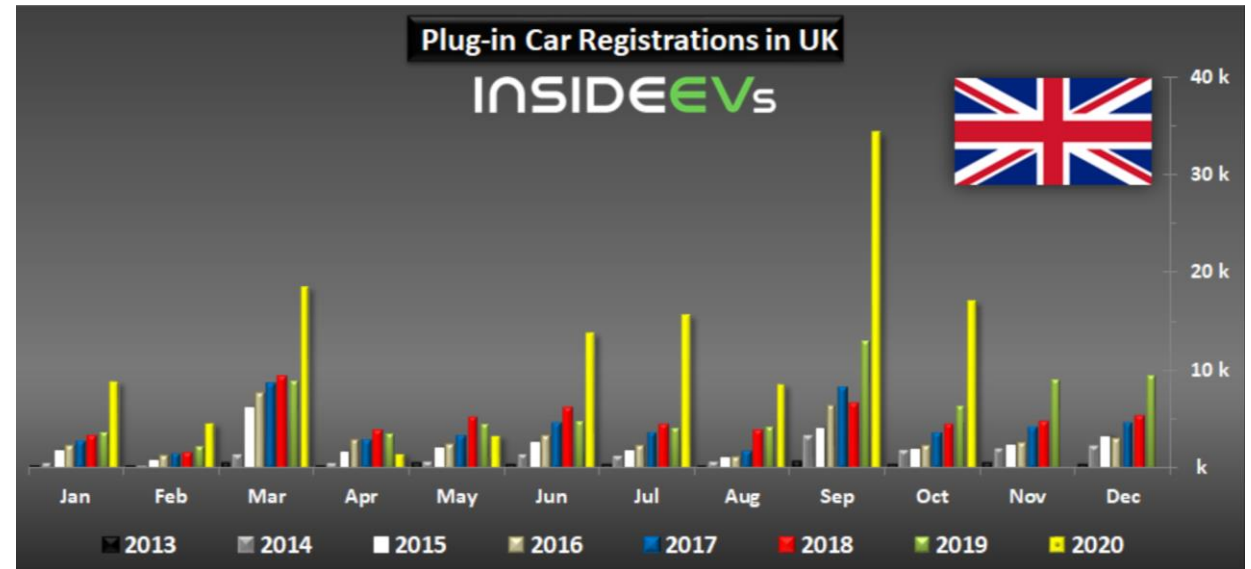


Chart: INSIDE EVs

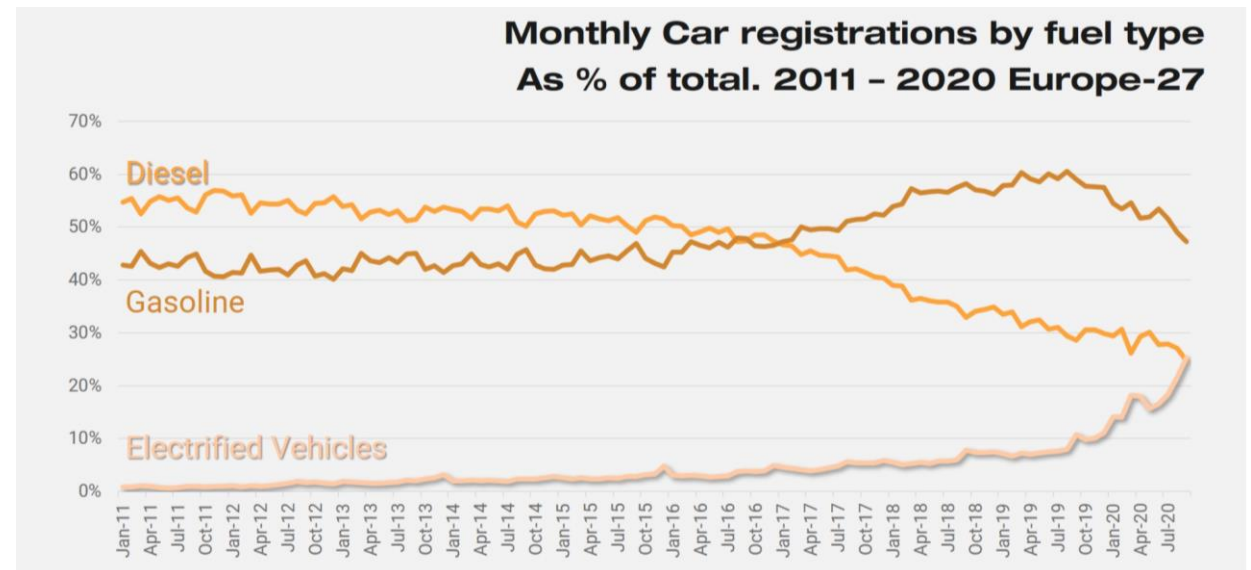


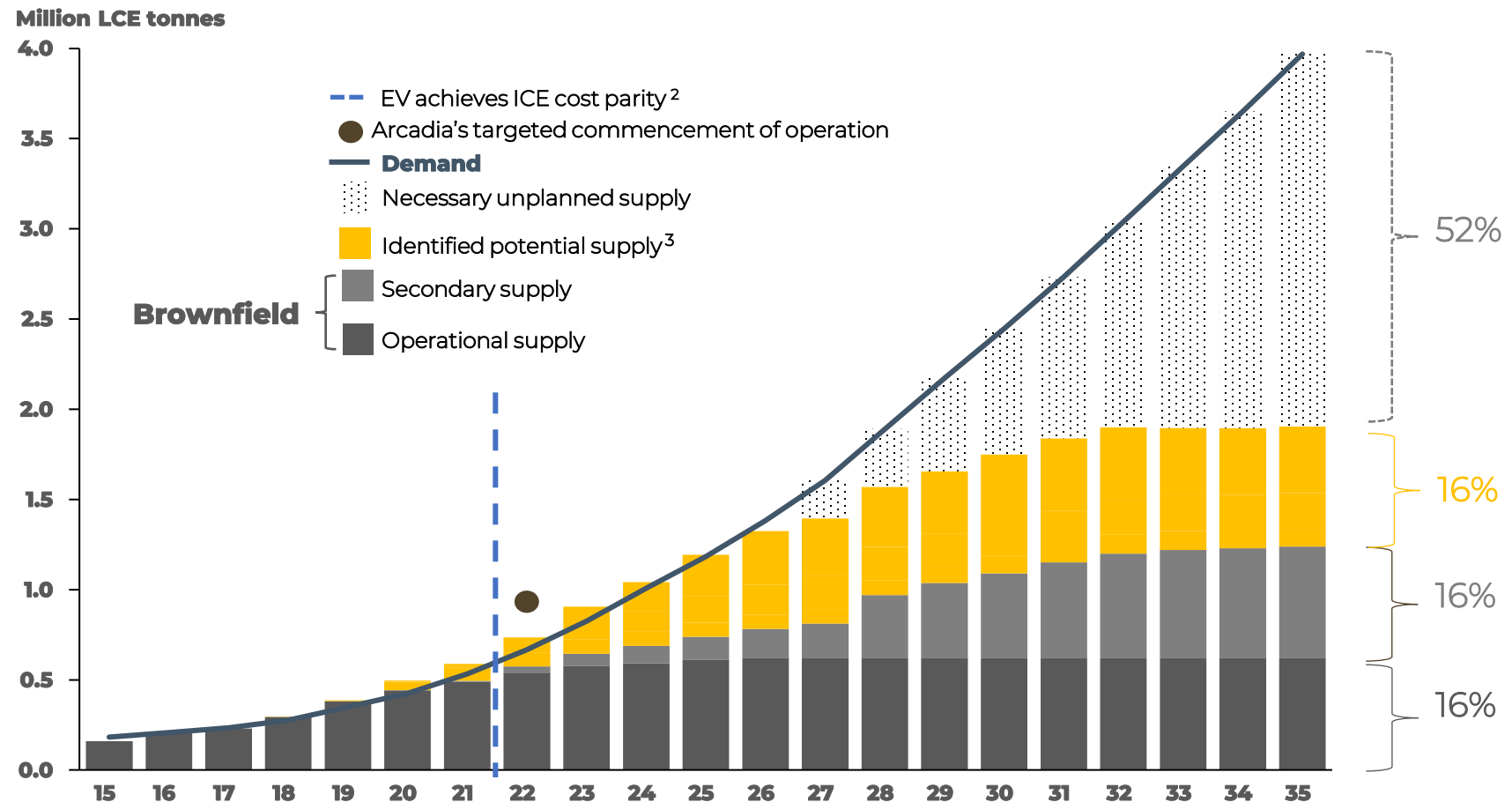
Chart: Jato

# Lithium Market

## Without further investment, the market is in deficit by 2021

### Shortage of long-term supply

- Existing operational supply only in place to meet demand to 2021
- For additional producers to meet the demands of the market in 2022, development would have had to commence in 2019<sup>1</sup>
- Therefore without further investment in new projects there will be a supply shortage by 2022 where EV growth will accelerate as they reach cost parity with ICE vehicles



# Pathway to production in a supply constrained market

- ✓ Arcadia petalite passes secondary qualification stage
- ✓ Appointed Renaissance Capital for dealings with Uranium One
- ✓ Petalite flotation almost doubles recovery
- ✓ Offtake Agreement signed with Sibelco for petalite
- ✓ Secure funding and commence development of pilot plant to produce high purity petalite & spodumene
- ✓ Potential sale of non-core assets

- Arcadia – Stage 1 Construction finance
- Arcadia – Final Investment Decision
- Arcadia – Commence construction

● 2020	● H1-2021	● H2-2021	● 2022-2023
	<ul style="list-style-type: none"> <li>• Production of high purity samples to complete final qualification process with glass &amp; ceramics customers</li> <li>• Pilot plant to generate process improvements</li> <li>• Complete FEED with the inclusion of petalite flotation technology</li> <li>• Continue tantalum offtake discussions</li> <li>• Continue project finance discussions</li> </ul>		<ul style="list-style-type: none"> <li>• <u>Arcadia – Production</u></li> <li>• Stage 1 production designed for offtake partners, with small capex and rapid development</li> <li>• Generate operating cashflows</li> <li>• Staged expansion in line with cashflow</li> </ul>

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# Prospect Resources

Low cost, high purity lithium

## CONTACT US

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