

Prospect Resources Limited

14 December 2021

Arcadia Project Direct OFS Presentation



Prospect Resources

ASX:PSC | FRA:5E8

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The ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions, including consideration of all JORC modifying factors on the Ore Reserve, production target and forecast financial information are included in the ASX release.

Prospect confirms that for the purposes of Listing Rule 5.19.2, all material assumptions underpinning the information continue to apply and have not materially changed.

Important notices

Competent Person's Statements

The information in this announcement that relates to Exploration Results, 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 JORC Code 2012 Edition. 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.

The information in this announcement that relates to Mineral Resources is based on information compiled by or under the supervision of Ms Gayle Hanssen of Digital Mining Services, Harare Zimbabwe. Ms Hanssen is registered as Professional Scientist with the South African Council for Professional Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO). Ms Hanssen is employed by DMS and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Ms Hanssen consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this announcement that relates to Ore Reserves is based on information compiled and reviewed by Mr Paul O'Callaghan, a full-time employee of CSA Global Pty Ltd. Mr O'Callaghan takes overall responsibility for the Report as Competent Person. Mr O'Callaghan is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Paul O'Callaghan has reviewed the Ore Reserve statement and given permission for the publication of this information in the form and context within which it appears.

Corporate Overview

Dedicated Board with a wealth of relevant experience



Mark Wheatley
Non-Executive Chairman

Mr Wheatley has over 15 years of director and chairman experience with exposure predominantly across gold, copper and uranium sectors



Sam Hosack
Managing Director & CEO

A third generation Zimbabwean with over 17 years' experience in mining and infrastructure project development.



Harry Greaves
Executive Director

A fourth generation Zimbabwean with 10+ years' in mining projects.



HeNian Chen
Non-Executive Director

Chairman of Changshu Yuhua Property Co. Ltd since 2003, and has served as the Deputy Chairman of Afore New Energy Technology (Shanghai) Co. Ltd since 2007.



Zed Rusike
Non-Executive Director

A seasoned Zimbabwe industrialist with over 40 years' experience at a senior level. Currently Executive Chairman of Dulux Paints Limited. Former Managing Director of Radar Holdings and former president of the Confederation of Zimbabwe Industries.



Gerry Fahey
Non-Executive Director

Gerry has over 40 years' experience and is specialist in both mining geology and mine development. He is currently a Director of Focus Minerals Ltd and member of the Joint Ore Reserve Committee (JORC).



Dev Shetty
Non-Executive Director

Mr Shetty is a highly experienced mining executive and qualified chartered accountant. He is currently President and CEO of Fura Gems Inc.

Capital structure

Market listings	ASX: PSC FRA: 5E8
Shares on issue	428.5m
Share price¹	A\$0.675
Market capitalisation	A\$291m
Cash (30 September 2021)²	A\$5.7m

¹as at 13 December 2021

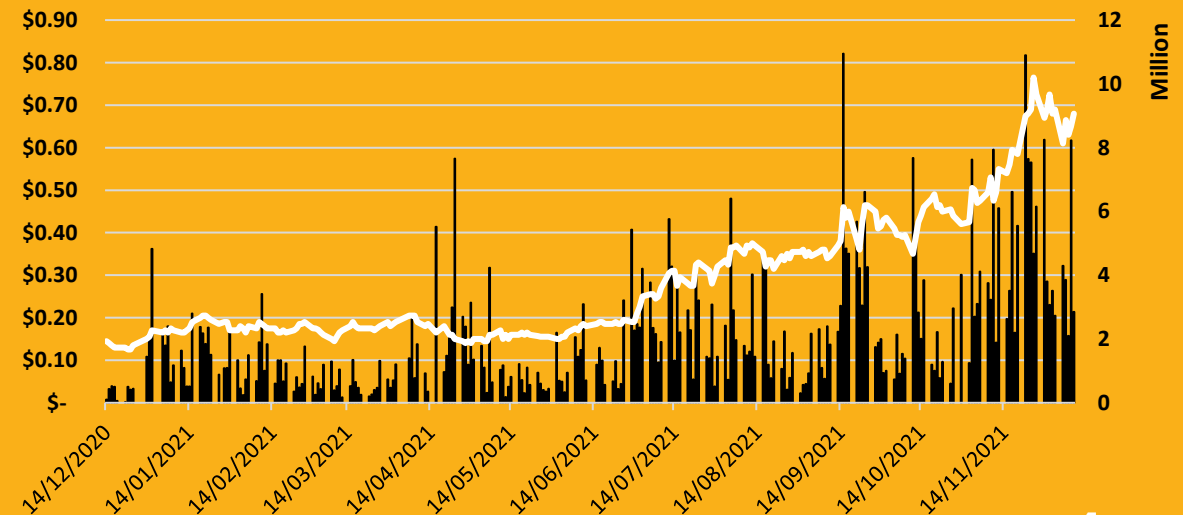
²excludes \$18m (before costs) capital raise announced on the 26 October 2021

Top shareholders

	%
Eagle Eye Asset Holdings Pte Ltd	11.43

Board and Management	6.66
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Share price performance



Background

Systematic de-risking and advancement of the Arcadia Project

1

Nov 2018

Arcadia DFS

- 12 years mine life
- Lithia recoveries of 68% utilising conventional DMS, spirals and flotation
- IRR 42% (post-tax)
- Ore Reserve Estimate 26.9Mt @ 1.31% Li₂O

2

Dec 2019

Updated DFS

- LOM increased >15 years
- Recognition of technical grade petalite
- Attained special economic zone status
- Ore Reserve increase to 37.4Mt @ 1.22% Li₂O

3

Oct 2021

Staged OFS

- 20 year mine life
- Confirmed viability of staged approach to development
- Lowering upfront capital and reduced risk optionality
- Ore Reserve increase to 42.3Mt @ 1.19% Li₂O

4

Dec 2021

Direct OFS

- >18 year mine lif
- Single stage 2.4 Mtpa development study
- Investigate capital efficiencies and economic benefit of direct pathway
- Ore Reserve of 42.3Mt @ 1.19% Li₂O

- Pilot Plant delivers improved technical certainty and petalite market entry
- Increased confidence in process development, engineering design and cost estimation
- Leading consultants provide best practice guidance and increased accuracy

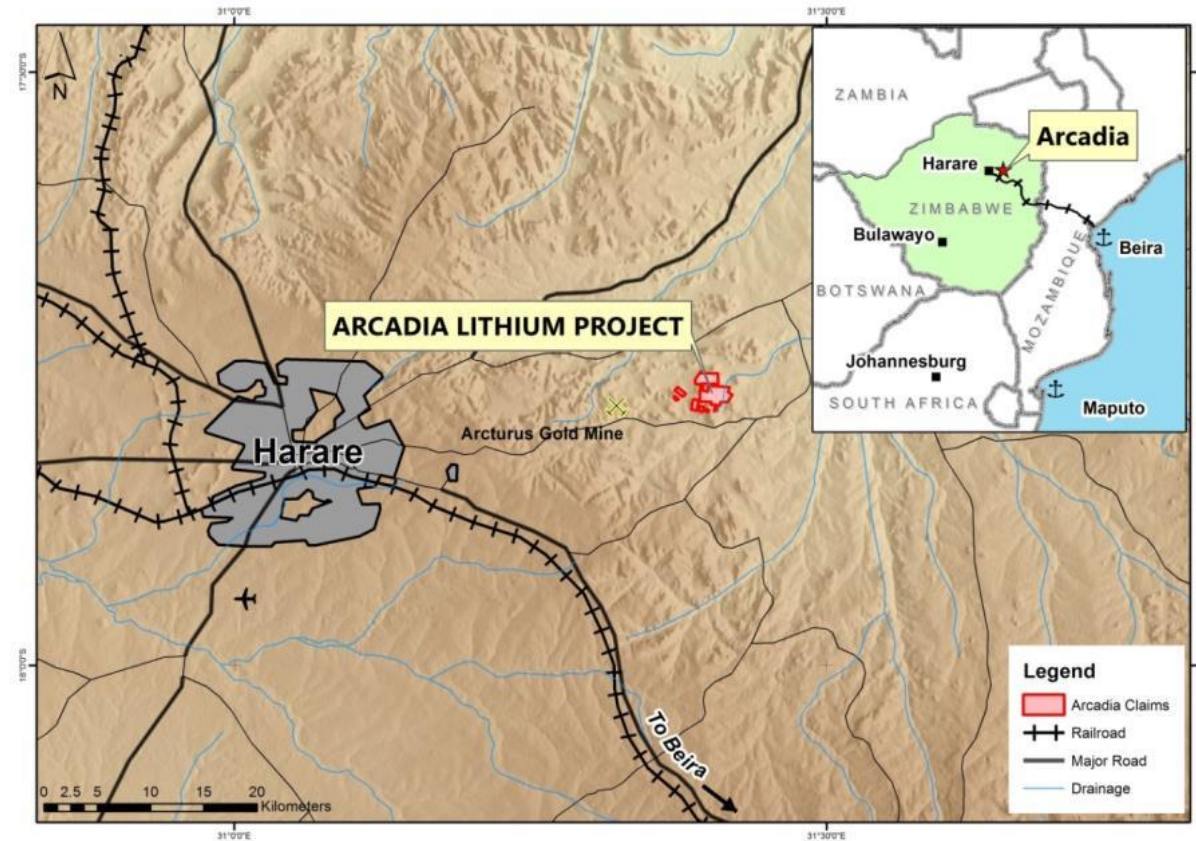
Key Conclusions

- **Higher upfront capital pathway to production with faster ramp up**
- **Greater capital efficiency and economic return**
- **A robust, high-grade operation with excellent financial outcomes**
- **Quality, high-grade lithium concentrate products with very low impurities provides key advantage**
- **Highly de-risked through optimisation of project execution, process flowsheet and market integration**
- **Arcadia remains among best-in-class for scale and costs of production**

The World-Class Arcadia Project

Africa's most advanced lithium development

- Close proximity and access to skilled labour force and requisite infrastructure
- Special Economic Zone accreditation provides significant financial and logistical advantages
- Fully permitted to commence production
- Dual-track Optimised Feasibility Studies undertaken to further delineate most attractive pathways to production:
 - Staged OFS for two-stage build to 2.4 Mtpa via staged 1.2 Mtpa modules; and
 - Direct OFS for one-stage build direct to 2.4 Mtpa
- Construction and operation of Pilot Plant has provided significant learnings and de-risking opportunities



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 scene is slightly hazy, suggesting a misty or overcast day. The person is standing in the foreground, and the turbines are scattered across the landscape in the background.

Key Direct OFS Outcomes

Confirmation of strong technical and economic viability under alternative build pathways



Key outcomes - Direct OFS

US\$929m

Post-tax NPV₁₀
(real, ungeared)

US\$364/t

concentrate AISC¹

US\$192m

pre-production capex

18.3 years

Life of Mine

2.4 Mtpa

ore throughput
capacity

60% IRR

post-tax @ FID

3.4:1

strip ratio (waste:ore)

US\$175m

Average annual EBITDA
(post-tax)

147ktpa

LOM spodumene
concentrate production^{2,3}

US\$2.6bn

Project net cashflow
(post-tax)

118ktpa

LOM petalite concentrate
production^{2,4}

3.3 years

payback period (post-tax)

1. Comprises C1 costs + sustaining capex + Ta credits. 2. Life of Mine average production. 3. Chemical grade, (6% Li₂O, <0.70 Fe₂O₃) 4. Comprises 94ktpa technical grade petalite (>4% Li₂O, < 0.05% Fe₂O₃) and 24ktpa chemical grade petalite (4% Li₂O, <0.80 Fe₂O₃)

Pricing Scenarios - Comparison

Reasonable, updated approach to LOM lithium price forecasting utilised in Direct OFS

- Leading commodity markets consultants, Roskill have provided Prospect with on-going assistance in commodity markets and price forecasting
- Roskill issued updated pricing forecasts for lithium markets in Nov 2021 ('High') with significantly higher forecasts compared to Jul 2021 deck ('Low') used in Staged OFS
- The Nov 2021 forecasts saw Roskill expecting battery-grade lithium hydroxide to average US\$25,000/t and battery grade lithium carbonate to average US\$24,000/t (2021-2040)
- Prospect elected to utilise midpoints between these prices to create a more reasonable base case ('Base')
- Base case LOM pricing³ utilised in the Direct OFS :
 - Spodumene concentrate (SC6) - US\$892/t
 - Technical grade petalite concentrate - US\$1,339/t
 - Chemical grade petalite concentrate - US\$595/t

Key metric (100% basis)	Unit	Staged OFS	Direct OFS		
		Low	Low	Base	High
Costs					
C1 Cash Operating Cost	US\$/t conc.	378	345	357	369
All-In-Sustaining-Cost ¹	US\$/t conc.	386	353	364	376
All-In-Cost ²	US\$/t conc.	431	393	405	417
Pricing					
Spodumene Concentrate (SC6, 6.0% Li ₂ O)	US\$/t conc.	736	736	892	1,049
Technical Petalite Concentrate (4.0% Li ₂ O)	US\$/t conc.	959	959	1,339	1,723
Chemical Petalite Concentrate (4.0% Li ₂ O)	US\$/t conc.	490	490	595	699
NPV _{10%} (pre-tax, real basis, ungeared)	US\$M	465	646	1,022	1,399
IRR (pre-tax, real basis, ungeared)	%	35%	48%	61%	72%
NPV _{10%} (post-tax, real basis, ungeared)	US\$M	408	590	929	1,268
IRR (post-tax, real basis, ungeared)	%	34%	47%	60%	71%
Project net cashflow (post-tax)	US\$M	1,468	1,690	2,597	3,504
Average Annual EBITDA (post-tax)	US\$M	97	118	175	232
Payback period (from FID)	years	5.4	3.58	3.33	3.00

- C1 costs + Sustaining Capex
- C1 costs + Sustaining Capex + Capex
- LOM Average; FOB Beira

Physical Outcomes

Primed to supply high quality products to growing market

- 18.3 years Life of Mine (LOM) operating at nameplate capacity following construction and ramp-up
- 2.4 Mtpa plant delivers 147ktpa of spodumene concentrate (SC6) equivalent to approx. 22,000tpa LCE / 25,000tpa LiOH¹
- Additionally, 94ktpa of high value technical grade petalite, and 24ktpa of chemical grade petalite produced
- Total lithium production equivalent to approx. 33,500tpa LCE / 38,300tpa LiOH¹
- Macro economic environment producing favourable dynamics for the lithium market
- Emerging supply deficit set to widen in 2024, in line with the commencement of production at Arcadia

1. Refer Appendix A for conversion rates

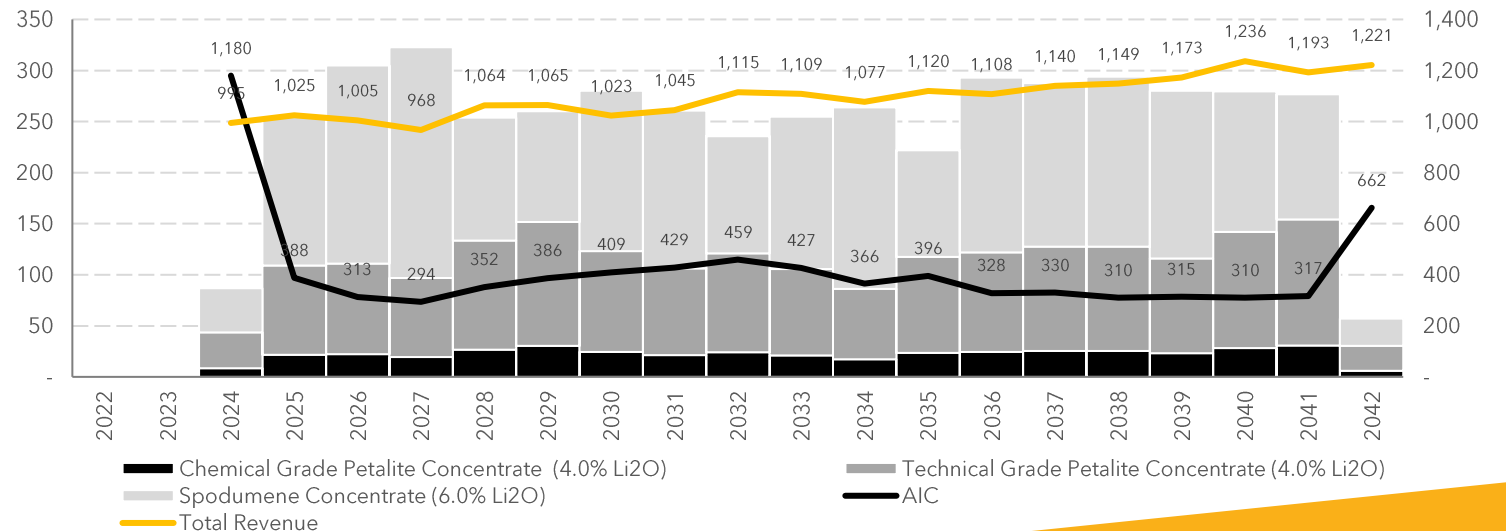
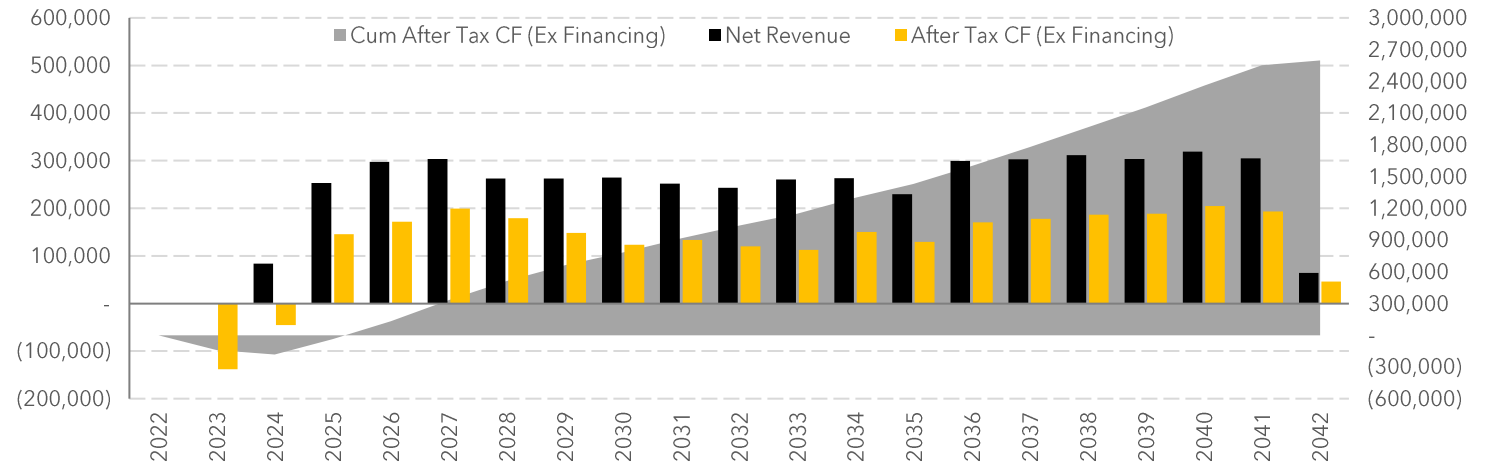
Key Metric (100% basis)	Unit	LOM
Total ore throughput	Mt	42.34
Annual process throughput	Mtpa	2.4
Initial life-of-mine	years	18.3
Average strip ratio (waste:ore)	t:t	3.4
Average head grade	% Li ₂ O	1.19
Recovery		
Spodumene recovery	%	78.2
Petalite recovery	%	31.3
Tantalum recovery	%	27.0
Total production		
Spodumene (chemical grade)	kt conc.	2,642
Petalite (technical grade)	kt conc.	1,700
Petalite (chemical grade)	kt conc.	425
Tantalum	kt conc.	6
Average annual production		
Spodumene (chemical grade)	ktpa conc.	147
Petalite (technical grade)	ktpa conc.	94
Petalite (chemical grade)	ktpa conc.	24
Tantalum	ktpa conc.	0.3

The Direct OFS production schedule is comprised entirely of Ore Reserves and contains no Inferred Resource material.

Financial Outcomes

Direct OFS highlights Arcadia's ability to generate high margin cashflow

- Forecast average EBITDA of US\$175m/year (post-tax) with direct pathway and updated pricing forecasts
- C1 unit cash costs provides significant margins from long-term expected sales price, with significant LOM free cash flow generation
- Post-tax cash generation is significant at US\$2.6bn, aided by a favourable tax rates awarded under the Special Economic Zone (0% yr1-5, 15% LOM)



Financial Outcomes

Single stage 2.4 Mtpa pathway improves capital efficiencies and project economics

- Reasonable pricing utilizing midpoint of Roskill's high and low price-decks confirms attractive post-tax NPV₁₀ of US\$929m
- Low operating costs delivering a healthy margin, with an average annual EBITDA (post-tax) of US\$175m
- Attractive project returns with a post-tax IRR of 60%

Key metric (100% basis)	Unit	LOM
Annual process throughput	Mtpa	2.40
Initial life-of-mine (Ore Reserve)	years	18.3
Average head grade (Ore Reserve)	% Li ₂ O	1.19
Average strip ratio (waste:ore)	t:t	3.4
Average production		
Spodumene (chemical grade)	tpa (conc.)	146,797
Petalite (technical grade)	tpa (conc.)	94,456
Petalite (chemical grade)	tpa (conc.)	23,614
Tantalum	tpa (conc.)	0.3
Pre-production capital expenditure	US\$m	192
Sustaining capital expenditure	US\$m	36
Post tax Investment to first positive cash	US\$m	202
Cash Operating Cost (post ramp up)	US\$/t conc.	357
AISC (C1 + Sust Capex + Ta credit)	US\$/t conc.	364
IRR (pre-tax, real basis, ungeared)	%	61
IRR (post-tax, real basis, ungeared)	%	60
Pre-tax NPV _{10%} (real basis, ungeared)	US\$m	1,022
Post-tax NPV _{10%} (real basis, ungeared)	US\$m	929
Average Annual EBITDA (post-tax)	US\$m	175
Project net cashflow (post-tax)	US\$m	2,597



Mining and Processing

Near-surface geology, amenable to open pit mining, utilising conventional mining and processing techniques



Prospect Resources

Mineral Resource and Ore Reserve

The Arcadia deposit is a high-quality, long-life lithium asset

- October 2021 Ore Reserve increased contained lithium to 1.24Mt Lithium Carbonate Equivalent (LCE)
- Life of Mine (LOM) of 18.3 years
- Reduced risks associated with grade control and orebody knowledge, with 28% of Reserve in the proved category
- Movements in Ore Reserve from 2019 largely due to change in recoveries and pricing

Mineral Resource (October 2021)

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Contained Ta ₂ O ₅ (Mlbs)
Measured	15.8	1.12%	113	177	3.9
Indicated	45.6	1.06%	124	484	12.5
Inferred	11.2	0.99%	119	111	2.9
TOTAL	72.7	1.06%	121	770	19.4

Figures above may not sum due to rounding
Mineral Resources are inclusive of Ore Reserves.

Ore Reserve (October 2021)

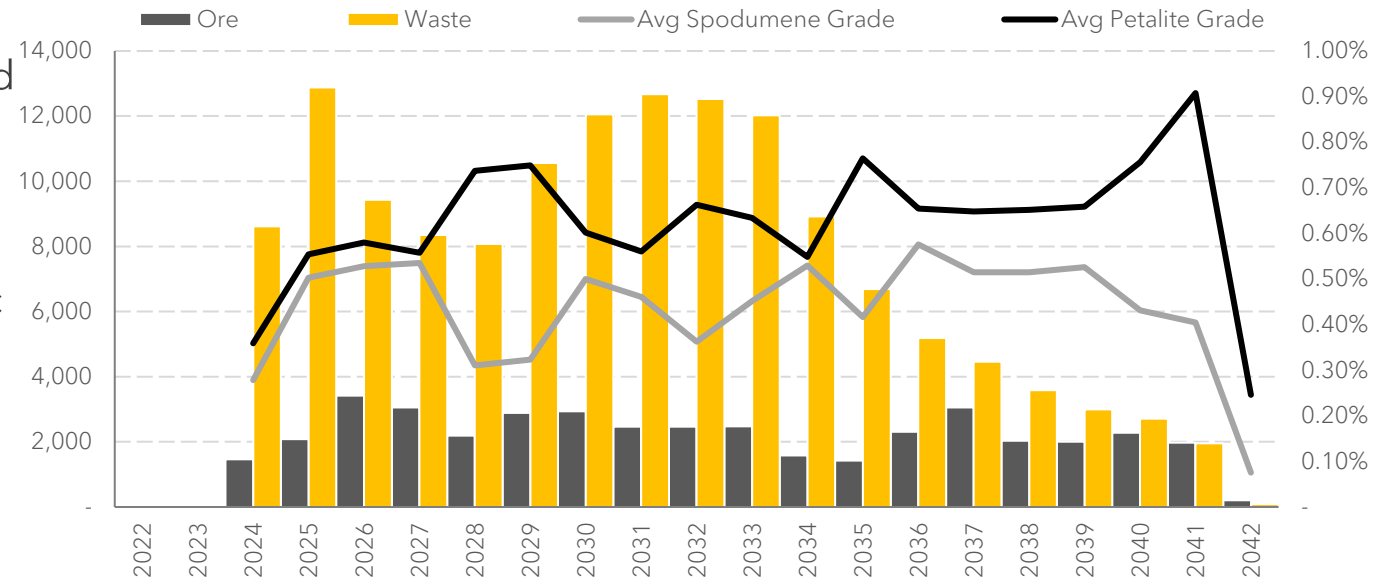
Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Contained Ta ₂ O ₅ (Mlbs)
Proved	11.8	1.25%	114	144	3.0
Probable	30.5	1.17%	123	357	8.3
TOTAL	42.3	1.19%	121	504	11.3

Mining Operations

Near-surface geology amenable to Open Pit Mining

- Pit design, optimisation and mine scheduling prepared by CSA Global (Perth Office)
- Mining undertaken by diesel hydraulic, track-mounted backhoe excavators with ore and waste hauled using off-road dump trucks
- Due to the shallowness of the orebody, open pit mining method is the most convenient and economic extraction method
- A total of 144Mt of waste is to be extracted from the pits which represents a Life Of Mine (LOM) stripping ratio of 3.4:1
- Strip ratio includes US\$3.5m of pre-strip prior to operations
- Projected direct mining costs with 42.3Mt of ore extracted, equating to:
 - US\$2.61/t ore; or
 - US\$102/t concentrate produced

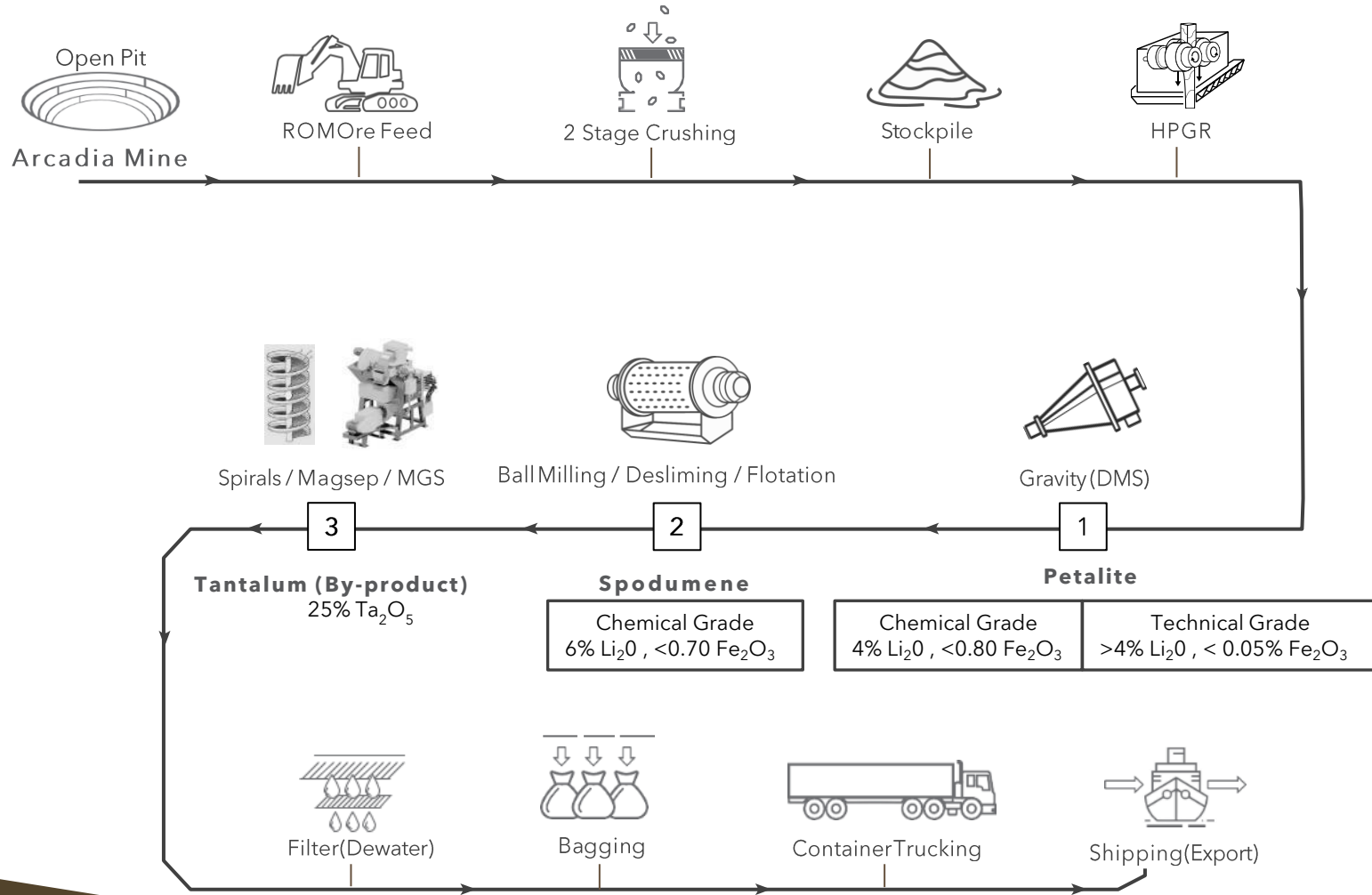
Mining Volumes (LHS) & Ore Production (RHS)



Parameter	Main Pit	NE Satellite Pit
Length	1,600m	550m
Width	700m	400m
Depth	140m	120m
Final truck floor RL	1190 RL	1185 RL

Processing

Conventional mining and processing techniques



Metallurgical Testwork Outcomes

Additional testwork has been carried out and witnessed by Lycopodium:

- Comminution testwork concluded that Arcadia ore is in line with benchmarked comminution results
- Split DMS testwork carried out and results achieved demonstrate:
 - Ability to produce technical grade petalite, further corroborated by results at Arcadia Pilot Plant to date
 - Petalite recovery >31.3% over LOM
- Flotation locked cycle testwork has been carried out and key outcomes:
 - Global Spodumene recovery of 78.2% over LOM
- Overall mass balance in line with previous DFS assumptions

A person wearing a plaid shirt and a hard hat is seen from behind, looking out at a field of wind turbines. The scene is in black and white, with a semi-transparent dark band across the middle containing text.

Infrastructure and Logistics

Proximal access to key infrastructure, utilities and resourcing with multiple routes to export



Prospect Resources

Location and Infrastructure

Project location proximal to key infrastructure, utilities and resourcing

Power

- Peak load requirement estimated ~18.5MVA
- ZETDC 132kV Atlanta substation, located approximately 9.5km from Arcadia, has two 132/33kV transformers rated at 75MVA and 50MVA respectively
- The substation has a 25MW bay equipped and available for the Arcadia Lithium Project
- A dedicated 33kV, 20MW supply has been secured and paid for by PLZ to meet Arcadia plant demand

Communications

- Mine communications supplied via fibre optic cable incorporated within overhead powerline infrastructure

Water

- Abundant high-quality groundwater available, with an additional 8.1 million cubic meter capacity available from Chinyika Dam, situated less than 4km away from Arcadia

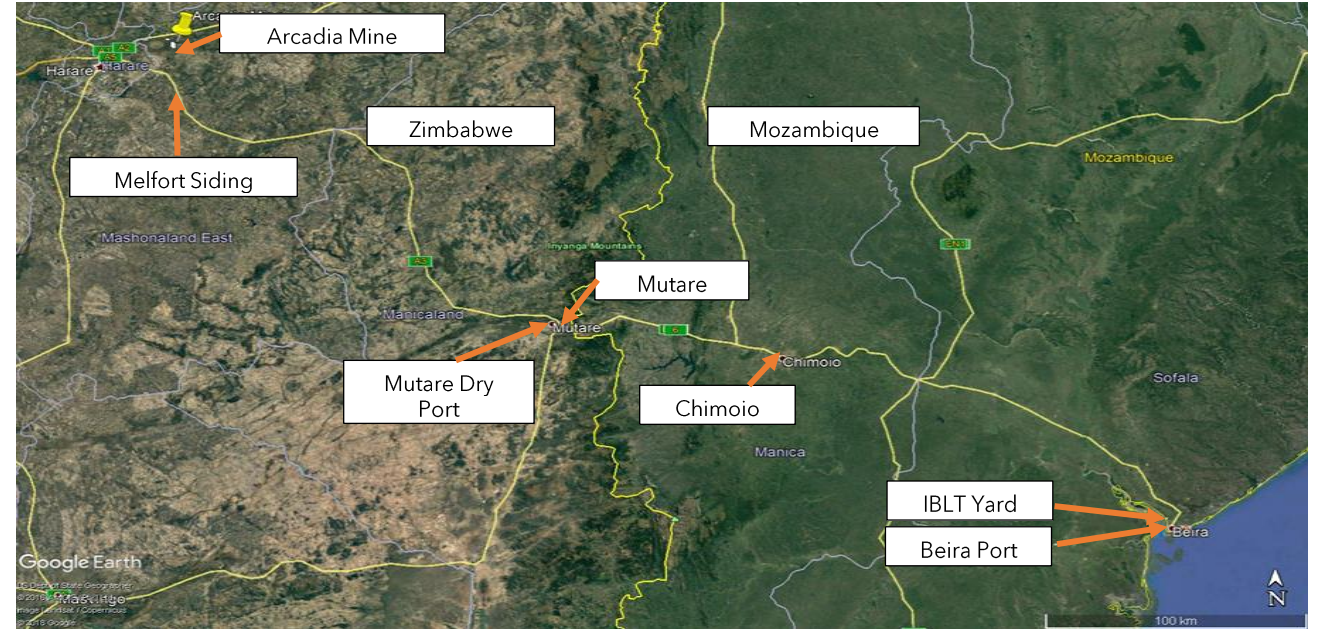


Atlanta substation located approx. 9.5km from Arcadia

Logistics

Multiple routes to export

- Product to be delivered FOB via Port of Beira, accessible by well maintained dual-lane carriageway (586km)
- Port of Beira is Mozambique's second largest port and can support vessels up to 60,000t with a maximum draft size of 12m
- Container terminal can store up to 10,000 TEU's with annual capacity of 300,000 TEU's (260,000 TEU's in 2020)
- Expansion plans in place to increase to 700,000 TEU's
- Multi purpose general cargo terminal covers 4 quays with a length of 670m and a depth of 9.5m, fully equipped to handle a variety of bulk cargoes



Capabilities / Accessibility	Possible Routes to Export			
	Beira	Maputo	Durban	Richards Bay
Break Bulk Capable	Yes	Yes	Yes	Yes
Containers Capable	Yes	Yes	Yes	Yes
Container Capacity TEU's pa	400 000	300 000	3 400 000	50 000
Support Additional Capacity	Yes	Yes	Yes	No (Containers)
Road Access from Arcadia	Yes	No	Yes	Yes
Road Loading Capacity	30 Mt	N/A	34 Mt	34 Mt
Distance from Arcadia by Road	586 km	2000 km	1670 km	1508 km
Road Condition	Good	N/A	Good	Good
Rail Access from Arcadia	Yes	Yes (Via Gweru)	Yes (Via Bulawayo)	Yes (Via Bulawayo)

A person wearing a plaid shirt and a hard hat is seen from behind, looking out at a field of wind turbines. The scene is in black and white, with a semi-transparent dark grey banner across the middle containing text.

Capital and Operating Costs

Demonstrating highly competitive forecast operating costs



Prospect Resources

Operating Costs - Direct OFS

Demonstrating highly competitive forecast operating costs

- Forecast LOM C1 costs of US\$357/t (Staged OFS: US\$378/t) and AISC costs (incl. sustaining capex and tantalum credits) of US\$364/t (Staged: US\$386/t)
- Operating costs (OPEX) are based on estimates of costs at the Arcadia mine, vendor quotations, budget prices, in-house database costs and engineering experience
- OPEX estimate can be considered to have an accuracy of $\pm 15\%$
- OPEX has been determined using a fully dynamic financial model based on the mining schedule, metallurgical variables and mass balance
- Independent review of the logistics assessment, confirming the most viable route continues to be Beira
- Independent assessment of all costs confirms healthy margin

Key metric (100% basis) US\$/tonne	Direct OFS	Staged OFS
C1 Costs	LOM	LOM
Mining	101	102
Processing	141	162
Support Services (SS)	22	24
Administration	19	19
Packaging and Logistics	82	85
Selling costs	48	40
Tantalum credits	(54)	(54)
Total C1 Costs	357	378
C2 Costs		
C1 Costs + depreciation	408	434
C3 Costs		
C2 + Corporate Costs + Royalties	431	453
AISC (C1 + Sust Capex + Ta)	364	384
AIC (AISC + Pre-Production Capex)	405	431

Model developed by third party consultants in line with industry best practices providing an independent perspective and a rigorous process focus on the outcomes

Capital Costs - Direct OFS

Demonstrating highly competitive forecast operating costs

- Increased capex vs DFS (2019) to expand equipment capacity and capability, to reduce and manage process risk applied to both Staged and Direct OFS
- Comparison of capital estimates of direct vs staged pathway highlight capital efficiencies achievable via Direct 2.4 Mtpa approach
- Modularised setup with pre-erection in South Africa enables a reduction to execution risk
- A higher contingency to account for known and unknown risks and factoring in of EPCM costs
- High proportion of FEED engineering to reduce the estimation and CAPEX growth risk
- Capital expenditure completed to +/-12.5% accuracy, in accordance with the requirement of the AACE Class 2 Estimate ("Bankable Feasibility Estimate")

Capital Cost (100% basis) US\$M	Direct OFS	Staged OFS ¹	Var ²
Site Readiness & Infrastructure	25.55	29.92	-15%
Mining	7.28	5.53	32%
Processing Plant	101.36	115.13	-12%
Preliminaries and General	15.59	15.89	-2%
Owners Project Team Costs	10.71	11.21	-4%
EPCM	15.25	15.97	-5%
Contingency	16.73	18.75	-11%
Total	192.46	212.40	-9%

1. Combined capital costs of stages 1 & 2
2. Variance comparison of Direct vs Staged OFS costs

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 scene is slightly hazy, suggesting a misty or overcast day. The person is standing in the foreground, and the turbines are scattered across the landscape in the background.

Lithium Market

A globally unique orebody, with premium products supplying multiple large end-use markets

Tier One Partners Secured

Offtake agreements in place across Europe and Asia



Material solutions advancing life

7 year offtake agreement

- Up to 100,000tpa of 4% petalite concentrate
- World's largest known high purity petalite offtake agreement
- +40 years experience with petalite in Europe



中矿资源集团股份有限公司

SINOMINE RESOURCE GROUP CO., LTD.

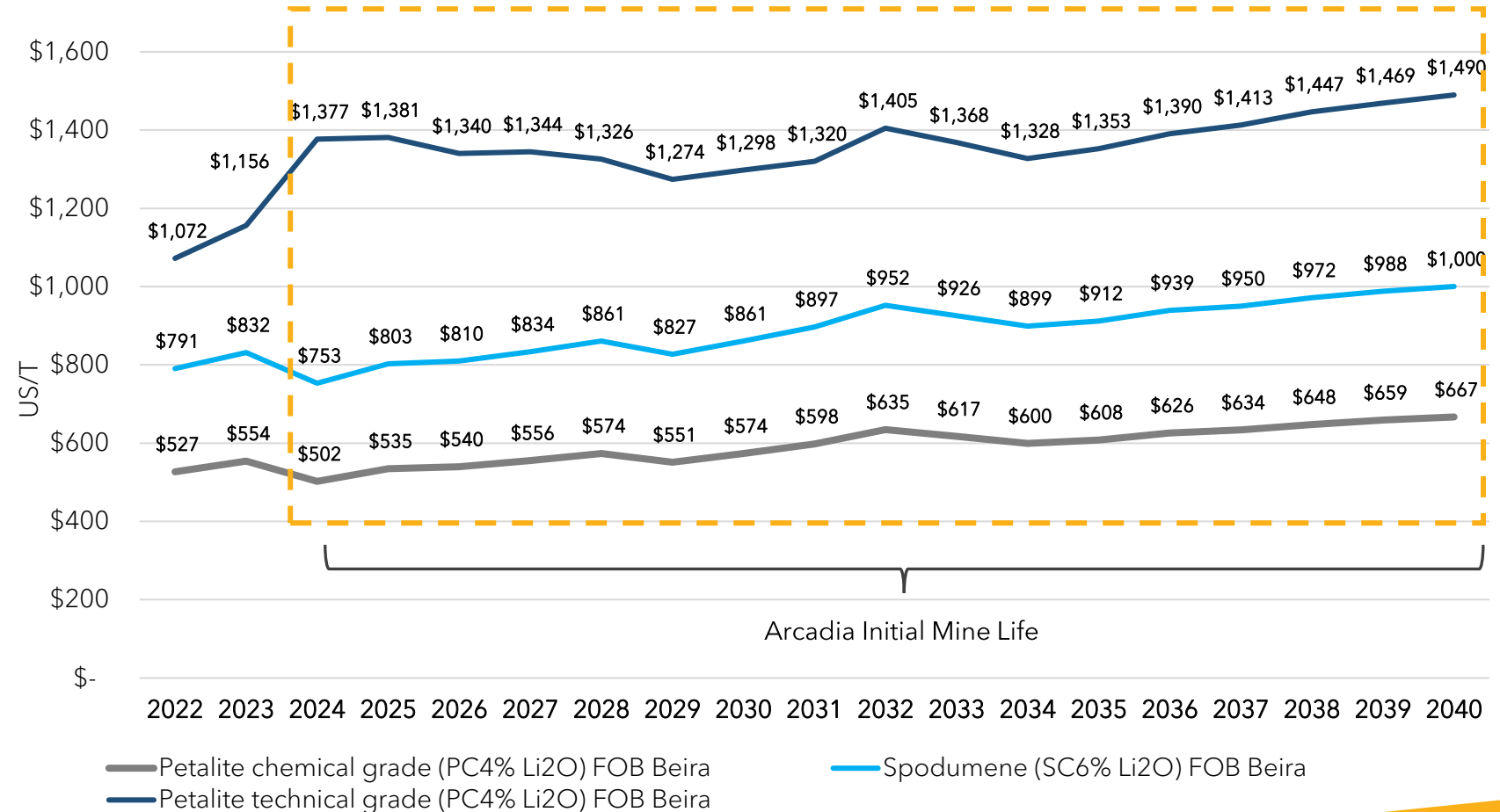
7 year offtake agreement

- Deliver a total of 48,160 Lithia units, equivalent to approx. 119,000 LCE
- US\$10M pre-payment (upon installation of ball mill in project development)
- A\$10M equity investment in Prospect (completed)

Direct OFS Price Assumptions

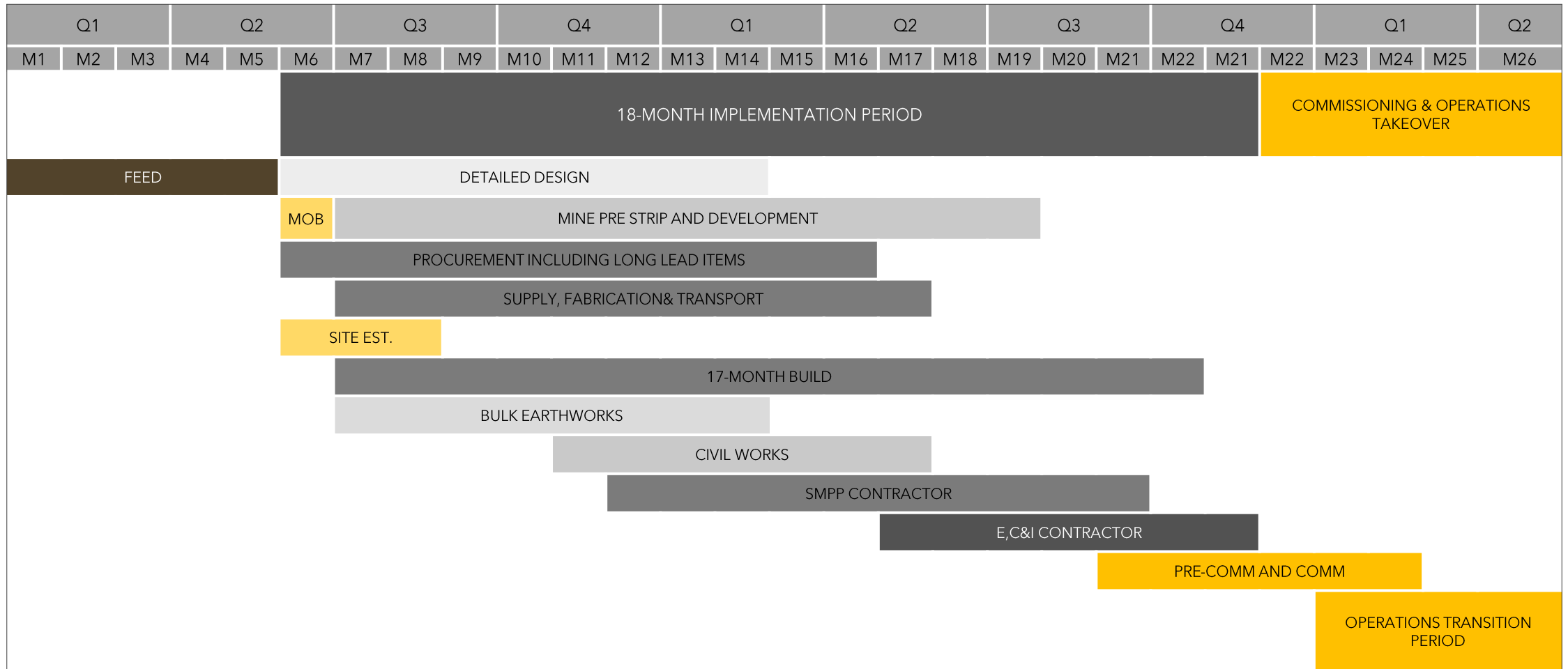
Reasonable, updated approach to LOM lithium price forecasting

- Prospect utilised midpoint between Roskill's July 2021 and November 2021 price deck
- All prices have been calculated to FOB Beira
- The Life of Mine average prices are:
 - Spodumene US\$892/t
 - Technical Petalite US\$1,339/t
 - Chemical Petalite US\$595/t



Execution Timeline

EPCM Execution expected 18-months from completion of FEED



Summary

Direct OFS confirmed as most capital efficient and direct pathway to production

Arcadia is a world class long-life and large-scale lithium asset

Industry leading consulting partners provide best practice and exceptional results

Offtake agreements secured across Europe and Asia with Tier 1 Partners

Project modelling demonstrates highly competitive forecast operating costs

Pilot plant delivers improved technical certainty and petalite market integration

Project located in close proximity to key infrastructure, utilities and resourcing

Partnership process progressing well with receipt of 7 non-binding proposals

High grade, low impurities and low strip ratio provides enhanced financials

Contact

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Head of Corporate Development

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www.prospectresources.com.au

Appendix A

Calculations to Lithium Carbonate Equivalent (LCE)

	Product	Lithium Contained	Conversion to LCE
Chemical	Lithium metal	100	5.319
	Lithium oxide (lithia)	46.4	2.468
	Lithium Carbonate	18.8	1.000
	Lithium hydroxide monohydrate	16.5	0.878
	Lithium chloride	16.3	0.867
Mineral	Spodumene (6% Li ₂ O concentrate)	2.8	0.149
	Petalite (4% Li ₂ O concentrate)	1.9	0.099

Appendix B

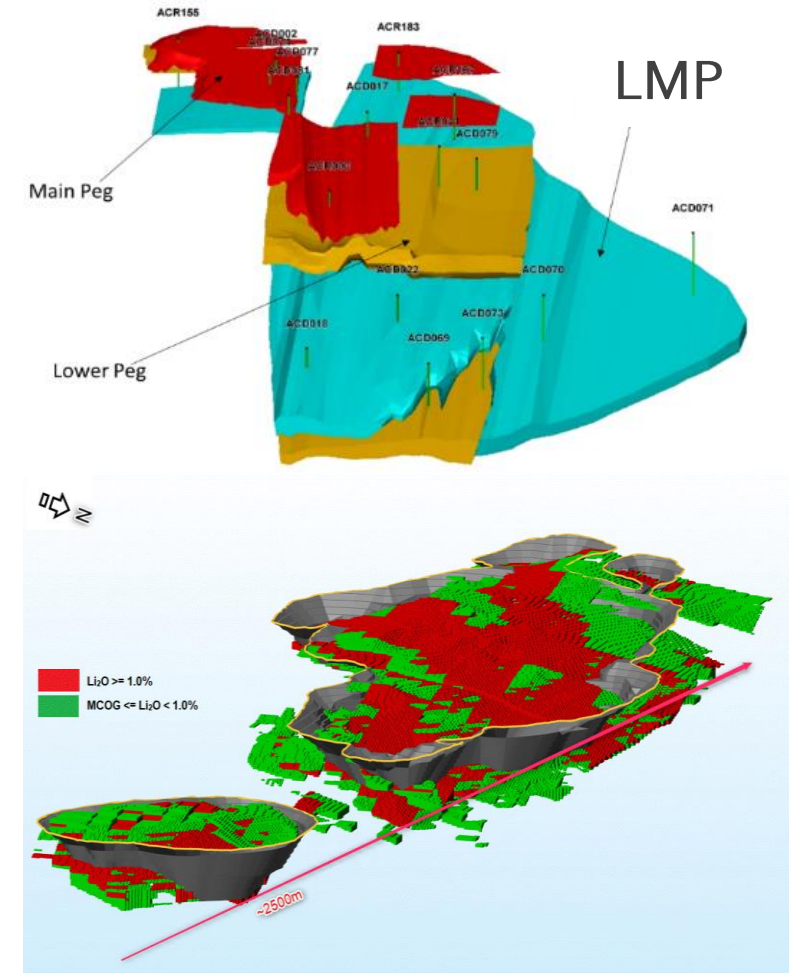
Glossary of terms

Term	Definition
AISC	All in sustaining costs
DFS	Definitive Feasibility Study
EBITDA	Earnings before income tax depreciation amortization
EPCM	Engineering procurement and construction management
FOB	Free on board
IRR	Internal rate of return
Ktpa	Thousand tonnes per annum
LCE	Lithium carbonate equivalent
LOM	Life of Mine
Mtpa	Million tonnes per annum
OFS	Optimised Feasibility Study
SC6	Spodumene Concentrate 6% Li ₂ O

Appendix C: Geology - Arcadia Deposit

A series of 14 stacked flat-lying pegmatites that are members of the Lithium Caesium Tantalum (LCT) group

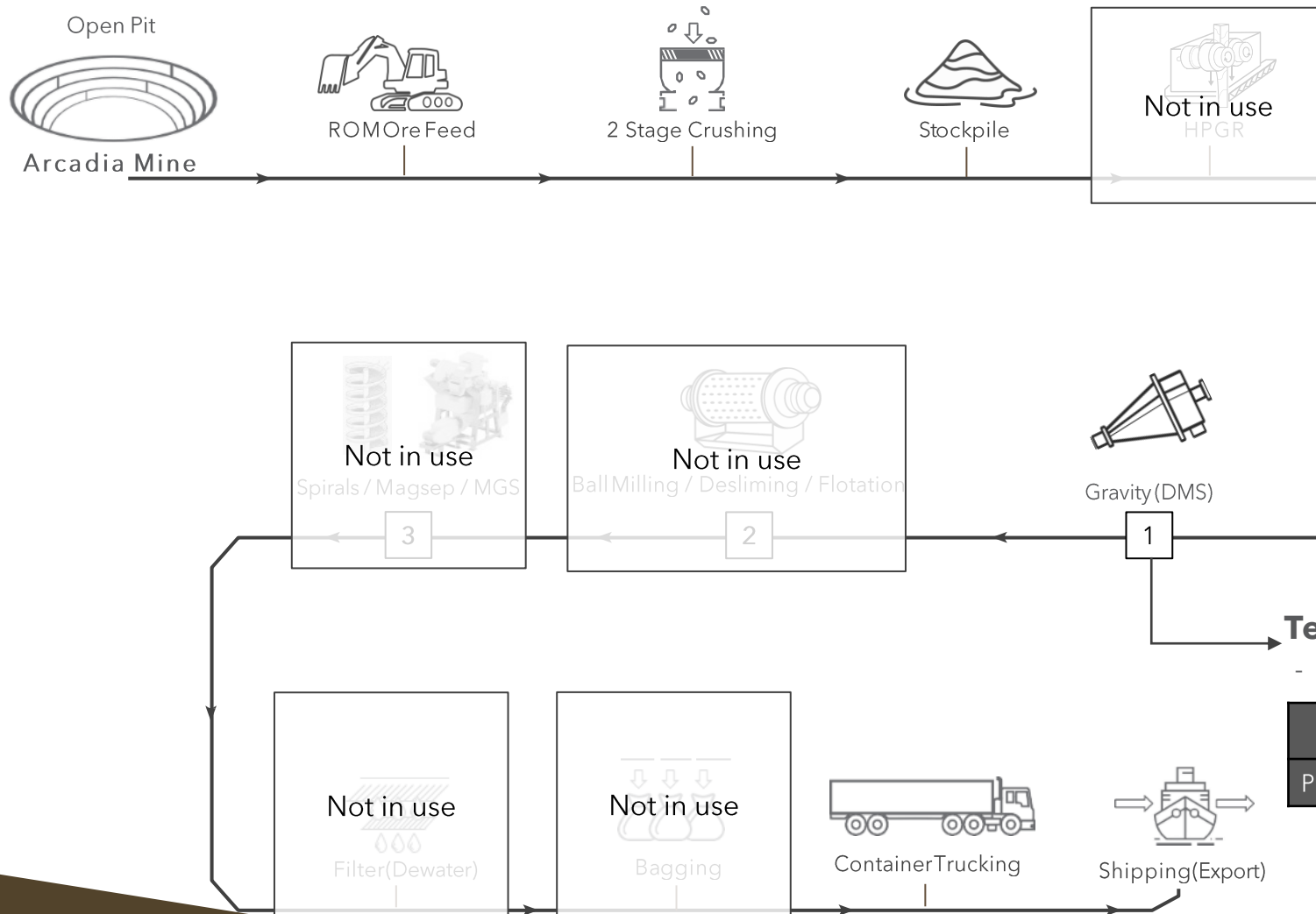
- Pegmatites dip at a shallow angle to the northwest with minimal surface outcrop
 - Approximately 200m of the Main Pegmatite is exposed in an old pit exploited intermittently in the 1970s
- More than 50% of Resource is hosted by the thick Lower Main Pegmatite (LMP).
- The mineralisation extends for over 4km of strike; south west to north east. Drilled resource covers just over 2km of this, with the defined reserve extending for 1.5km. A series of satellite bodies exist, with different mineralogies, some of which are caesium enriched
- Semi-regional exploration (to date): >14,000 soil samples, mapping, trenching and some drilling, identifying a number of satellite bodies and resulted in definition of a robust exploration model
- Within close proximity to Arcadia, Prospect has identified a number of exploration targets that have the potential to materially increase the Arcadia Resource



Average Mineral Composition			*Lithium-bearing minerals comprised largely of petalite and spodumene (2:1 ratio). 4% is composed of mica minerals, largely muscovite, which is in solid solution with the lithium-bearing mica lepidolite.
Feldspar	Quartz	Li Minerals*	
45%	30%	19%	

Appendix D: Pilot Plant Learnings

Key learnings through operation and benchmarking



Key Learning Outcomes – Pilot Plant

- Contaminants management
 - High proportion of meta basalt near surface
 - Key is blasting controls and pit hygiene
- Internal stockpile controls
- Media contamination
- Optimum DMS feed preparation required
- DMS cut points (within 0.005 SG units change)
- High accuracy density meter critical
- Service sector experience
- Effective partnerships/alliances with service providers near site (abundant skills and service providers in Harare)

Technical Grade Petalite

- First Shipment Specification Performance

Coarse Product @ 5 x 1.7mm	Li ₂ O	Fe ₂ O ₃	Na ₂ O+K ₂ O
Petalite concentrate	4.66%	0.04%	0.20%

Appendix E: Key Consultants & Partners

Industry leaders ensure best practice and exceptional results

Lycopodium – Engineering and EPCM Partner

- Extensive lithium experience across multiple projects, covering both DMS and flotation processes
- ADP (African subsidiary) offers a full range of projects consulting services from conceptual studies to larger scale project execution using EPCM or lump sum contracting models

J&J Transport Africa

- Leading transporter, +20 years experience in cross-border transport, in particular between Mozambique and Zimbabwe
- Extensive fleet with operate handling/storage facilities at Beira, providing an end-to-end transport solution
- **JR Goddard Contracting**
- Specialists in open pit mining, large-scale earthworks, civil construction and infrastructure development
- Large fleet of transport and earth moving equipment

Contribution	Author	Location
Process Design	Lycopodium	Australia
Process Design Review	Lycopodium	Australia
SHE Management Plan	Lycopodium	Australia
Project Execution Plan	Lycopodium	Australia
Quality Management Plan	Lycopodium	Australia
Electrical Network Analysis	Norconsult	South Africa
Ore Reserve	CSA Global	Australia
Testwork Programs	Geolabs, Pesco, Anzaplan, NAGROM, LDE, Coremet, Thyssen Krupp	South Africa, Germany
Minerals Marketing	Lithium – Roskill, Tantalum – Roskill	London
Project modelling	Infinity Corporate Finance	Australia
Resource Modelling	Ms. Gayle Hanssen BSc Geology (Natal), SACNASP of DMS, Zimbabwe	South Africa
Geotechnical services	Practara Ltd	South Africa
Mine Planning	CSA Global (Pvt) Ltd, Meiring Burger	Australia, South Africa
Environmental Impact Assessment and Gap Analysis	SRK Consulting	South Africa
Hydrogeological Assessment	Constant Chuma of NUST University Zimbabwe	Zimbabwe
TSF design	EPOCH Resources (Pty) Ltd	South Africa

Lycopodium

epoch
resources (pty) ltd

PRACTARA
REDEFINE CONSULTING

Roskill

Infinity Corporate Finance

Partners for Growth

CSA Global
Resource Industry Consultants

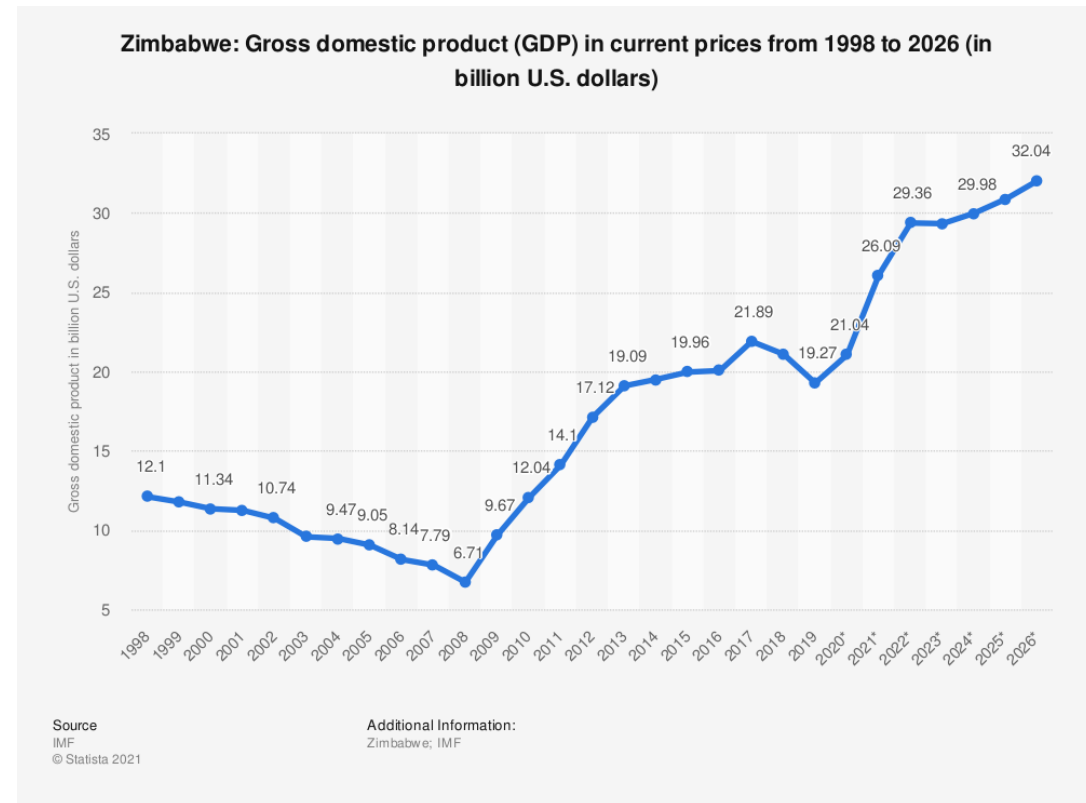
Norconsult

srk consulting

Appendix F: Zimbabwe Rising

Foreign investment confidence growing with improvements in stability

- Significant positive momentum over the last 12-24 months
 - Sharply lower inflation and relative currency stability
 - Government/monetary transparency and policy stability
- Mining is a key sector to the Government's 2030 vision
 - GoZ targeting \$12bn mining sector by 2023
 - Ministry of Mines considers Arcadia "Project of National Significance"
 - Awarded National project Status and SEZ license (Apex GoZ incentive)
- Arcadia's Special Economic Status allows offshore banking and in foreign currency, exemptions on withholding tax for dividends, remittances and royalties, and customs clearance at mine site
- Over 100 years of mining history / pedigree culminating in becoming the;
 - 5th largest producer of lithium in the world;
 - 2nd largest producer of platinum; and
 - largest producer of chrome
- Major companies currently active in Zimbabwe include: Caledonia Mining (NYSE: CMCL), Implats (JSE: IMP), Zimplats (ASX: ZIM), Sibanye Stillwater (JSE: SSW), Anglo American (LSE: ALL), Tsingshan and Sinomine Resources



Appendix G: Key Project Risks

In depth analysis and characterisation of key risks across all business functions from mining to sales

A significant body of work has been undertaken in collaboration with senior representatives of PLZ and its leading consultants to identify, analyse and mitigate key risks factors.

Activities undertaken in a workshop environment resulted in the formation of a risk register with the key focus of effective risk management being the implementation of adequate preventative and mitigating risk control measures and ensuring monitoring of residual risk derived from mitigating and preventative controls.

Key Risks Factors

- **Commodity pricing**
- **Foreign currency exchange rates**
- **Geological interpretation**
- **Estimated operating costs**
- **Capital cost inflation**
- **Availability of labour**
- **Utility provision**
- **Royalties, taxes and levies**