



Amended Investor Presentation – April 2022

Prospect Resources Limited (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) advises that the *Investor Presentation – April 2022* released to the ASX on 6 April 2022 inadvertently omitted a Competent Persons Statement and reference to the original ASX announcement in which the JORC Compliant Resource was originally notified.

An amended version of the presentation with these details included is enclosed.

This release was authorised by the Company Secretaries.

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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 asset is the Arcadia Lithium Project located on the outskirts of Harare. Arcadia represents a globally significant hard rock lithium resource and is being rapidly advanced by Prospect's experienced team. It represents one of the most advanced lithium projects globally, with an Optimised Definitive Feasibility Study completed and offtake agreements executed.

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.

Prospect Resources Limited

6 April 2022

Paydirt Battery Metals Conference

**Battery Metals:
The multi-decade opportunity**



ASX:PSC | FRA:5E8

Important notices

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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.

Investment Highlights



Electrification revolution presents a multi-decade opportunity with strong fundamentals



Significant experience in mineral exploration, technical flowsheet design and marketing



Proven ability in designing, developing and delivering battery metals projects in Africa



Well funded to act on value accretive opportunities in highly prospective sub-Saharan Africa¹



Well credentialed Board and management team, focused on creating long term shareholder value

1. Estimated funds to be retained post completion of Arcadia transaction is AS\$30-60m, including cash balance of \$20 million as at 31 December 2021 and estimated cash received from the exercise of options, less estimated Zimbabwean capital gains tax; transaction costs payable in relation to the proposed transaction (including the agreement to pay US\$8 million to Sinomine), Company expenditure between now and completion.

Board and Management

Retention of core team, maintains competitive advantage for Prospect's next steps

Proven experience in planning, execution, development and operation of large capital projects, spanning a range of commodities with the requisite experience and skills to deliver battery and electrification metals projects in Africa

Board of Directors



Mark Wheatley
Non-Executive Chairman

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



Gerry Fahey
Non-Executive Director

Gerry has over 40 years' experience in both mining geology and mine development. Former Director of CSA Global Pty 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.



Zed Rusike
Non-Executive Director

A qualified accountant and Director of Cairns Holdings, TSL Limited, Dulux Paints Limited and Halsted Brothers (Pvt) Limited.



HeNian Chen
Non-Executive Director

Chairman of Changshu Yuhua Property Co. Ltd and Deputy Chairman of Afore New Energy Technology (Shanghai) Co. Ltd

Management Team



Sam Hosack
Managing Director & CEO



Harry Greaves
Executive Director



Ian Goldberg
Chief Financial Officer



John Maketo
Technical Manager



Nick Rathjen
Corporate Development



Roger Tyler
Chief Geologist

Corporate Overview

- **Compelling opportunity to leverage strong fundamentals behind electric vehicle and decarbonisation evolution**
- **Well credentialed Board and management team**
- **Proven ability in designing, developing and delivering battery metals projects in Africa**
- **Well funded to act on value accretive opportunities in highly prospective sub-Saharan African region¹**
- **Significant experience exploration, project development, marketing**

1. Estimated funds to be retained post completion of Arcadia transaction is A\$30-60m, including cash balance of \$20 million as at 31 December 2021 and estimated cash received from the exercise of options, less estimated Zimbabwean capital gains tax, transaction costs payable in relation to the proposed transaction (including the agreement to pay US\$8 million to Sinomine), Company expenditure between now and completion.

Capital structure

Market listings	ASX: PSC FRA: 5E8
Shares on issue ¹	431.3m
Options ¹	36.0m
Share price ¹	A\$0.89
Market capitalisation	A\$383.9m
Cash (31 December 2021)	A\$20.0m

*as at 5 April 2022

Top shareholders

	%
Weiss Asset Management LP	13.24
Eagle Eye Asset Holdings	11.35
J.P. Morgan	5.33

Share price performance



Case Study: Arcadia

Shareholder value generation through systematic de-risking and advancement of Arcadia

- Rigorous exploration programme including trenching, soil sampling and RC/diamond drilling
- Delivered JORC compliant Resource of 72.7Mt @ 1.06% Li₂O¹
- Extensive metallurgical testwork backed by design of low-risk flowsheet
- Delivered high certainty Optimised Feasibility Study to bankable standard
- Deep understanding of underlying terminal/non-terminal lithium markets, including petalite
- Secured offtake agreements with Tier 1 global customers
- De-risked market integration through delivery and operation of pilot plant
 - ✓ Significant improvements and increased recoveries achieved
- Produced, sold and delivered on-spec product to customers
- Developed and maintained strong level of government, community and stakeholder relations



1. Full details of the ore resource is set out in the announcement dated 11 October 2021 - Arcadia Staged Optimised Feasibility Study

Case Study: Arcadia

Shareholder value generation through systematic de-risking and advancement of Arcadia



Arcadia Transaction

- An extensive review of offers received from partnership process identified Huayou transaction as the most attractive risk-adjusted, post-tax value outcome for Prospect Shareholders.
- Resulted in sale of Prospect's interest in Arcadia to Huayou for approx. US\$377.8 million.
- Subject to transaction completion and following payment of requisite Zimbabwean taxes and transaction fees, Prospect intends to distribute approximately \$430 – 450 million to shareholders (\$0.92 – \$0.96 cps, fully diluted)¹.
- Distribution, the current expectation is that it will comprise of both a capital return component and an unfranked dividend component, even if structured as a buy-back, with the latter expected to be at least 75% of the total amount.
- Distribution to be subject to the ATO ruling to confirm the tax treatment.
- Intention to retain a cash balance of between \$30-60 million to progress battery metals projects with a primary focus in Zimbabwe, and secondary focus on the broader sub-Saharan African region.
- Prospect shareholders voted overwhelmingly in favour of the transaction at an Extraordinary General Meeting held on 25 February 2022.
- Completion of transaction expected by early Q2 2022. Distribution is subject to ATO ruling and currently expected to be completed in July 2022.



Prospect 2.0

Retention of key management personnel and growth funding

Prospect's Board has established a strategy framework, which will be further refined

Business	<ul style="list-style-type: none">▪ Battery and electrification metals focussed explorer and developer
Existing assets	<ul style="list-style-type: none">▪ Step Aside Project, Zimbabwe▪ Other battery metal tenements, Zimbabwe
Activities	<ul style="list-style-type: none">▪ Progression of existing battery metals projects▪ Evaluation, acquisition and advancement of new battery and electrification metals projects globally
Cash balance	<ul style="list-style-type: none">▪ \$30 - 60 million¹
Management areas of expertise	<ul style="list-style-type: none">▪ Exploration, geology and resource development▪ Project planning, development and operations▪ Technical and financial analysis▪ Customer marketing and offtake
Key commodity focus areas	<ul style="list-style-type: none">▪ Lithium▪ REEs▪ Nickel▪ Other battery and electrification metals



1. Including cash balance of \$20 million as at 31 December 2021 and estimated cash received from the exercise of options, less estimated Zimbabwean capital gains tax, transaction costs payable in relation to the proposed transaction (including the agreement to pay US\$8 million to Sinomine), Company expenditure between now and completion.

Battery and Electrification Metals

A compelling, multi-decade opportunity

- Fundamentals behind the electric vehicle and decarbonisation evolution continue to strengthen
- Market dynamics extremely favourable, with supply deficits in many commodities forecast
- ‘Critical minerals’ require significant investment from governments and miners alike to meet demand
- Not all projects will succeed; requisite skills and relevant experience necessary to progress from projects to operations

“Forecast supply deficit of 14ktpa LCE from 2021 to ~3Mt LCE by 2030e”

– UBS research

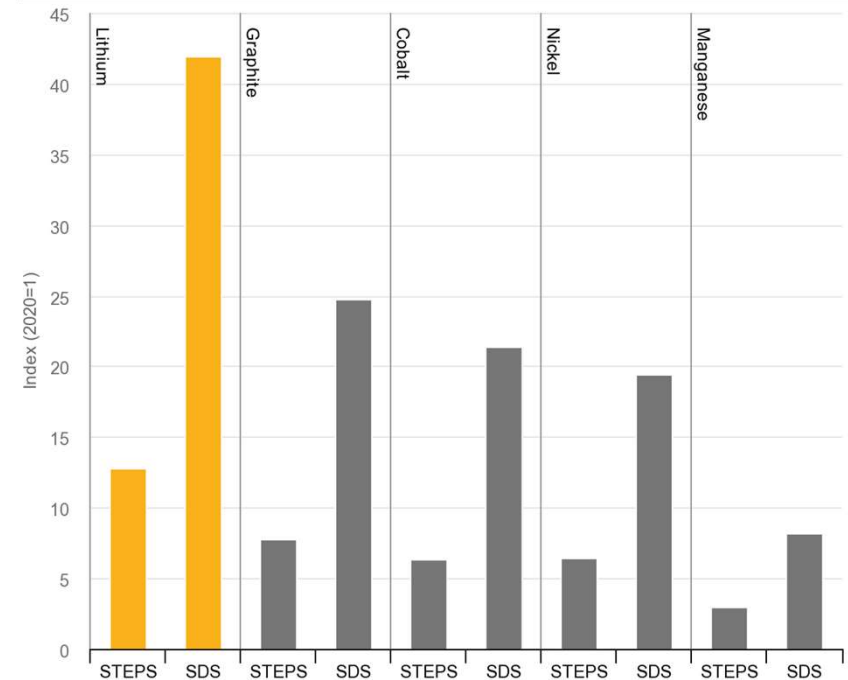
“Global EV lithium demand 2019-2024 34% CAGR”

– BofA research

“US\$3.5bn/year capital investment required until 2030 to meet our demand forecasts”

- Canaccord research

Forecast demand for battery and electrification metals under IEA’s Stated Policy and Sustainable Development Scenarios

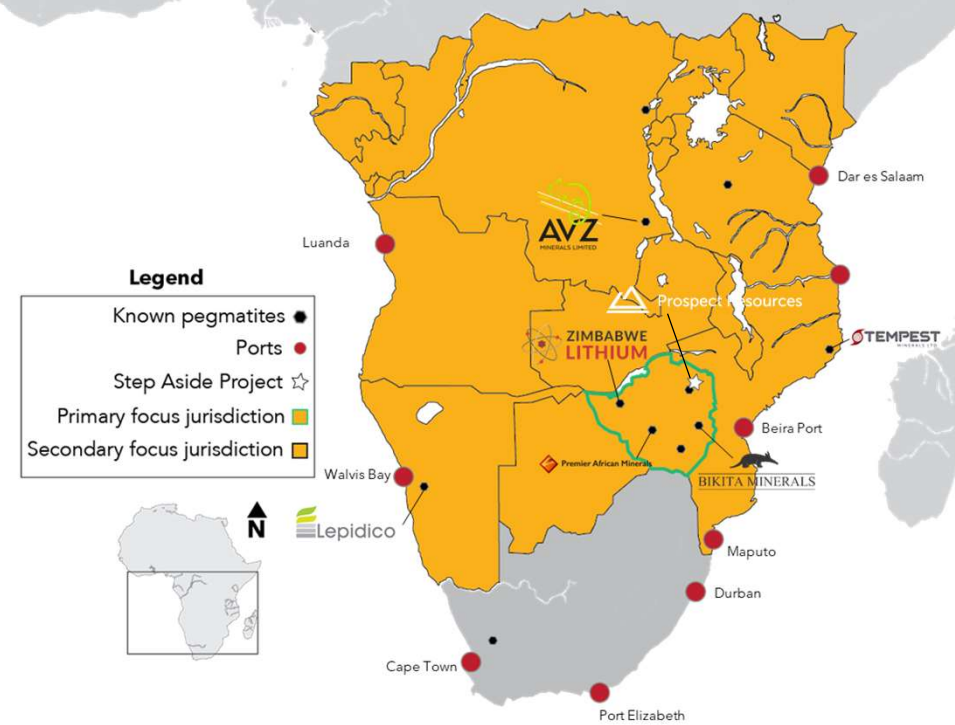


Sub-Saharan Africa

- Significant deal flow involving battery metals in Zimbabwe and the broader sub-Saharan African region highlights potential and scale
- Tier 1 lithium players investing considerable capital into the region signalling potential for downstream processing operations

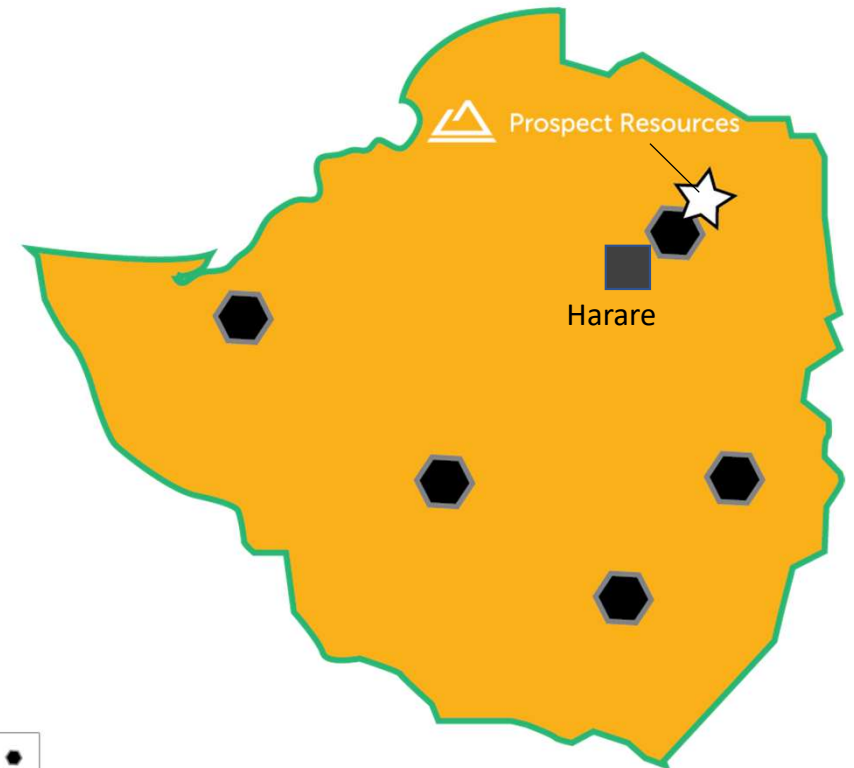
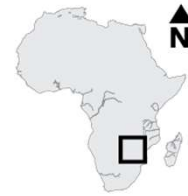
Recent Lithium Transactions in Sub-Saharan Africa

Zimbabwe	Dec 2021	– Chengxin Lithium acquired 51% in Sabi Star project for US\$76.5m
	Dec 2021	– Prospect sells its 87% interest in Arcadia Lithium Project to Zhejiang Huayou Cobalt for ~US\$377.8m (100% US\$422m)
	Jan 2022	– Sinomine acquired shares in Bikita Minerals for US\$180m
	Mar 2022	– Suzhou TA&A acquires 13.38% shareholding in Premier African Minerals for US\$15.7m (£12m)
Democratic Republic of Congo	Sept 2021	– AVZ Minerals sells 24% equity interest in the Manono Lithium Project to Suzhou CATH Energy Technologies for US\$240 million



Zimbabwe

- Zimbabwe is highly prospective for targeted battery and electrification metals
- Easily accessible skills, established logistics and infrastructure, including African Development Bank & World Bank funding the refurbishment of Kariba Hydroelectric Power Station
- Significant in-country knowledge, experience and relationships provide solid foundation from which to assess and progress potential projects
- Prospect has identified high value targets across Zimbabwe and the Sub-Saharan region.
- LCT pegmatites prevalent in targeted areas.



Legend

- Known pegmatites ●
- Step Aside Project ☆

Investment Summary



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