

Appointment of the Chairman of the Chinese Lithium Battery Association as non-executive director of Prospect Resources Limited

The Board of Directors are pleased to announce the appointment of Mr Qingjiao Yu, as a non-executive director of Prospect Resources Limited ("PSC" or "Company"). Ms Yan Wang has also been appointed as an alternate non-executive director to Mr Yu.

Mr Yu has over fifteen years of experience in the Lithium-ion battery industry in China and is well known for being a key figure in the China battery technology sector.

Currently, Mr Yu is Chairman and CEO of Energy Finance Net and China Battery Net. He is also the President for Chinese Battery Magazine, Secretary-General for ABEC BBS (Lithium electricity "Davos") committee and also a Director of Zhongguancun Battery Industry Technology Innovation Alliance.

Chairman of the Company, Hugh Warner said that *"Mr Yu's position within the Chinese lithium battery space will give Prospect with an enviable access to a wide range of potential end users. We look forward to working closely with Mr Yu, beginning with the China Battery Conference on 22 November 2016"*

Prospect already has the largest JORC reportable lithium deposit in Africa. We have 5 drilling rigs on site working to expand this resource.

The Company's Arcadia Lithium deposit is strategically located to be able to supply product to both Europe and Asia.

For further information, please contact:

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Competent Person's Statement

The information in this announcement that relates to Exploration Results, Exploration Targets and Mineral Resources and Ore Reserves 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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.