



Corporate Presentation March 2021

African lithium developer, Prospect Resources Limited (ASX: PSC, FRA:5EB) is presenting at an investor conference in Sydney on Tuesday 2 March 2021. Please find attached a copy of the presentation.

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

ENDS

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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.

A black and white photograph of a person wearing a plaid shirt and a hard hat, seen from behind, looking out at a field of wind turbines. The person is holding a clipboard. The background is a hazy, overcast sky.

Africa, the next lithium frontier

Low cost, high purity lithium

March 2021



Prospect Resources

Sam Hosack – Managing Director

ASX:PSC FRA:5E8

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Competent Person’s Statements

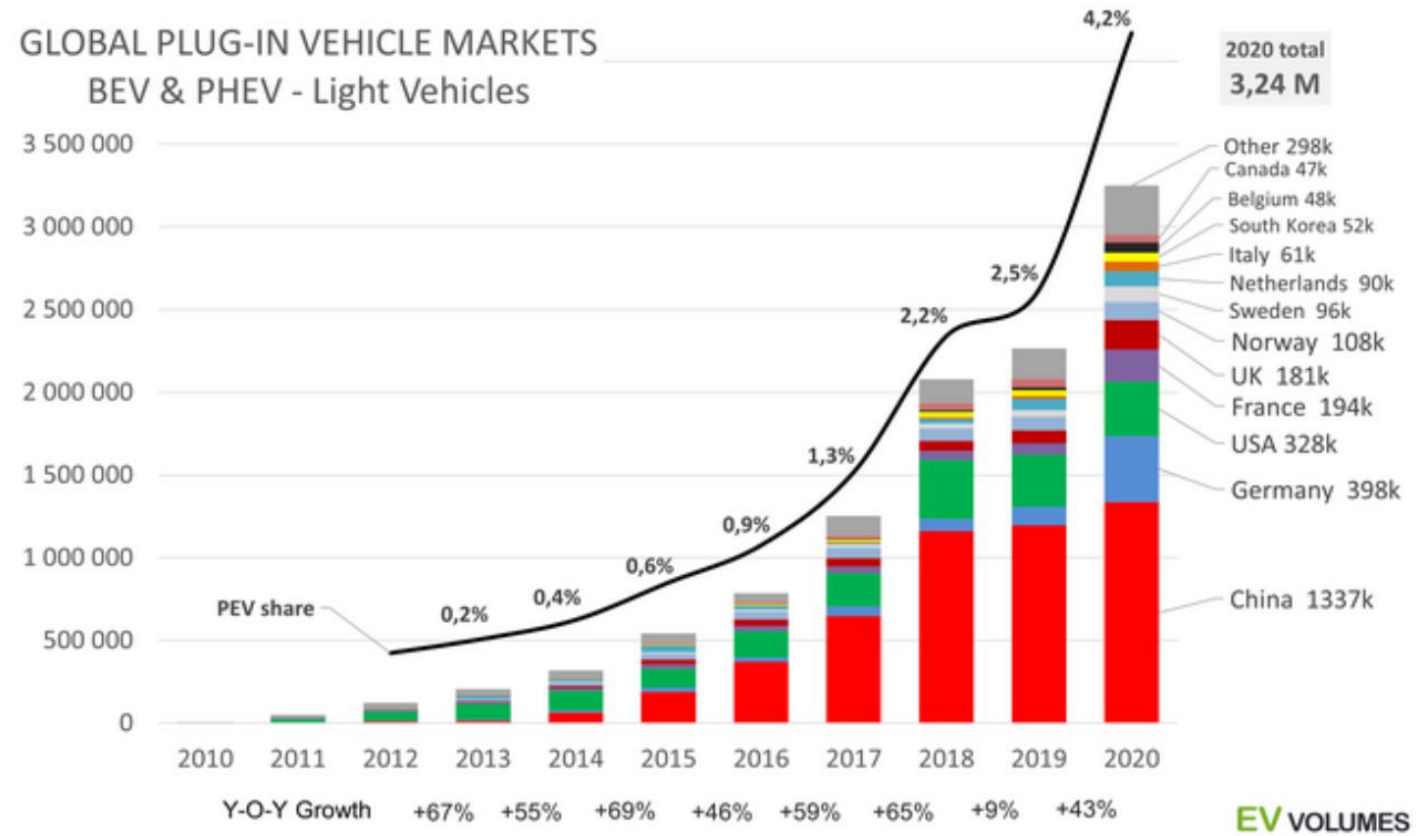
The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring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

Lithium Market

EV Adoption accelerating

- China and Europe leading the way. Europe set to become the largest EV market for 2021
- UK sales have accelerated following emissions policy and EV subsidy. In order for the UK to meet their 2035 EV target of 3m EV's sold per annum, it needs:
 - Half of the worlds lithium produced in 2020 (49% of 315,000 tonnes LCE in 2020) ¹
 - More than the entire world's supply of anode material in 2020¹
- Strong growth in EV sales in H2 CY2020 are expected to continue in CY2021
- Supply chain feedback suggesting higher prices in 2021 across both the chemical and glass & ceramics markets

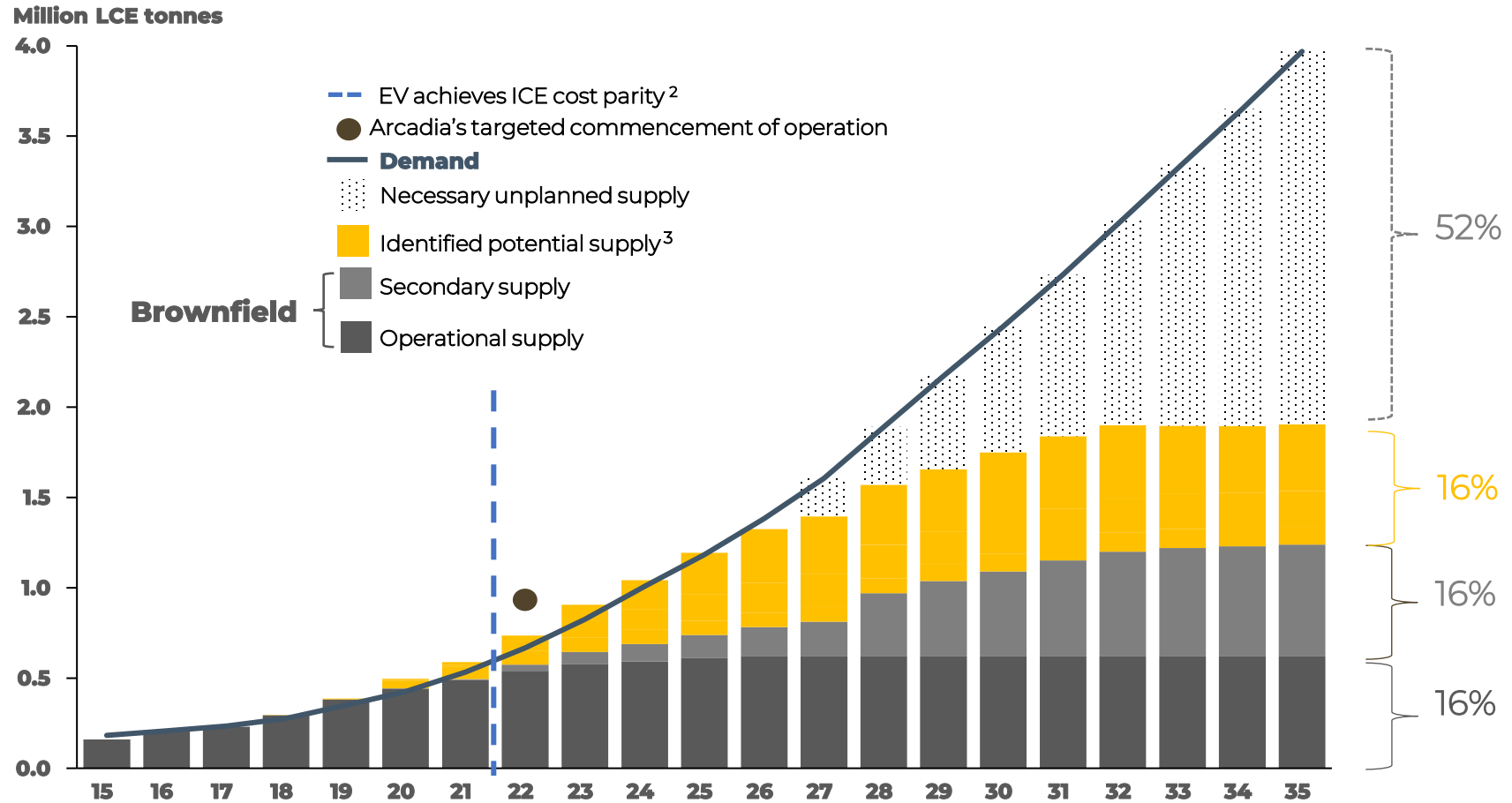


Lithium Market

Without further investment, the market is in deficit in 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 2019¹
- 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



Corporate Overview

Low cost, high quality lithium development

1

Top 10 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 to produce high purity petalite in H1 CY2021, with a clear pathway to production

4

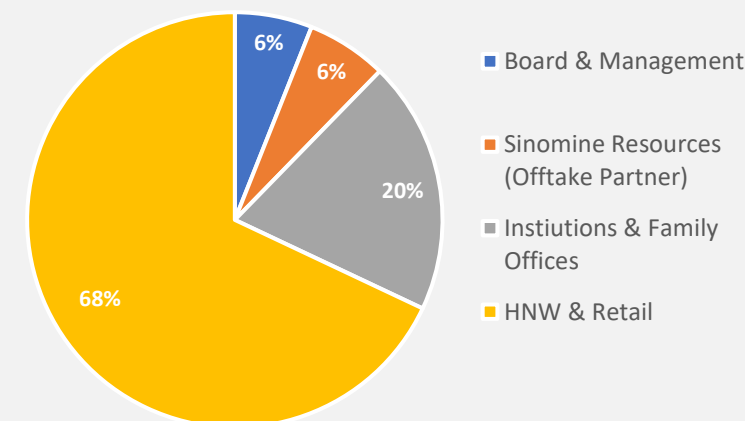
Management is invested. Owning 6% of shares on issue

Corporate Summary

Equity Listings	ASX: PSC FRA: 5E8
Shares Outstanding (1/3/2021)	332m
Shares (F/D)	344m
Share Price (1/3/2021)	A\$0.175
Market Capitalisation (1/3/2021)	A\$58m
Cash (31/12/20)	A\$5.5m

Top Shareholders

	%
Lord of the Seven Hills Holding FZE	9.75
Citicorp Nominees Pty Ltd	8.56
Sinomine International Exploration	6.27
J P Morgan Nominees Australia Pty Ltd	5.21
HSBC Custody Nominees	4.95
MBM Capital Partners	4.25



Board of Directors and Executives

Lithium, project development and African mining experience

The team comprises a matrix of expertise across technical, corporate, project development, offtake and mine operations

Experience across major miners operations both in Africa and globally



**Mark
Wheatley**
Non-Executive
Chairman



Dev Shetty
Non-Executive
Director



Zed Rusike
Non-Executive
Director



**Gerry
Fahey**
Non-Executive
Director

Sam Hosack
Managing Director



**Harry
Greaves**
Executive Director



**Henian
Chen**
Non-Executive
Director

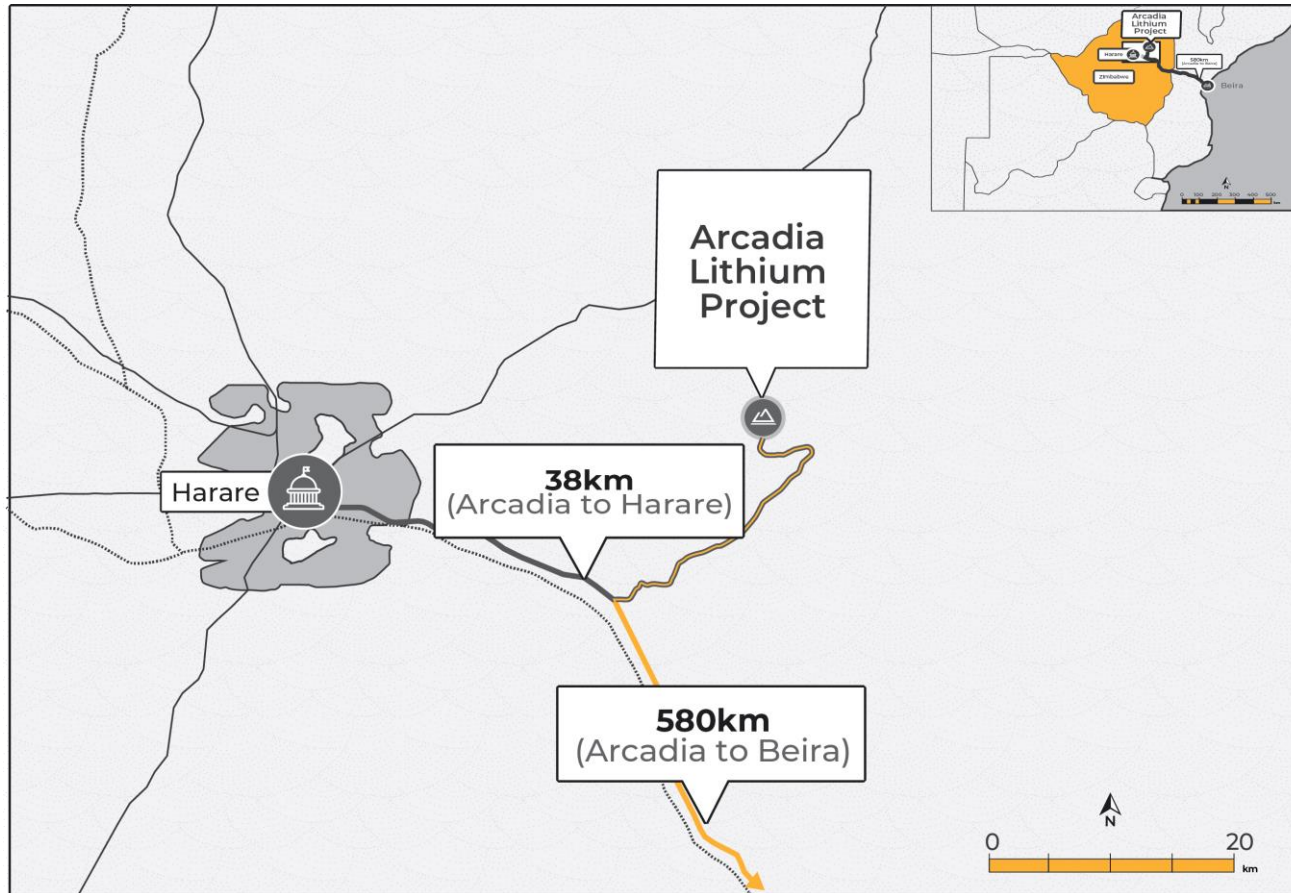


**Ian
Goldberg**
Chief Financial
Officer



Arcadia Lithium Project

Direct access to all essential services and infrastructure



- Operating in an established mining jurisdiction with over 100 years of mining history
- Zimbabwe has the 2nd largest platinum and chrome deposits in the world and is the 5th largest producer of lithium in the world:
 - Caledonia Mining (NYSE: CMCL)
 - Implats (JSE: IMP)
 - Zimplats (ASX: ZIM)
 - Sibanye Stillwater (JSE: SSW)
 - Anglo American (LSE: ALL)
- Close proximity to a skilled labour force and established infrastructure.
- Logistics assessment completed with positive outcomes:
 - Preferencing road transportation
 - Bulk shipping preliminary tendered
 - Assessment of Beira port and border crossing
 - Sufficient bonded capacity at Beira port
- Secured a Special Economic Zone, providing financial and logistical advantages:
 - Ability to bank offshore and in foreign currency
 - Exemptions of withholding tax for dividends, remittances and royalties
 - Customs clearance at mine site
- Fully permitted to commence production

Arcadia - Mining

Strong project economics validating a transition to development

Ore Reserve

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Contained Ta ₂ O ₅ (Mlbs)
Proved	11.3	1.28%	114	144	2.8
Probable	26.1	1.20%	124	314	7.2
TOTAL	37.4	1.22%	121	457	10.0

Mineral Resource

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Contained Ta ₂ O ₅ (Mlbs)
Measured	15.9	1.17%	121	184.9	4.2
Indicated	45.4	1.10%	121	501.5	12.1
Inferred	11.4	1.06%	111	121.4	2.8
TOTAL	72.7	1.11%	119	807.8	19.1

- Open pit, near surface mining
- Low strip ratio of 3.2:1 (waste:ore)
- Reduced risks associated with grade control and orebody knowledge, with 30% of Reserve in the proved category
- High grade vs peers
- Long life of mine 15.5 years
- Extensive metallurgical testwork completed providing viability testing
- Using conventional mining methods (Dense Media Separation & Flotation)
- Producing high purity petalite and spodumene lithium concentrate

Arcadia - Definitive Feasibility Study

Strong project economics validating a transition to development

Operating Parameters	Units	Value
Life of Mine Modelled (All Open Pit)	Years	15.5
Plant Throughput	Mtpa	2.4
Average Lithia Head Grade	%	1.22
Average Lithia Recovery	%	55.2
Average Life of Mine Spodumene Production	ktpa	173
Average Life of Mine Petalite Production	ktpa	122
-Average Life of Mine Chemical Grade Low Iron Petalite Production	ktpa	24
-Average Life of Mine Technical Grade Ultra-Low Iron Petalite Production	ktpa	98

Capital and Operating Costs	Units	Value
Life of Mine Cash Operating Cost (FOB) ¹	US\$/t	344
Capital Costs (Pre-production)	US\$M	162
Sustaining Capital	US\$M	35
Life of Mine Low Iron Spodumene Concentrate Price	US\$/t	701
Life of Mine Low Iron Petalite Chemical Concentrate Price	US\$/t	483
Life of Mine Ultra-Low Iron Petalite Concentrate Price	US\$/t	894

Financial Summary	Units	Value
Average first 5 years Annual Free Cash Flow from operations (post-tax)	US\$M	145
Average first 10 years Annual Free Cash Flow from operations (post-tax)	US\$M	116
Average Annual Free Cash Flow from Operations (post-tax)	US\$M	101
Average Annual EBITDA	US\$M	114
Pre-Tax NPV10	US\$M	710
Pre-Tax IRR	%	71
Post Tax NPV10	US\$M	645
Post Tax IRR	%	70
Operating Margin	%	43
Payback Period (From commencement of production)	Years	1.5

The financial outcomes of the DFS position Arcadia to become the first listed lithium producer in Africa:

- 15.5 year life-of-mine@2.4Mtpa
- LOM cash operating cost US\$344/t
- LOM revenue US\$3.42 billion
- Average annual EBITDA US\$114 million
- Pre-Tax NPV of US\$710 million
- Pre-Tax IRR of 71%
- Project payback of ~1.5 years

¹ Total cash operating costs FOB (before tantalum credit, before royalties and government marketing costs)

² Net Present Value (NPV) is presented on a nominal basis and with a discount rate of 10%

³ Definitive Feasibility Study conducted at Project Level. Prospect Resources owns 70%, with the right to increase to 87% subject to shareholder approval and completion.

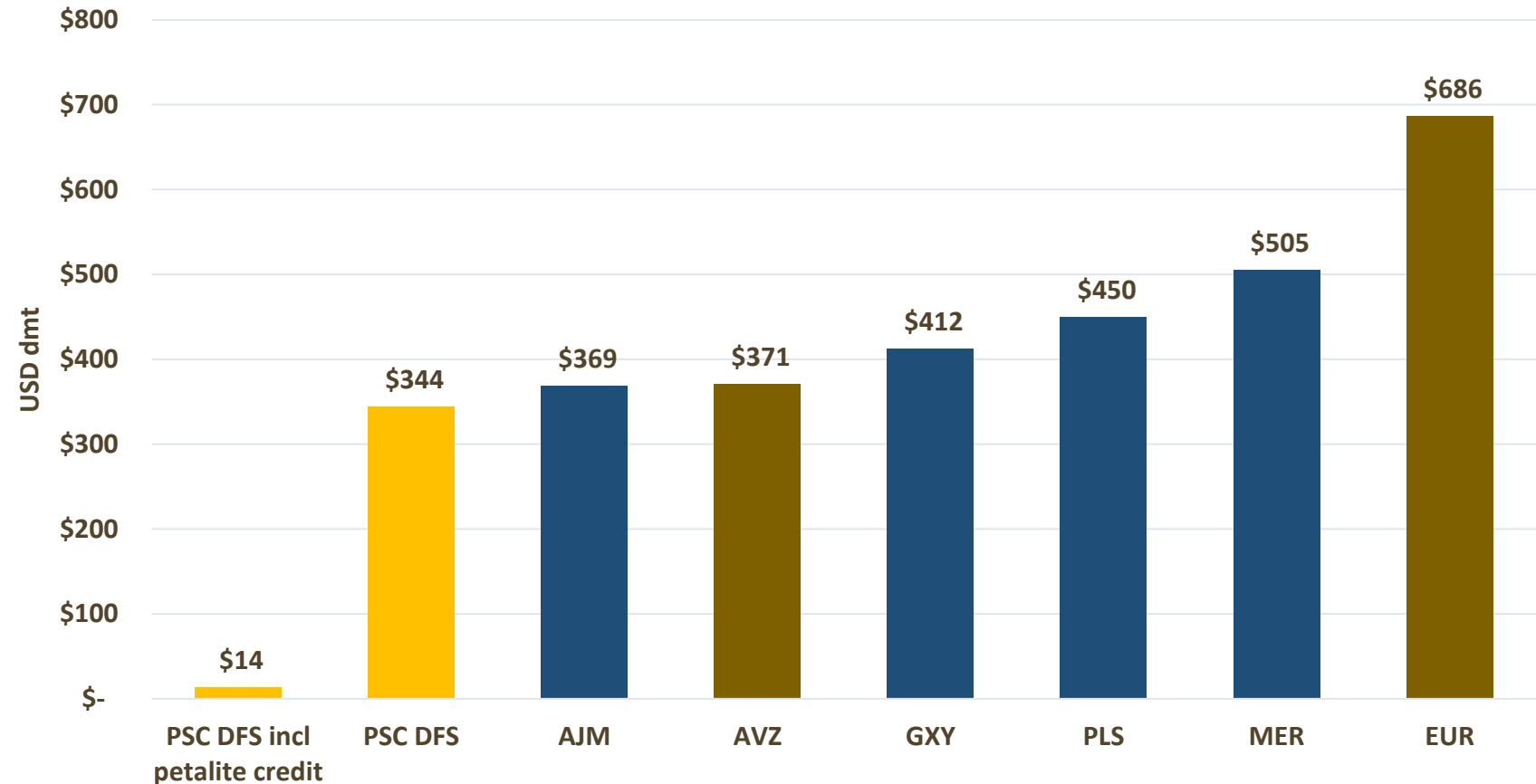
Arcadia Project Economics

Competitive cost of production throughout lithium cycle

Arcadia is positioned to be the lowest quartile spodumene producer:

- Upper quartile ore head grade
- Lowest quartile strip ratio, open cut
- Lowest quartile capital intensity

Spodumene hard rock total cost curve



Tier one partners secured

Offtake agreements in place across Europe & Asia



Offtake Agreements in place:

- 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 Resources¹
- 7 year term for up to 100,000tpa of 4% petalite concentrate²
- World's largest known high purity petalite offtake agreement
- +40 years experience with petalite in Europe

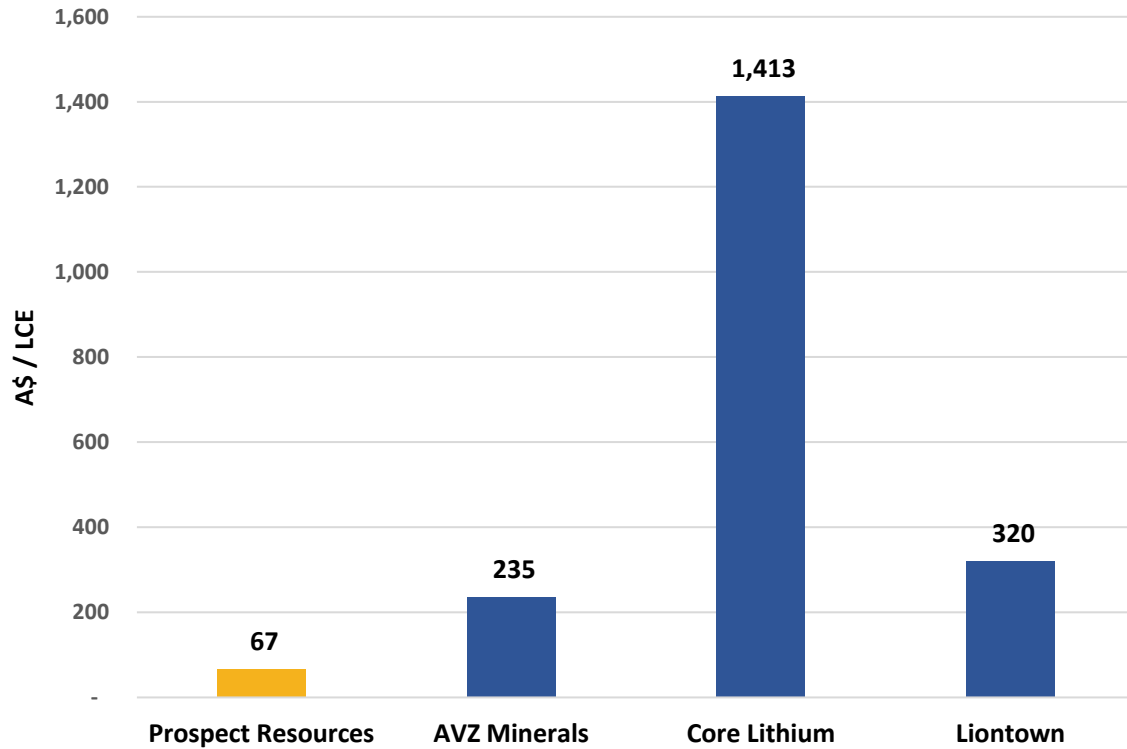


In discussions with strategic corporates and potential offtake partners for project finance

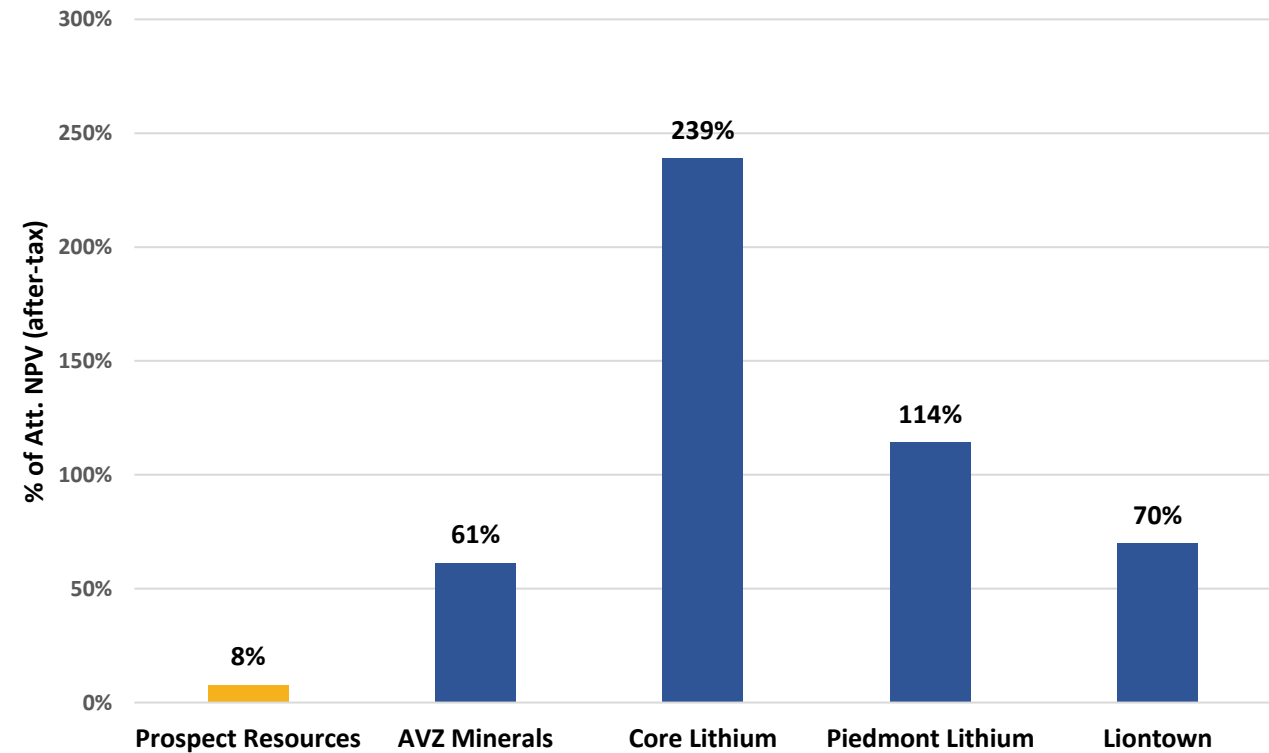
Attractive Upside Valuation compared to Peers

Peer group comprises advanced greenfield hard rock lithium projects

EV / Att. Reserve¹

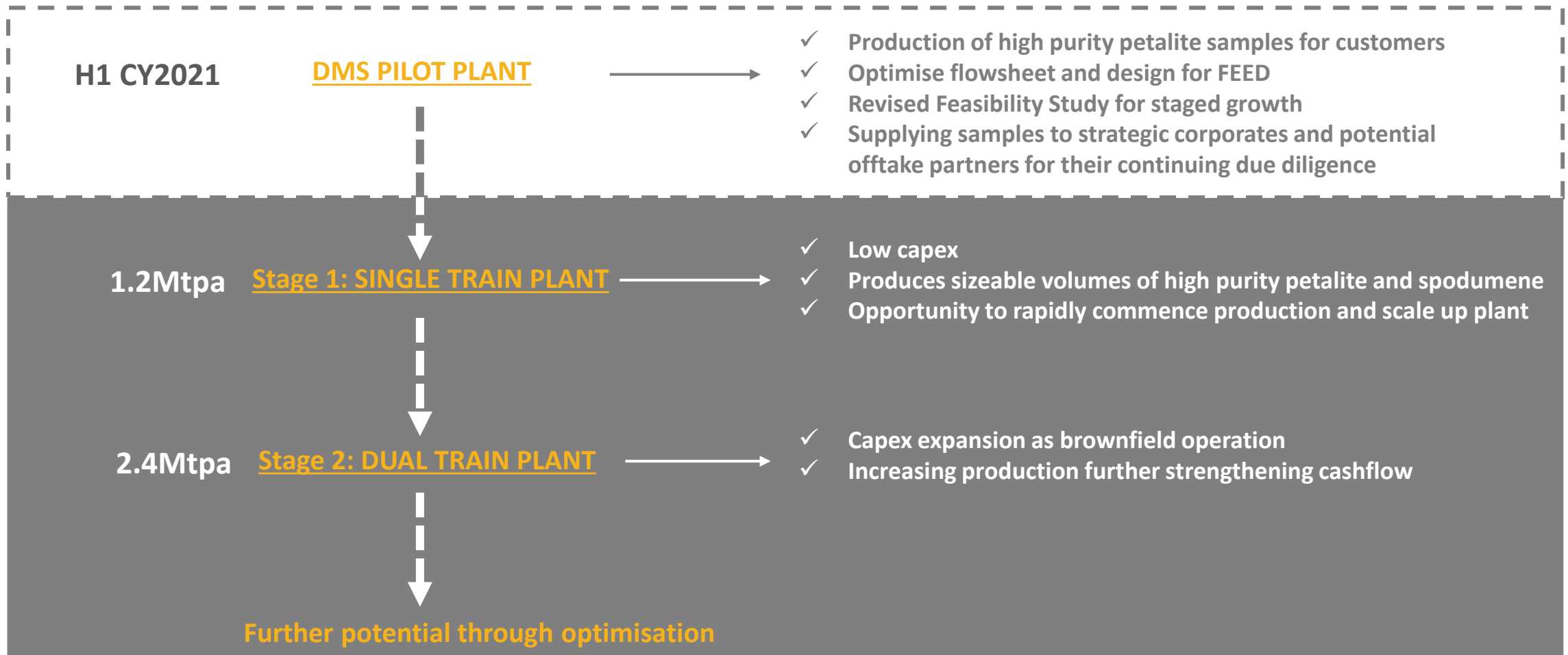


EV / % of Att. NPV (after-tax)¹



Clear pathway to production and updated Feasibility

Staged development, producing of high purity products



Summary

Africa's most advanced lithium project

- DFS completed
- Fully permitted
- Offtake Partners
- Pathway to ramping up production

Tier 1, low cost deposit with a Long Life of Mine

- Top 10 Largest Global Hard Rock Lithium Asset
- Mineral Resource 72.7Mt @1.11% Li₂O and 119ppm Ta₂O₅
- Ore Reserve 37.4Mt @ 1.22% Li₂O and 121ppm Ta₂O₅
- Operating cost in the lowest quartile at US\$344/t
- 15.5 Year Life of Mine

Strong project economics

- Average Annual EBITDA (First 5 years) US\$168M
- CAPEX US\$162M, including EPCM cost provision & 14% contingency¹
- Pre-tax IRR of 71%
- Pre-tax NPV₁₀ US\$710M²

Exposure to both high growth EV market & stable glass ceramic market

- The global demand for lithium is driven by EV growth
- Supply into the stable glass & ceramics and the growing EV / battery market



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APPENDIX

Appendix 1

Project parameters and assumptions

Mining and Production	
Processing Plant Size	2.4Mtpa
Ore Reserve	37.4Mt
- Li ₂ O grade (diluted)	1.22%
- Ta ₂ O ₅ grade (diluted)	121ppm
Life of Mine (years)	15.5
Average life of Mine strip ratio	3.2:1
Average Lithia Recovery	55.2%
Ta ₂ O ₅ recoveries	27%
Average Life of Mine Production	
-Spodumene (t per annum)	173,000
-Petalite Chemical (t per annum)	24,000
- Petalite Technical (t per annum)	98,000
-Tantalum (lbs per annum)	174,000
Spodumene concentrate grade	6%
Petalite concentrate grade	4%
Tantalite concentrate grade	25%

Cost Assumptions (US\$/t)	
Mining	97
Processing (inclusive crushing)	136
General administration and selling costs	32
Transport and loading	70
Cash operating costs (before tantalite credit and royalties and government marketing costs)	335
Less tantalum credit	(36)
Total cash operating costs FOB (after tantalum credit, before royalties and government marketing costs)	299
Add royalties and government marketing costs	45
Total cash operating costs FOB	344

General and Economic	
Discount rate (% , real)	10
LOM Low Iron Spodumene (6%) conc price (US\$/t)	701
LOM Low Iron Petalite (4%) conc price (US\$/t)	483
LOM Ultra- Low Iron Petalite (4%) conc price (US\$/t)	894
LOM Tantalum conc price (US\$/lb)	75

Appendix 2

LoM Financials and Capital Expenditure

Life of Mine Financials	
Average Annual Free Cash Flow from Operations (post-tax)	US\$101M
Average first 5 years Annual Free Cashflow from operations (post-tax)	US\$145M
Average first 10 years Annual Free Cashflow from operations (post tax)	US\$116M
Life of Mine Revenue (excl. Ta Credits)	US\$3.42B
Average Annual EBITDA	US\$114M
Pre-Tax NPV ₁₀	US\$710M
Pre-Tax IRR	71%
Post Tax NPV ₁₀	US\$645M
Post Tax IRR	70%
Operating Margin	43%
Payback Period (From Commencement of Production)	18 Months

Capital Cost Summary (US\$ Thousands)	
Mine Development Cost (Sub Total)	4 816
Process Plan (Sub Total)	117 715
Earthworks	5 047
Civil Works	8 269
Mechanical Equipment incl. Modular plant	50 332
Structural Steel	4 098
Plate Work	3 382
Piping	3 862
Electrical, C&I	15 115
Spares & Consumables	1 411
Transport	3 016
Process Plant Installation	23 183
Tantalum Recovery	Incl. Above
Non-process Plant Costs	39 902
Mining & General Infrastructure	18 772
Engineering and Services	11 090
Mining Inventories on Hand at Commissioning	2 543
First Fill Spaces & Consumables	4 783
Non-Plant CAPEX	2 714
TOTAL (Direct and Indirect Costs incl. Contingency)	162 433

Appendix 3

Valuation peer group

Company	Prospect Resources	AVZ Minerals	Core Lithium	Piedmont Lithium	Liontown
Ticker	PSC	AVZ	CXO	PLL	LTR
Exchange	ASX	ASX	ASX	ASX	ASX
Market Capitalisation (01/03/2021)	58	520	263	1,200	798
Cash (A\$m)	5.5	8.3	4.5	95.9	16.4
EV(A\$m)	50.5	526.7	341.5	878.1	688.6
Project Name	Arcadia	Manono	Finniss	Piedmont	Kathleen Valley
Country	Zimbabwe	DRC	Australia	USA	Australia
Ownership	70%	60%	100%	100%	100%
Reserve - Total (Mt LCE)	1.13	3.63	0.18	NA	2.45
EV/Att. Reserve (A\$/LCE)	67	235	1,413	NA	320
Project NPV (US\$ & after-tax) ¹	645	1,028	80	714	829
EV/% of Att. NPV	8%	61%	239%	114%	70%
DFS	Yes	Yes	Yes	No	No
Binding Offtake	Yes	Yes	Yes	Yes	No
Mining	Open Pit	Open Pit	Open Pit and U/G	Open Pit	Open Pit and U/G
Source:	Arcadia DFS 12 December 2019	Manono DFS 21 April 2020	Finniss DFS 17 April 2019	Piedmont PFS 26 May 2020	Kathleen Valley PFS 9 October 2020