



*Developing Africa's Largest Lithium Project
November 2016*



Prospect Resources Limited

Investor Presentation

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Competent Persons Statement



Competent Persons Statement

The information in this announcement that relates to exploration results and the Exploration Target is based on information compiled by or under the supervision of by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy (AUSIMM) and The South African Institute of Mining and Metallurgy (SAIMM). 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results. 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 Competent Person 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 2012 Edition of the "Australasian Code for Reporting of Mineral Resources. 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 Mineral Resources and exploration results has been reviewed and audited by Mr Michael Cronwright of The MSA Group, Johannesburg. Mr Cronwright is registered as a Competent Person with the South African Council for Professional Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO). Mr Cronwright is employed by MSA and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cronwright consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Corporate Snapshot



Prospect Resources Limited (ASX:PSC) – Advanced lithium and gold company focused on rapid expansion of Lithium JORC Resources at the Arcadia Lithium Project in Zimbabwe



Market Data

Shares Outstanding	1,594,128,296
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Market Capitalisation (\$A)	\$47.8m
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Options	190,000,000
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Cash (\$A)	\$16.1m
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Debt	Nil
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Major Shareholders

Pershing Nominees	15.30%
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ABN Amro	9.66%
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MBM Cap Partners	8.86%
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Elliot Holdings	8.07%
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- ✓ ***Arcadia is now largest JORC Lithium Resource in Africa***
- ✓ ***Top 10 Lithium Projects in the World***
- ✓ ***Experienced Board & Management***

Operating in Zimbabwe / Southern Africa



- Zimbabwe is open to foreign investment
- Arcadia Project reflects the strategic importance of Zimbabwe's growing mining industry, potential to be largest lithium mine in Africa
- Zimbabwe is already the largest lithium producer on the African continent through the Bikita Mine
- Zimbabwe is an English speaking country with one of the highest rates of literacy in Southern Africa

Zimbabwe Indigenisation Approvals

- Zimbabwe Investment Authority has approved the Company's application to own a 70% equity interest in Hawkmoth (via Prospect Singapore) with the following conditions:
 - The Company funds all exploration costs and upon commencement of production, funds development costs
 - Funding is via Reserve Bank approved loans to the subsidiaries carrying a commercial rate interest having regard to operating risks of the company
 - All loans have priority for repayment in front of any payments of dividends
 - After repayment of all loan funds, dividends may be payable
 - Farvic has the right to claw back a 21% equity interest in Hawkmoth via the purchase of shares from Prospect Singapore. Funds to be used for the purchase must be from dividend payments from Hawkmoth and the valuation per share shall be 'market value' or a valuation calculated as 5xEBIT (whichever is the higher)
 - Background: Under the laws of Zimbabwe, all operating companies must be either 51% owned by indigenous parties or have the capacity to be 51%-owned

Project Summary – Africa’s largest Lithium Deposit



Arcadia Lithium Project – Key Value Driver

- **Geology** – Deposit contains spodumene and petalite in flat lying, stacked pegmatites hosted in meta-basalts of the Arcturus Formation within Harare Greenstone Belt
- **Metallurgy** – Three dedicated holes processed confirming 6.5% spodumene
- **Maiden JORC Resource Estimate** –
 - 36Mt at 1.17% Li₂O (425,000t contained Li₂O),
 - includes 31Mt at 1.22% Li₂O (Measured, Indicated, Inferred)
 - including **12Mt at 1.47% above 1% Li₂O** (Measured, Indicated, Inferred)
- **Exploration Target** – 80-100Mt at 1.1-1.4% Li₂O*

* The Exploration Target is based on results of the Company’s ongoing and future exploration programmes. The potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a Mineral Resource outside the current 36Mt grading at 1.17% Li₂O. It is not certain that further exploration will result in the determination of an expanded Mineral Resource under the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code” (JORC 2012).



Typical Zoned Pegmatite in ACD001 showing pink and grey spodumene and petalite lithium minerals (above) and Arcadia cross section (left)

Growth Strategy: Lithium



Strongly funded with \$16m cash to accelerate the expansion of Africa's Largest JORC Lithium Resource at the Arcadia Project, Zimbabwe

Exploration and Assessment of Pegmatites

Arcadia Exploration

- ✓ Initial exploration to explore for pegmatites
- ✓ Phase 1 drilling of 1,387m in July
- ✓ Phase 2 drilling of 33 holes for 2,070m
- ✓ Delineated JORC resource, thickening of Lower Main Pegmatite

Expand & Upgrade JORC Resource

Resource Delineation

- ✓ Phase 3 drilling underway Nov/Dec
- ✓ Completed 20 diamond drill holes and 12 RC holes for 3,500m to date
- ✓ Five drilling rigs onsite at present (3 diamond and 2 RC)
- ✓ Further assays pending
- ✓ Trenching and sampling ongoing

Arcadia Plant / Mine Construction

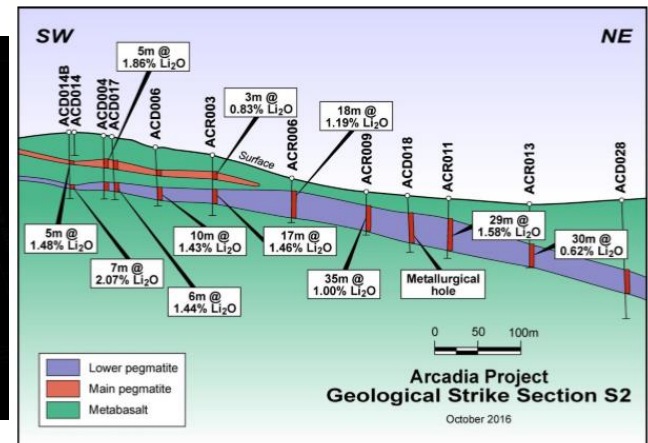
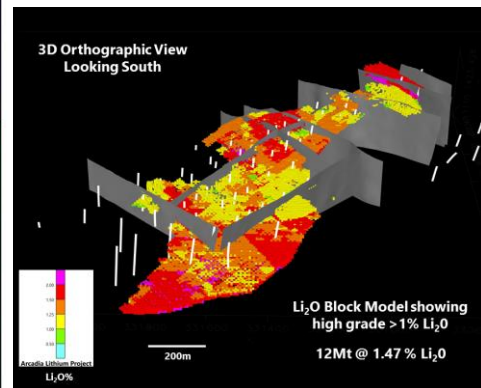
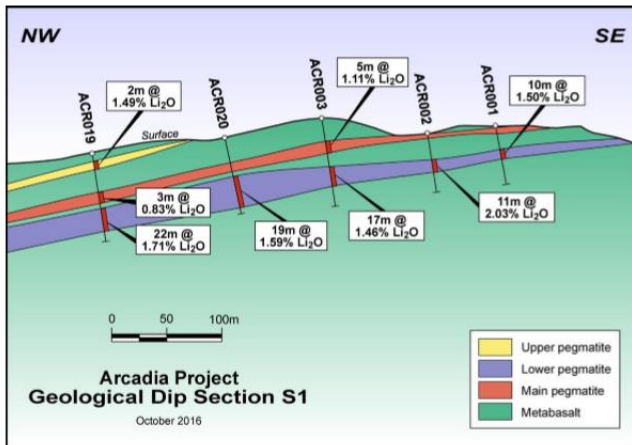
Development & Mining

- ✓ Complete PFS to confirm economics of open pit mining operation
- ✓ Mining license already in place
- ✓ First environmental approvals received
- ✓ Expand project pipeline in Zimbabwe, Zambia and DRC

Arcadia Lithium Project Overview

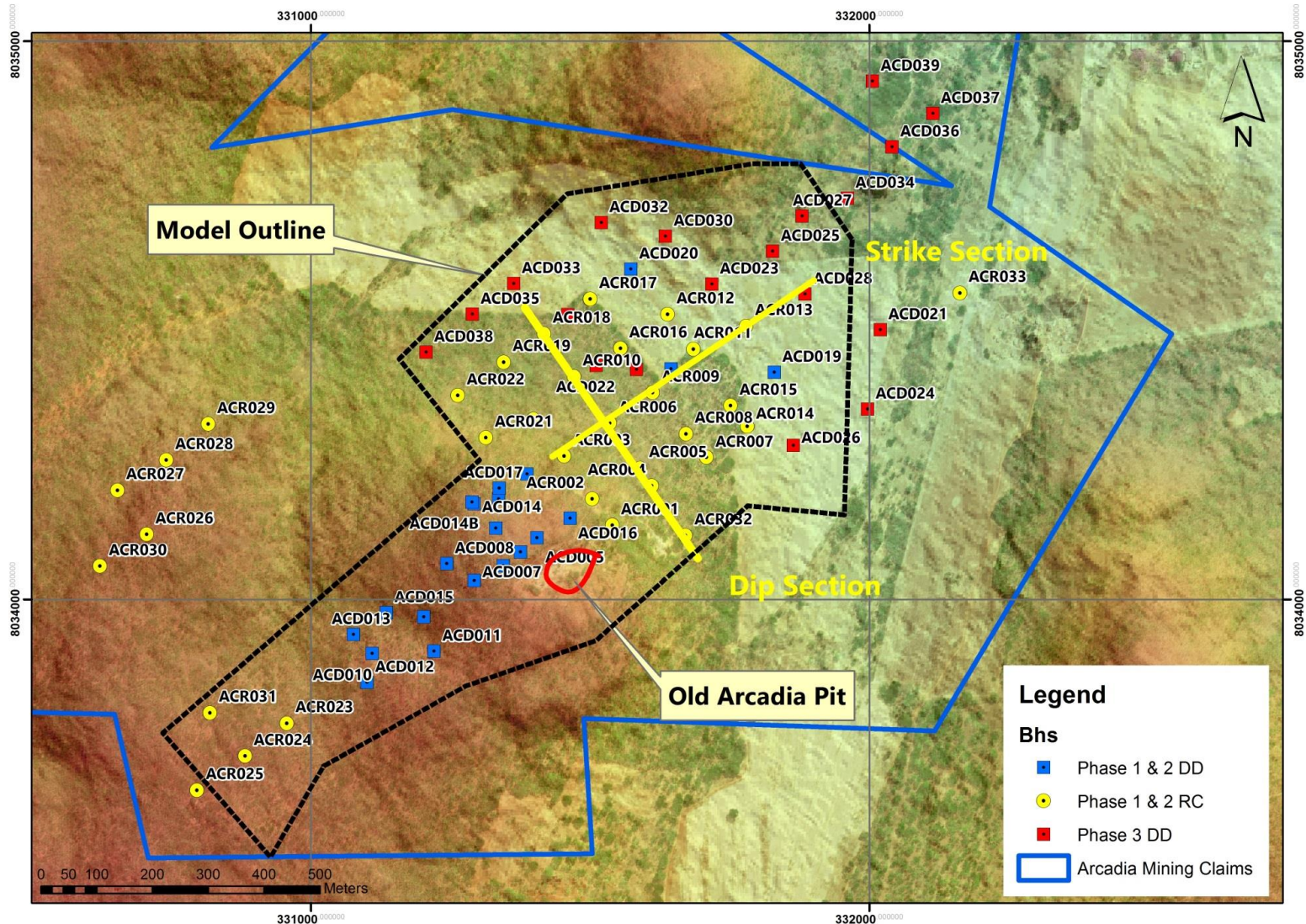


- ✓ ~35km east northeast of Harare, Zimbabwe
- ✓ Maiden JORC Resource Estimate of 31Mt at 1.22% & **12Mt at 1.47% Li₂O** (above 1%)
- ✓ Testwork confirms ability to produce **6.5% spodumene conc.**
- ✓ Excellent potential to expand high grade resource along strike and at depth
- ✓ Less than 20% of mining license has been drilled, open along strike and down dip



Arcadia Lithium Project in Zimbabwe

Arcadia Lithium Project – Five Rigs Drilling Now



Arcadia Lithium Project – Activity Timetable



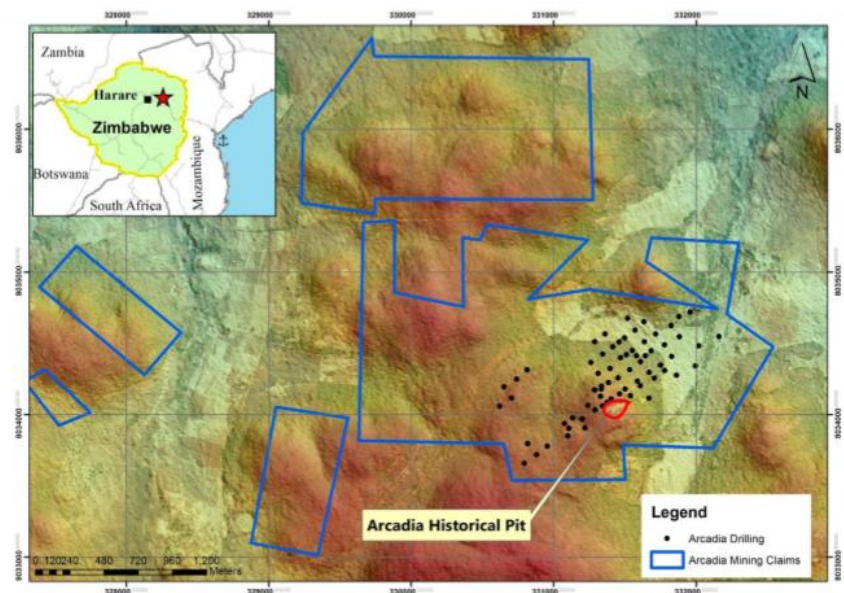
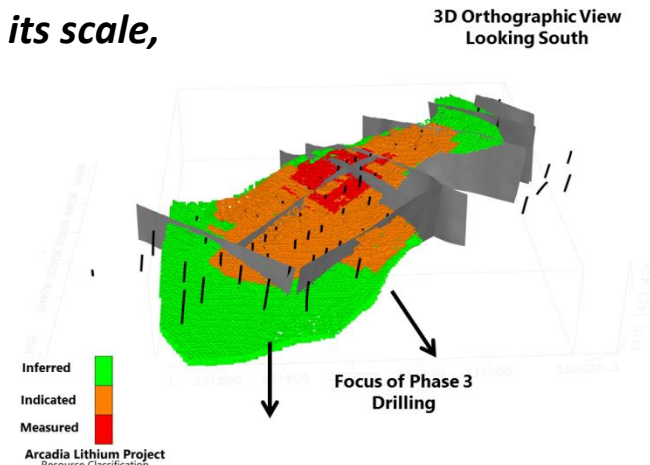
Month	Active Work Program
May, 2016	<ul style="list-style-type: none"> Acquired option to buy Arcadia
June, 2016	<ul style="list-style-type: none"> Exercised option to acquire 90% interest in Arcadia via Prospect's 70% owned subsidiary
October, 2016	<ul style="list-style-type: none"> Delivered Maiden JORC Resource for Arcadia Project – on time Confirmed expansion of resource to North and North East Established sense of scale of the deposit
November, 2016	<ul style="list-style-type: none"> Active Phase 3 drilling underway to extend resource to NE (>2km strike) MRE Report update by end of November Bulk samples to be provided to potential off-take parties for metallurgical testwork Site visits by potential off-take partners
December, 2016	<ul style="list-style-type: none"> Drilling to continue to end of December Mine Plan Studies, Plant Design Studies Off-take discussions
January, 2017	<ul style="list-style-type: none"> Secure additional project financing - if required Offtake discussions Mine development
February, 2017	<ul style="list-style-type: none"> Continued exploration and resource drilling Mine development

Arcadia Lithium Project – Large Scale + High Grade



Prospect's Arcadia JORC Resource is globally significant owing to its scale, grade and access to excellent infrastructure in Zimbabwe

- 40 mins drive from Harare on bitumen road, grid power on site, water supply onsite and a ready workforce skilled in mining
- Investigating lithium carbonate manufacturing facility, proposed large tonnage open pit mine to supply lithium concentrate
- 53% of JORC Resource Estimate is Measured & Indicated, extensive drilling planned in November/December
- Less than 20% of area under mining license drilled, mineralisation open down dip and along strike



Arcadia Mineral Resource Estimate



Prospect expects a significant expansion of Lithium JORC Mineral Resources at Arcadia in coming months

Arcadia JORC Mineral Resource Estimate Summary

PEGMATITE		MEASURED		INDICATED		INFERRED		TOTAL	
		Tonnes	Li ₂ O %	Tonnes	Li ₂ O %	Tonnes	Li ₂ O %	Tonnes	Li ₂ O %
MAIN	Weathered	271,000	0.91	391,000	0.84	10,000	1.48	672,000	0.88
	Fresh	1,033,000	1.41	1,631,000	1.04	9,000	0.76	2,674,000	1.18
LOWER	Weathered	8,000	1.08	1,583,000	0.77	2,840,000	0.91	4,432,000	0.86
	Fresh	1,400,000	1.44	12,875,000	1.2	14,230,000	1.22	28,506,000	1.22
MIDDLE	Weathered	1,000	0.88					1000	0.88
	Fresh	53,000	1.21	44,000	1.16	7,000	1.56	104,000	1.21
Sub Total	Weathered	280,000	0.91	1,974,000	0.78	2,850,000	0.91	5,105,000	0.86
	Fresh	2,486,000	1.42	14,550,000	1.18	17,089,000	1.22	31,284,000	1.22
GRAND TOTAL		2,800,000	1.37	16,525,000	1.13	17,096,000	1.17	36,400,000	1.17

Drilling continuing, receipt of assays ongoing, resource upgrade by end of November

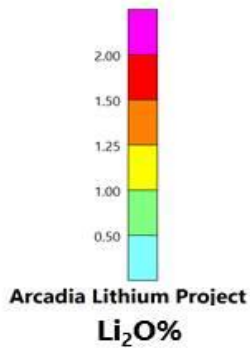
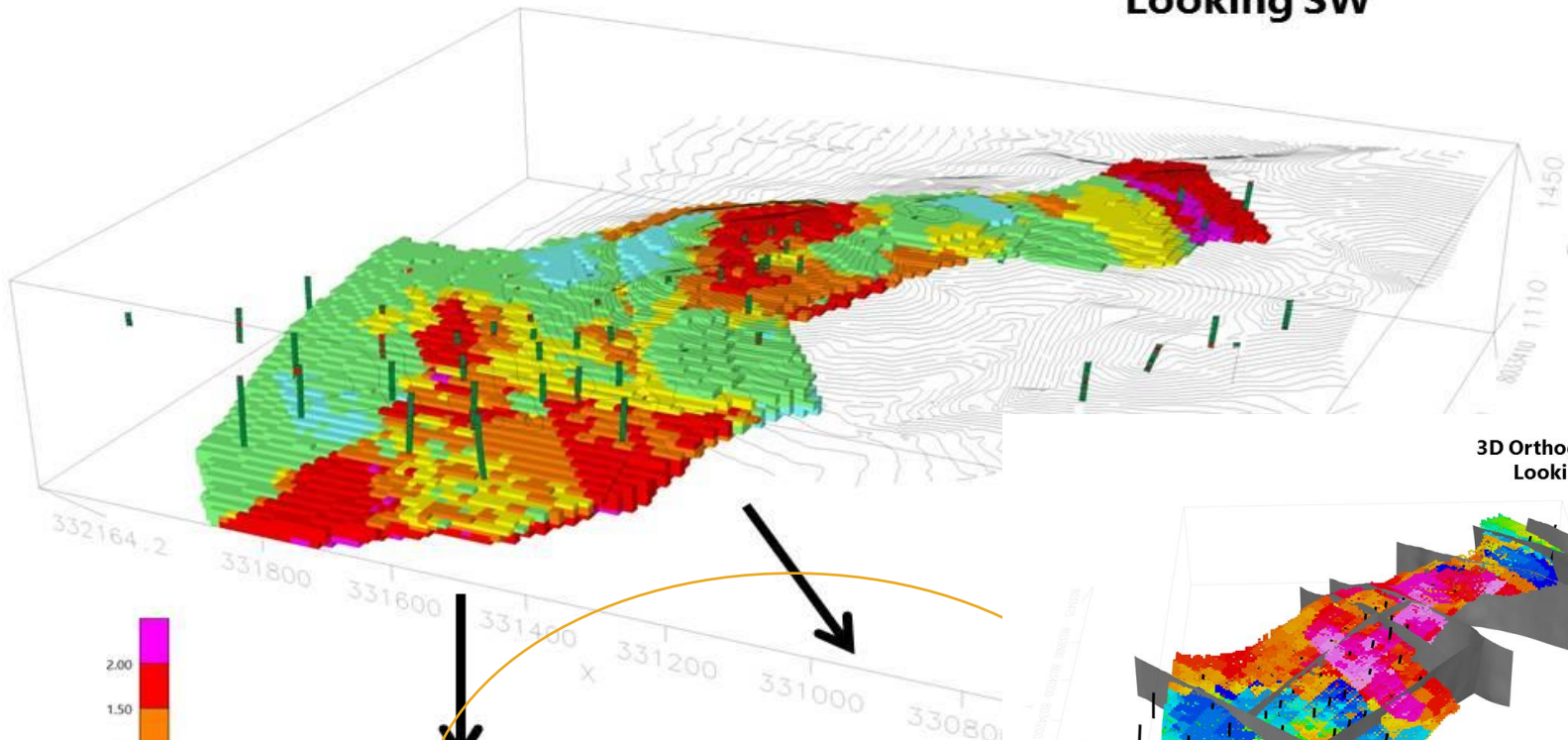
What type of lithium could Arcadia produce?

- Metallurgical testing confirms the ability to upgrade ore to 6.5% spodumene conc. with very low iron
- Arcadia's proposed product mix to include:
 - coarse grain spodumene;
 - fine grain spodumene; and
 - coarse grain petalite
- All products highly sort after by battery industry, high end glass and ceramic industries

Arcadia Lithium Project – Lithium Expansion

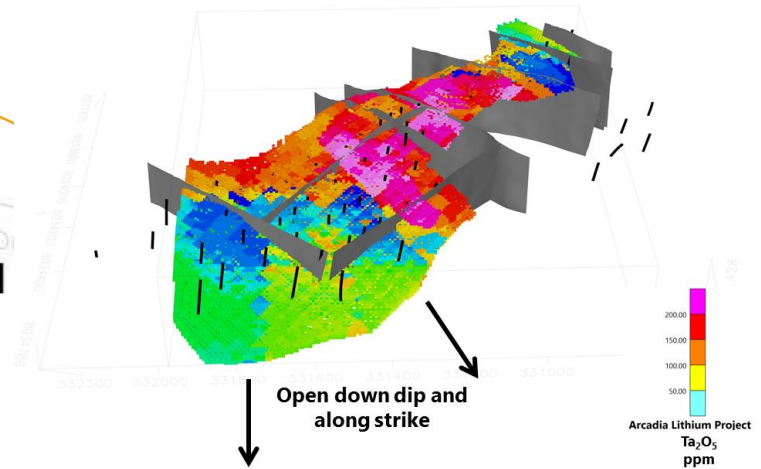


3D Orthographic View Looking SW

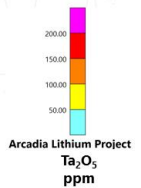


Open down dip and
along strike

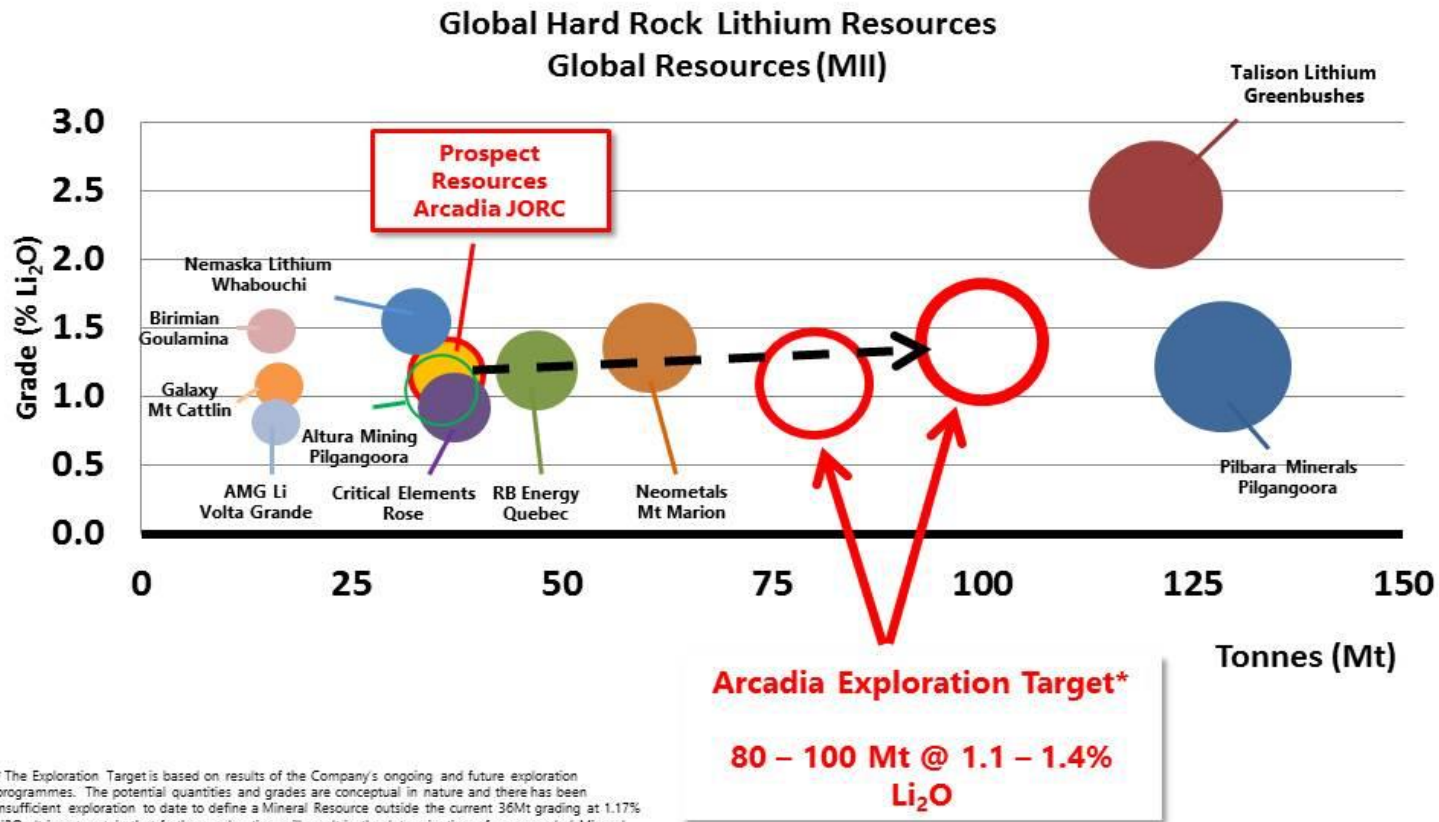
3D Orthographic View Looking South



Open down dip and
along strike

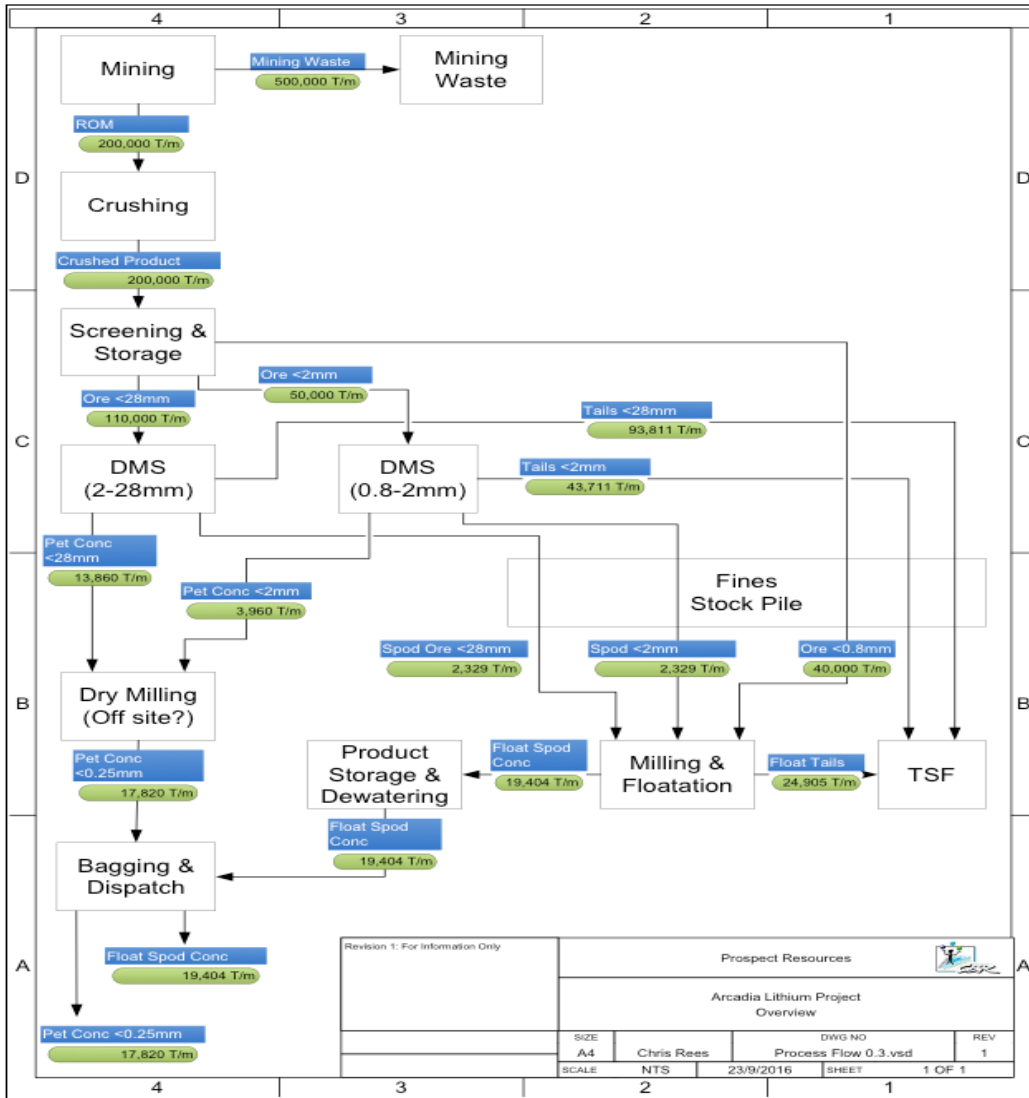


Lithium Peer Comparison



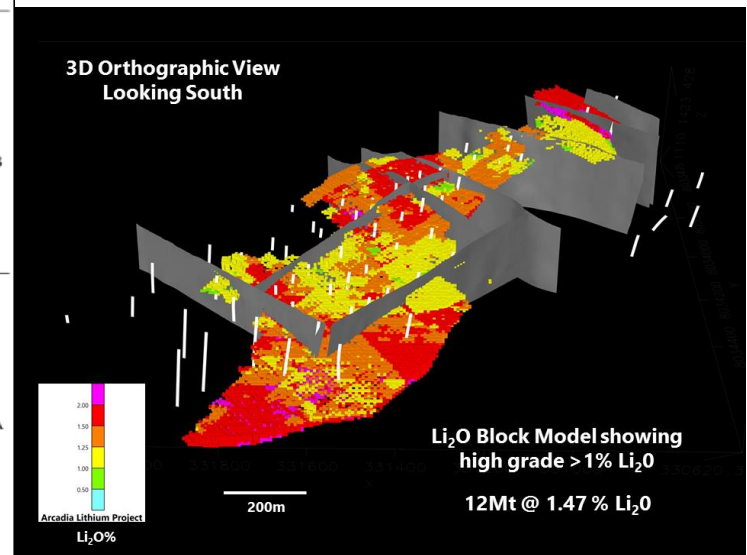
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Arcadia Lithium Project - Provisional Flow Sheet



Proposed Products:

1. Coarse Grain Spodumene >6%
2. Fine Grain Spodumene >6%
3. Coarse Grain Petalite >4%



Gwanda East Gold Project

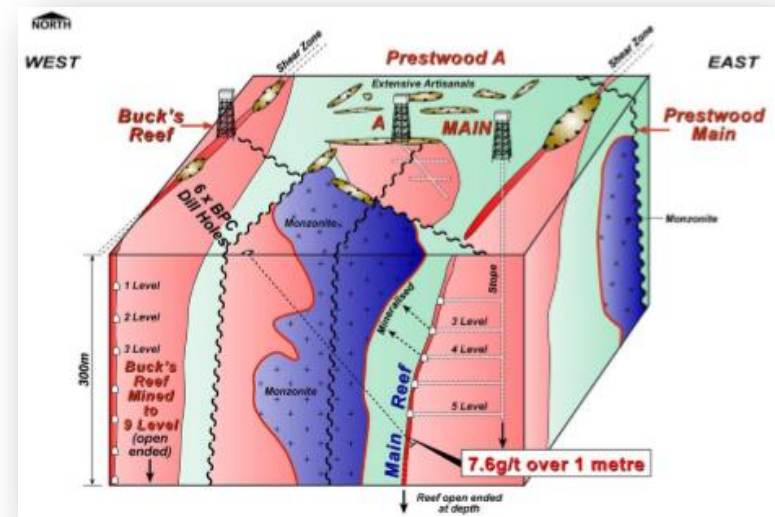


Prospect plans to ramp up gold production at Gwanda East in 2017

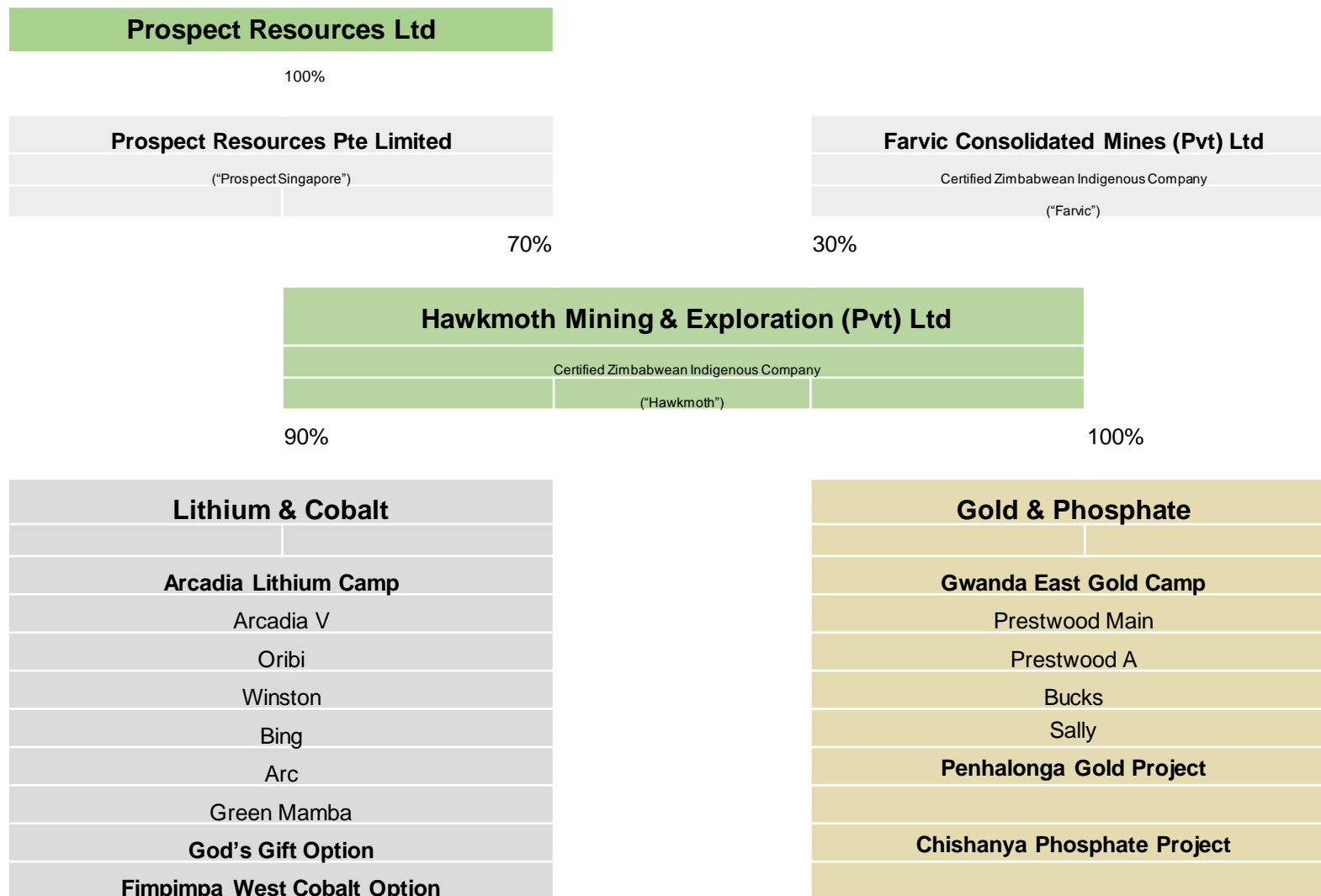
- First gold production at Gwanda East announced in April 2016
- Shaft sinking & underground development ongoing
- Diamond drilling of high grade, narrow veins at Preston West A returned 71.6g/t Au over 30cm or 21.2g/t Au over 105cm
- Diamond drilling at Bucks West intersected 10.1g/t Au over 95cm and 5.1g/t Au over 41cm
- Focus is on Arcadia, development at Gwanda East has slowed



Diamond drill core showing visible gold at Gwanda East



Corporate Structure



Summary



Developing the High Grade Arcadia Lithium Project

- ✓ Prospect Resources is well placed to rapidly expand the JORC resource base at Arcadia with \$16m in cash
- ✓ Five drill rigs are onsite aiming to prove up a mineable resource at Arcadia
- ✓ The deposit remains open down dip and along strike, further assays are pending
- ✓ Experienced Directors and Management to drive value in line with expectations
- ✓ Early production focussed management team
- ✓ Arcadia is already the largest JORC lithium Resource in Africa and is covered by granted mining licenses
- ✓ Options signed over God's Gift Lithium Project, Fimpima West Cobalt Project
- ✓ Additional lithium and cobalt opportunities being reviewed in Zimbabwe, Zambia and DRC

Experienced Board & Management Team



Mr Hugh Warner

Executive Chairman

Mr Warner holds a Bachelor of Economics from the University of Western Australia. He has broad experience as a public company director, having been a director of a number of publicly listed companies involved in the mining, oil and gas, biotechnology and service industries.

Duncan (Harry) Greaves

Executive Director

Mr Greaves is a fourth generation Zimbabwean. He holds a B.Sc (agriculture) from University of Natal (in South Africa). He is the founding shareholder of Farvic Consolidated Mines (Pvt) Ltd which operates the Prince Olaf and Farvic gold mines in southern Zimbabwe all of which he brought back into production over the last 10 years including the design and construction of two milling facilities. He is a well respected and well known member of the Zimbabwe mining fraternity.

Mr Gerry Fahey

Non-Executive Director

Mr Fahey has over 35 years experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved with the development of the Eureka, Chaka, Globe and Phoenix gold mines and the following Australian gold projects: Kanowna Belle, Golden Feather, Sunrise and Wallaby.

Mr Zed Rusike

Non-Executive Director

Mr Rusike is a qualified accountant and resident of Zimbabwe. He was previously the Managing Director of United Builders Merchant before being promoted to Group Managing Director for Radar Holdings Limited, a large quoted company on the Zimbabwe Stock Exchange. He retired from the Radar Group of companies to pursue personal interests and currently sits on the board of Cairns Holdings, TSL Limited, Dulux Paints Limited and Halsted Brothers (Pvt) Limited to name a few. Mr Rusike is a former President of and current Chairman of the board of the Confederation of Zimbabwe Industries.

Manana Nhlanhla

Non-Executive Director

Ms Nhlanhla is Chairperson of Mion Limited, the parent company of Armoured Fox Capital (Pty) Ltd, one of the Company's largest shareholders. Mion Limited is a 100% black owned South African based investment company with investments in Maritime, Gaming, Energy, Industrial, Engineering Industries and general listed entities.

Senior Management & Advisors



Gavin Stevens – COO

Roger Tyler - Chief Geologist He is a British geologist, who after almost 30 years working experience in Africa, is now Technical Director for Farvic. He has an Honours degree in Mining Geology from the Royal School of Mines and a Master of Engineering in Mineral Resource Estimation from Witwatersrand University. Roger worked for 15 years as a geologist in various African countries and later as a Senior Resource Analyst for Anglo American Corporation. Most recently however, he was Anvil Mining's DRC exploration manager and led the programme which resulted in the development of the new Kinsevere mine. He is a shareholder in Farvic Consolidated Mines and Prospect Resources.

Chris Rees - Chief Engineer Chris Rees is a Zimbabwean based Project Manager and Engineer with experience of building and operating mines in the Southern African region, especially Zimbabwe. He has worked with large corporates like IAMGold, New Dawn Mining and Pretoria Portland Cement. He holds a BSc Eng from Natal University. He was the principal engineer behind the design, procurement and construction of the Farvic Gold Mine Expansion in 2012, the Nicholson Gold Mine in 2011, the Farvic Gold Mine in 2010 and African Chrome Fields plant in 2009.

Chris Hilbrands - Chief Financial Officer Chris has worked as Chief Financial Officer for a number of public companies listed on the ASX and AIM, primarily resources focused. He has been responsible for the day to day financial and administrative operations together with the statutory reporting and compliance obligations of these organisations. He has a B.Com and is a Chartered Accountant.

Mike Venter – Technical Consultant to the Board Mike is a Consulting Geologist with more than 23 years experience. He has generated a broad experience in the mining and exploration industry at a corporate, junior exploration and consulting capacity. He has travelled extensively, working on diamond, Au, Fe, Zn-Pb, Ni-Cu, PGM, U, REE, graphite, Sb, Ta/Nb/Sn/W/Li projects throughout Sub Saharan and West Africa, Brazil, Canada, Europe and Asia. His role will be to advise Prospect on its Li project generation efforts in Africa

Additional Information to Exploration Target



The revised Exploration Target is 80 - 100Mt @ 1.1 - 1.4% Li₂O*.

The Company believes that with further exploration drilling adjacent to the existing project area, both down dip and along strike and in parallel lode systems, there exists the potential for an Exploration Target of 80 – 100Mt @1.1 – 1.4%Li₂O*.

So far, as part of the Company's drilling programme, a Smith Capital rig drilled 33 holes for a total of 2,070m. All holes were down hole surveyed. This Phase of drilling delineated the extreme thickening of the Lower Main Pegmatite in the east of the project area. Phase 3 drilling began in October with three Atlas Copco DDs, one Smith Capital and One Thor RC rig. Four HQ sized holes were drilled as part of the Phase 3 programme as dedicated metallurgical test work holes (ACD017, 018, 022 and 31). Less than 20% of the area under mining license has been drilled to date and numerous surface targets have been identified and are being tested.

Based on previous drill results, the geology in the area and the JORC resource estimated as set out in this announcement, the Company has conceptualised this revised Exploration Target of 80 - 100Mt @ 1.1 - 1.4% Li₂O*.

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