



Arcadia

A Game Changing Lithium Project

Sam Hosack, Managing Director
Benchmark Minerals World Tour

Sydney 16th September | Seoul 23rd September | Tokyo 25th September | Hong Kong 27th September

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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 study that relates to Ore Reserves is based on information compiled by or under the supervision of Mr David Miller, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Miller is Prospect Resources' Marketing Consultant. Mr Miller has sufficient experience relevant to the style of mineralization 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 Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Prospect Resources is rapidly developing the Arcadia Lithium Project



Strategically Focused

- + ASX listed battery minerals company (ASX.PSC), with a focus on lithium in and around Zimbabwe
- + Flagship project is the 87% owned Arcadia Lithium Project located in Zimbabwe



Globally Unique

- + Set to produce a premium ultra-low iron petalite concentrate for the glass & ceramics market
- + Only listed lithium company that will produce high quality low iron spodumene & petalite products
- + Positioned to be the largest petalite producer in the world



Strong Project Economics¹

- + Pre-tax NPV₁₀ of US\$533M & IRR of 45%
- + LOM cash operating costs of US\$278/t concentrate, average EBITDA of US\$109M p.a.
- + US\$163M Capex, US \$230/t C1 cost, with rapid payback of 2.5 years from first production
- + Cornerstone offtake partner in place for 34% of total production for the first 7 years



Experienced Team

- + A strong management team with a wealth of global lithium and mine development experience having successfully delivered large complex mine and plant projects
- + Tier 1 EPC partner - ADP / Lycopodium Engineering

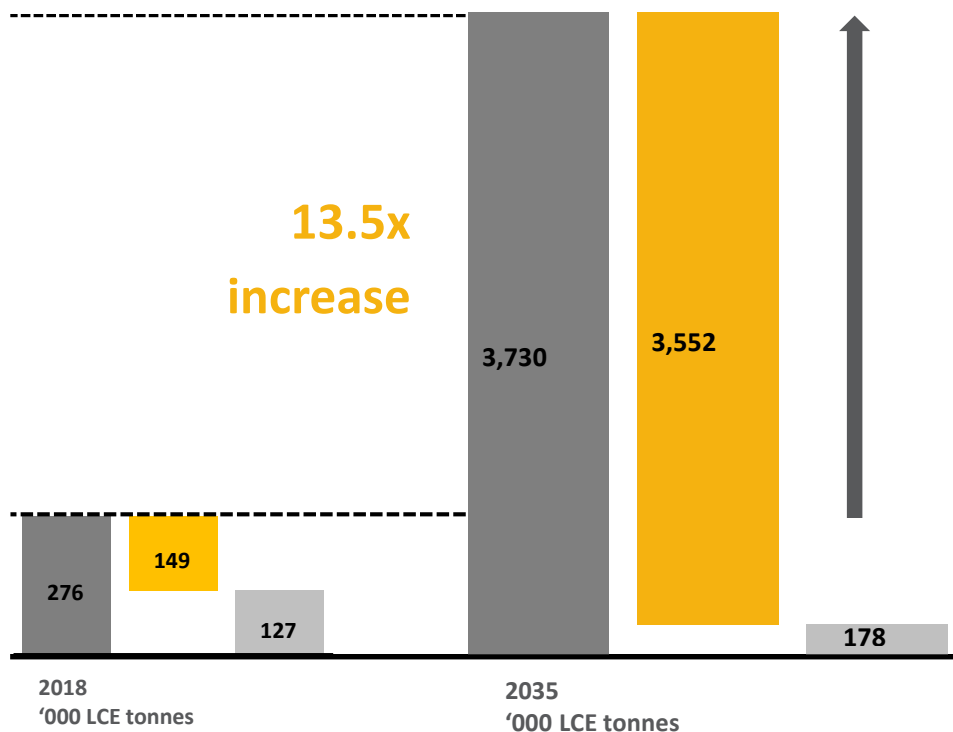
¹Based on information released to the ASX on the 19 November 2018 titled "Arcadia DFS confirms leading Lithium Project" and the 5th March 2019 titled "Arcadia project economics update"
Total cash operating costs FOB (after tantalum credit, royalties and government marketing costs) & Net Present Value (NPV) is presented on a nominal basis and with a discount rate of 10%



Prospect Resources

Lithium Market

Electric Vehicles..... A robust long-term thematic



The rise of Electric Vehicles **requires investment** in the battery supply chain:

- EV cost parity expected by 2022¹
- EV growth developed by green energy policies
- PEV penetration in rapidly rise
 - 2018 - 2.1%
 - 2025 - 15%
 - 2035 - 47%
 - 2040 - 60%³
- 1,748.5 GWh lithium-ion battery megafactory capacity pipeline by 2028³

Total demand for lithium:

- Both the battery and glass & ceramics markets are continuing to grow
- Supply will need to increase 13.5x to keep up with 2035 demand requirements

¹ Bernstein

² Benchmark Mineral Intelligence - Long-term forecast

³ Benchmark Mineral Intelligence - Megafactory Assessment May 2019

Without further project financing, the market is in deficit by 2021 ...

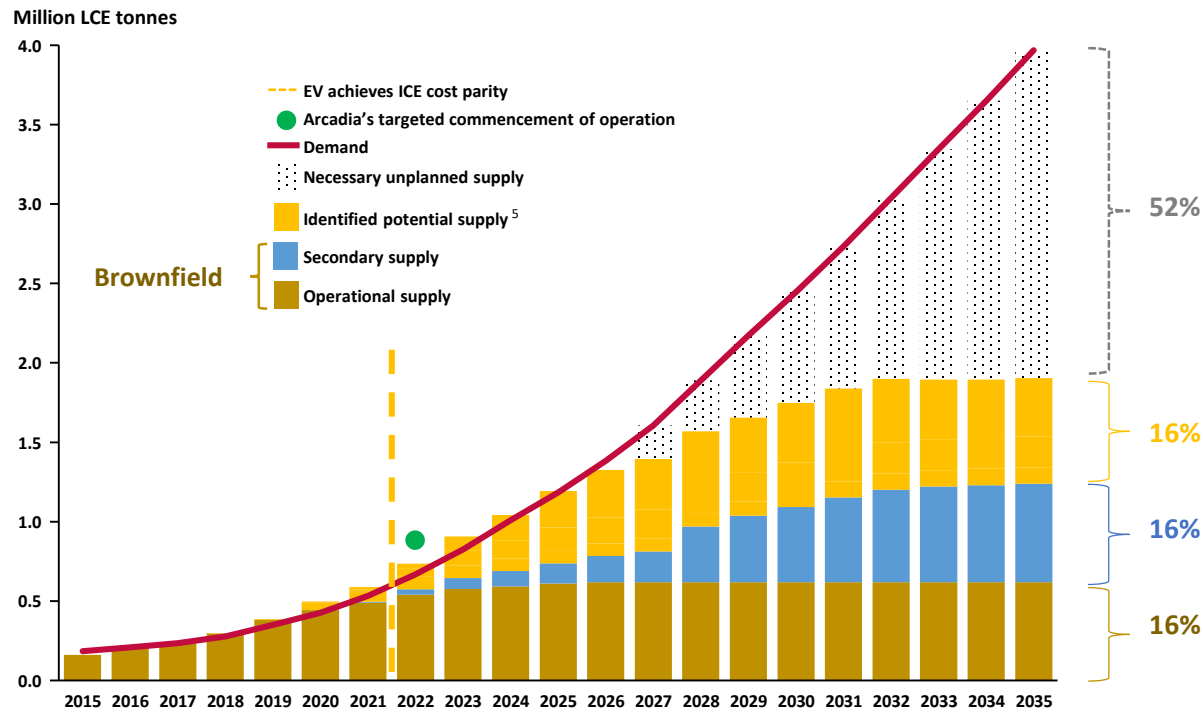
Shortage of long term supply¹

Investment in new lithium projects will be required to keep up with demand:

- 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 need to commence in 2019²
- 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

Lithium supply chain requires further project developments to provide continuity of supply for EV's:

- Tesla's 2020 target of 1 million annual sales requires 63ktpa LCE³
- VW's 2025 target of 1 million vehicles requires 40ktpa LCE⁴
- VW's total passenger vehicle sales for 2018 (6.64m) would equate to 265ktpa LCE⁴



LCE= Lithium Carbonate Equivalent

¹ Simplification of Benchmark Mineral Intelligence long-term forecast

² Assuming development and ramp up phase of 24 months

³ Tesla model S requires 63kg of Lithium Carbonate Li₂CO₃

⁴ Assumes 40kg of LCE per vehicle, Sales data sourced from Jato

⁵ Identified potential supply is a collection of Benchmark Minerals Intelligence's highly probable, probable and possible supply categories



Arcadia's Competitive Advantages

Arcadia, a cornerstone asset that positions Prospect as a leading lithium player

A Global Top 10 Hard Rock Lithium Asset	
Mine	Hard Rock, Open Pit
Ore Reserve	26.9Mt @ 1.31% Li ₂ O
Total Mineral Resources	43.2Mt @ 1.41% Li ₂ O (1% Cut off)
Strip Ratio	3.0:1 (including pre-strip)
Life of Mine	12 years
Annual Production	<ol style="list-style-type: none"> 1. 212,000tpa 6% Li₂O low iron spodumene concentrate 2. 216,000tpa 4% Li₂O low iron petalite concentrate (including ultra-low iron petalite concentrate production) 3. 188,000lbpa 25% Ta₂O₅ tantalum concentrate

'Shovel ready' to commence project development

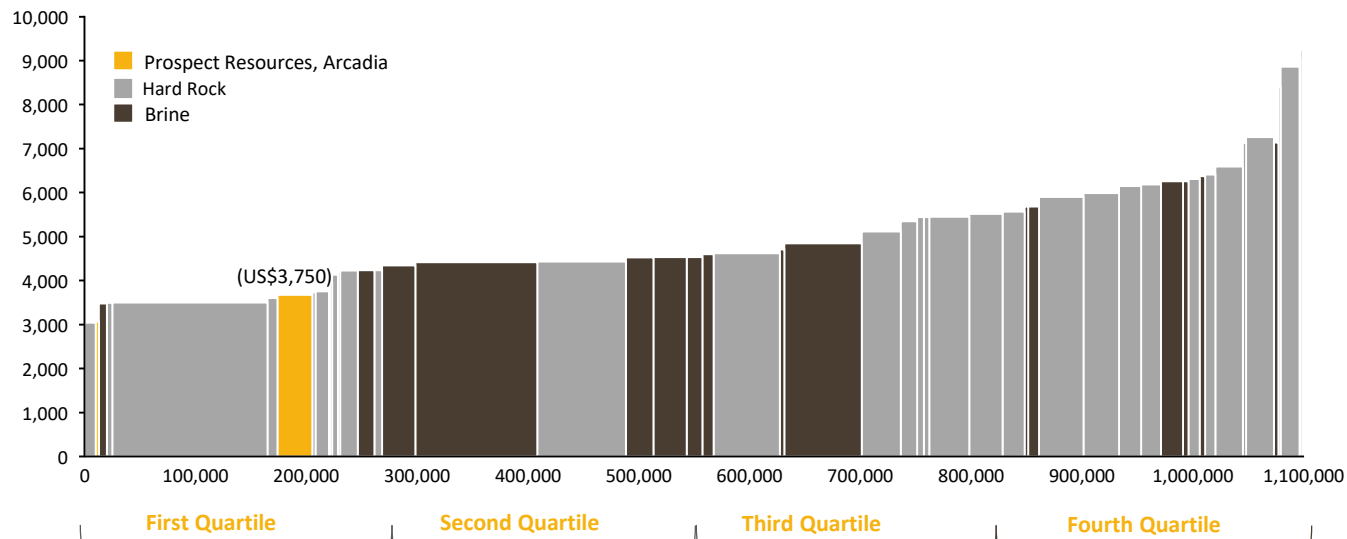
- + Mining lease granted (approx. 10km²)
- + Environmental approval granted
- + Surface rights secured
- + Established transport and port infrastructure
- + 33KV interconnection with secured 20MVA capacity (9.5km from site)
- + Sufficient process water available on site
- + Potential to expand life of mine through further exploration activities within 15km radius

Production expected to commence 18 months from completion of funding

Economic potential to be a world leading lithium project

Lithium industry brine and hard rock total cost curve - 2025¹

USD/MT-LCE (real 2019 terms)

¹Notes on cost curves:

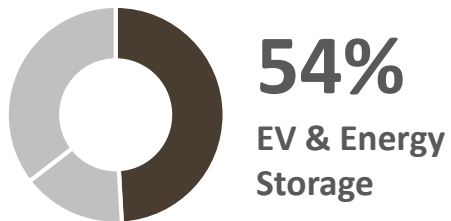
- Total cost includes capital repayment and royalty costs
- Hard rock includes pegmatite, petalite, lepidolite, jadarite and clay resources
- For operations producing spodumene/petalite, freight costs to processing point are included, as is a conversion margin to lithium carbonate
- Prospect Resources modelled using Feasibility Study costs of \$278/tonne with shipping and conversion charges added

Arcadia positioned to be a leading lithium asset

1. Top 10 asset (hard rock)
2. Upper quartile ore head grade
3. Lowest quartile strip ratio, open cut
4. Low quartile capital intensity

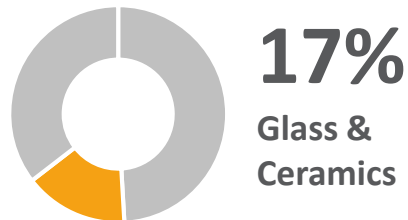
Scoping studies underway on the feasibility of a lithium hydroxide plant

Arcadia's products penetrate 100% of lithium end users



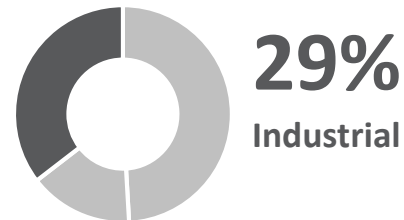
The rechargeable battery sector is expected to increasingly dominate lithium demand from a 54% market share in 2018 to an estimated 86% share by 2025.

Prospect is positioned to supply this market with its battery grade low iron petalite & spodumene concentrates.



Prospect's ultra-low iron petalite concentrate meets the specifications to directly supply the glass & ceramics market.

Prospect's ultra-low iron petalite concentrate also has low alkali levels that further differentiates our product from that of our competitors.



Lithium has several industrial uses through metallurgical powders, greases, alloys and more.

These markets currently use lithium carbonate as an input into the various end products and could also use low iron lithium concentrate as the direct feed stock.

100% of Lithium Market End Users

High quality, low iron, fit-for-purpose products

Peer Comparison¹

Product	Tonnes	Li ₂ O	Fe ₂ O ₃
Pilgangoora Mar Q shipment (AJM)	14,770	5.9%	1.50%
Pilgangoora Jun Q shipment (PLS)	43,214	6.0%	1.20%
Mt Cattlin Jun Q production (GXY)	56,460	6.0%+	1.20%
Bald Hill Jun Q production (A40)	38,717	6.2%	0.50%
Arcadia SC6.5 sample (PSC)	Bulk sample	6.5%	0.33%
Arcadia SC6.1 sample (PSC)	Bulk sample	6.1%	0.33%
Arcadia PC4.2 sample (PSC)	Bulk sample	4.2%	0.08%

¹Source: company announcements

Chemical/Battery Market

Low Iron Spodumene

(+6% Li₂O <0.30% Fe₂O₃, <0.50% Na₂O, <0.50% K₂O)

Low Iron Petalite

(+4% Li₂O <0.08% Fe₂O₃, <0.50% Na₂O, <0.50% K₂O)

- Both concentrates are low iron and low alkali impurities.
- Prospect's products specifications are preferred by lithium consumers
- Premium lithia source for chemical conversion into lithium chemicals products

Glass & Ceramics Market

Ultra-Low Iron Petalite

(+4% Li₂O <0.05% Fe₂O₃, <0.50% Na₂O, <0.50% K₂O)

- Glass & ceramic market technical specifications of low iron and alkali
- Exceptionally low in alkalis, low mica and absence of fluorine.
- The silica and aluminum also provides a "value-in-use" to end users' production formulas over and above the lithia content.

Arcadia validated as a premium low iron concentrate producer for the glass & ceramics market

- Arcadia will be 1 of 3 ultra-low iron concentrate producers globally that meets the glass and ceramics market specifications, attaining premium pricing
- Current shortage of low iron petalite
- Preference for ultra-low iron petalite over lithium carbonate due to value-in-use
Petalite contains Alumina (Al_2O_3) and Silica (SiO_2)
- Benchmark confirms ultra low iron petalite concentrates sales range between US\$1,300-US\$1,400 per metric tonne¹

¹ Confirmed by market participants in China across May and June 2019 – Benchmark Minerals Intelligence

² The low iron petalite price is calculated including VAT and sold to end user

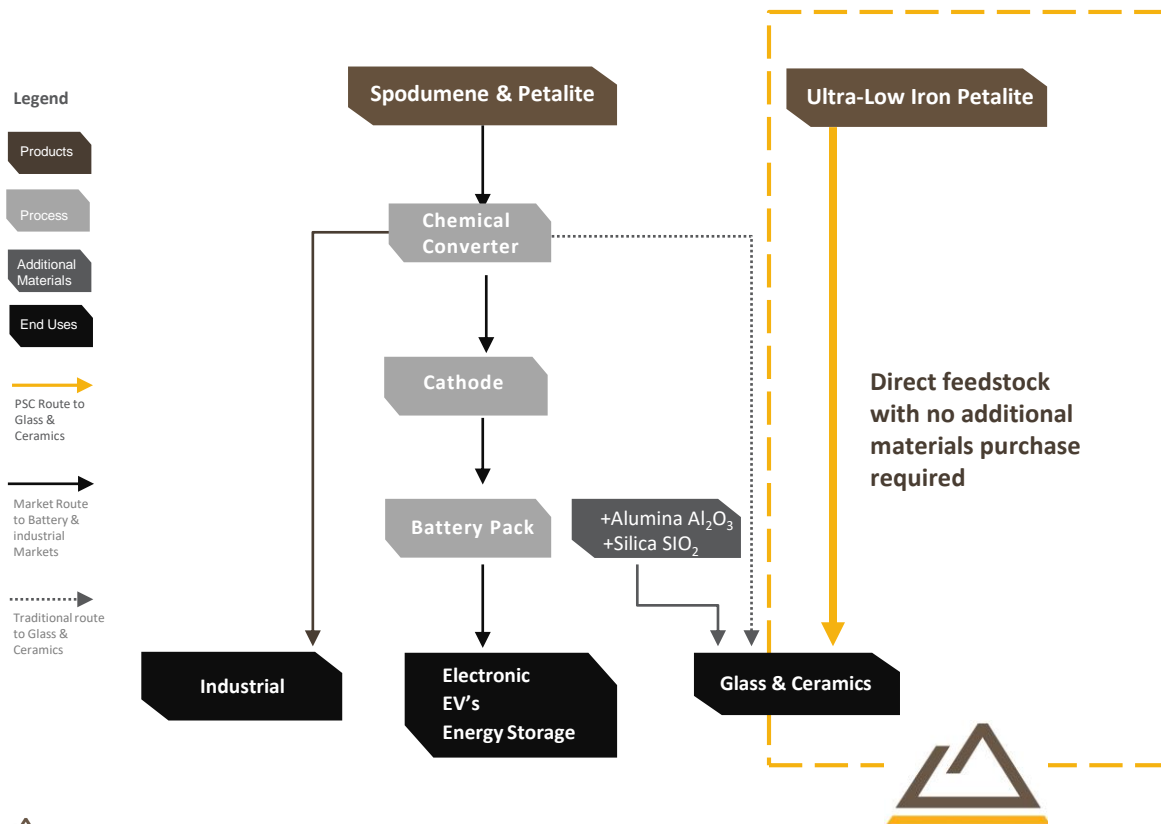
Based on Prospect's new supply into the market, Benchmark expect an average price ratio relationship of

1.61 : 1

low iron petalite to chemical grade spodumene

61% price premium over
chemical grade 6% Li_2O spodumene
concentrate²

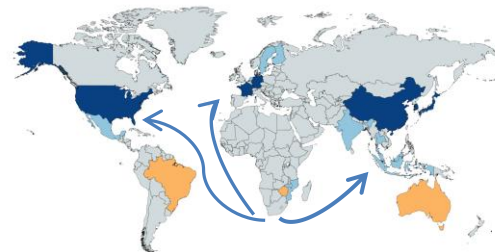
Ability to sell direct to end users



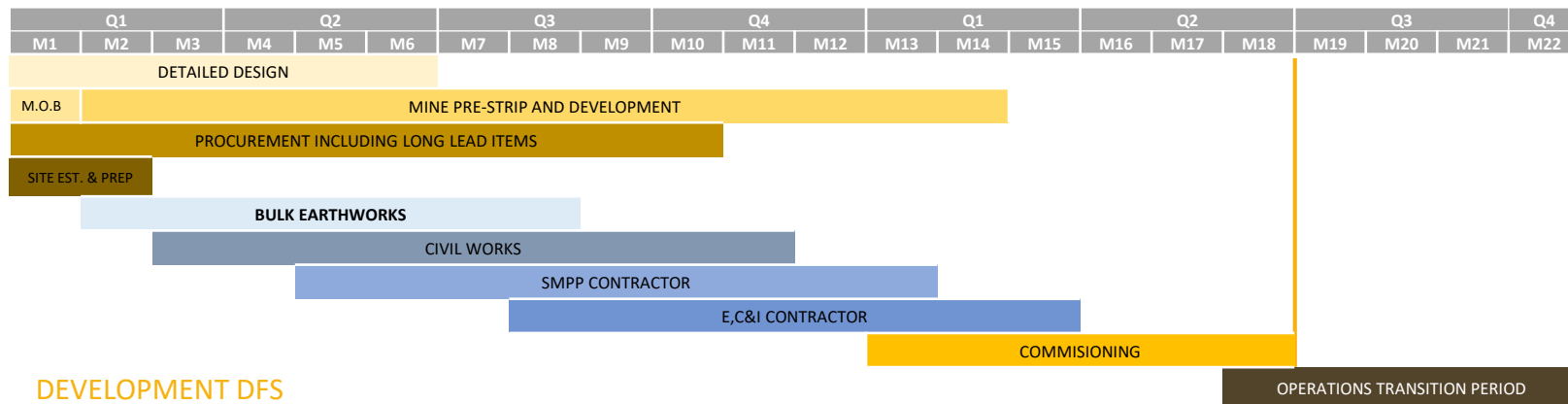
Prospect's direct route to the glass & ceramics market has the potential to be disruptive

- Quality of product
- Continuity and security of supply
- Lower cost of production; with a
- Lower carbon footprint vs chemical products as a feedstock in the glass & ceramics market

Customer and geo-political diversification across Europe, North America and across North Asia (China, Korea and Japan)



Path forward to becoming a lithium industry leader



DEVELOPMENT DFS

→FUND→BUILD

HORIZON 1

- Completion of funding
- Activate project execution plan
- Effective and safe delivery of project
- Commissioning of plant

HORIZON 2

PRODUCTION
OPERATIONAL
EXCELLENCE

HORIZON 3

GROWTH VERTICAL ⇅ HORIZONTAL ↔



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Prospect Resources

Additional Information

Board of directors with lithium market and project experience



Hugh Warner
Executive Chairman

A capital markets professional with 25+ years' with listed mining and oil and gas companies.



Sam Hosack
Managing Director

A third generation Zimbabwean with over 15 years' experience in mining and infrastructure project development.

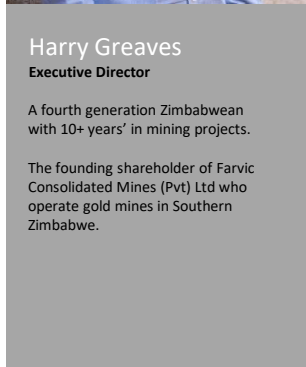
Spent 12 years at First Quantum Minerals Ltd, where he recently project managed the building of a port and coal-fired power station.



Zed Rusike
Non-Executive Director

A qualified accountant and resident of Zimbabwe.

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



Harry Greaves
Executive Director

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

The founding shareholder of Farvic Consolidated Mines (Pvt) Ltd who operate gold mines in Southern Zimbabwe.



Gerry Fahey
Non-Executive Director

A specialist in mining geology, mine development and training with over 40 years' experience in the minerals industry.

Director of Focus Minerals Ltd, formerly a Director of CSA Global Pty Ltd, and member of the Joint Ore Reserve Committee (JORC).



Henian Chen
Non-Executive Director

Mr Chen has served as the 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 qualified accountant and resident of Zimbabwe.

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

Strong management team with a collective 50 years experience in lithium



Chris Hilbrands
Chief Financial Officer

Mr Hilbrands has worked as Chief Financial Officer for a number of public companies listed on the ASX and AIM, primarily resources focused.



Mike Kitney
Consultant, Metallurgy, Process Design

Mr Kitney is a practising metallurgist with over 46 years' experience in mineral processing.

Mr Kitney has specific experience in spodumene beneficiation and downstream lithium carbonate plant design, construction and commissioning.



Roger Tyler
Chief Geologist

Mr Tyler has worked for over 33 years' as a geologist and resource analyst in numerous African countries.

Prior to the Arcadia discovery, his most significant achievement was leading the programme which resulted in the development of the new Kinsevere mine in DRC.

Trevor Barnard
General Manager

Mr Barnard has held numerous senior leadership roles over the last 20 years', most recently being the country Managing Director of PPC Ltd's business in Zimbabwe and the DRC.



Nick Rathjen
General Manager,
Corporate Affairs

Mr. Rathjen is an Australian capital markets executive with more than 8 years' experience in investor relations, stockbroking and banking.



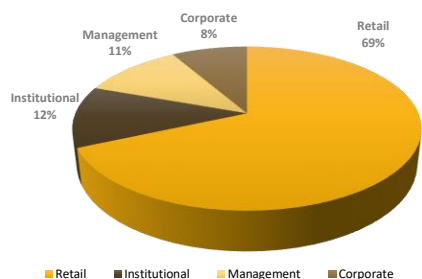
Nixon Mugwadhi
Mine Planning Manager

Mr Mugwadhi has a substantial mine planning, and mine management background with over 20 years' experience in mining engineering in Africa (Zimbabwe, Zambia, D. R. Congo).



Corporate Summary

ASX Code	PSC
Shares Outstanding ¹	235.95m
Market Capitalisation ²	A\$28m
Current Share Price	12c
Cash ³	A\$5.5m



Top Shareholders ⁴	%
Citicorp Nominees	11.29
Lord of Seven Hills Holdings FZE	10.98
Sinomine International Exploration	7.06
MBM Capital Partners	5.99
BNP Paribas Nominees	4.70
Armoured Fox Capital	4.21
HSBC Custody Nominees	3.73
Elliott Holdings Pty Ltd <CBM Family A/C>	3.36



¹ Shares on issue at 11 September 2019
² Market capitalisation at 11 September 2019
³ Cash at 30 June 2019
⁴ Shareholders as at 31 August 2019

Arcadia DFS Financial Evaluation¹

Financial Summary	Units	Value
Average Annual Free Cashflow from operations (pre-tax)	US\$M	104
Average Annual Free Cashflow from operations (post tax)	US\$M	90
Life of Mine Revenue (excl. Ta credits)	US\$M	2,934
EBITDA average annual	US\$M	106
Pre-Tax NPV ²	US\$M	511
Pre-Tax IRR	%	44
Post-Tax NPV ²	US\$M	458
Post-Tax IRR	%	42
Operating Margin	%	38
Payback Period (from commencement of production)	Year	<2.5

Capital and Operating Costs	Units	Value
Average life of mine cash operating cost (FOB) ¹	US\$/t conc	285
Capital Costs (carried to positive cash flow)	US\$M	165
Sustaining Capital	US\$/t conc	29
Life of mine spodumene concentrate price	US\$/t	689
Life of mine petalite concentrate price	US\$/t	457

Operation Parameters	Units	Value
Life of mine modelled (All open pit)	Years	12
Plant throughput	Mtpa	2.4
Average lithia head grade	%	1.35
Average lithia recovery	%	67.9
Average life of mine spodumene production	Kpta	212
Average life of mine petalite production	Kpta	216

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

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

³ Released to the ASX on the 19 November 2018 titled "Arcadia DFS confirms leading Lithium Project"

Ore Reserve and Mineral Resource

Arcadia Lithium Deposit Ore Reserve Estimate ¹					
Category	Tonnes	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (t)	
Proven	8,000,000	1.36%	128	109,000	
Probable	18,900,000	1.28%	127	242,000	
TOTAL	26,900,000	1.31%	128	351,000	

Arcadia JORC Mineral Resources Statement- 1% Li ₂ O Cut-off ²					
Category	Tonnes	Li ₂ O %	Ta ₂ O ₅ ppm	Li ₂ O Tonnes	Ta ₂ O ₅ Mlbs
Measured	10,200,000	1.45%	132	148,100	3.0
Indicated	27,200,000	1.39%	119	378,400	7.1
Inferred	5,800,000	1.45%	97	84,000	1.2
GRAND TOTAL	43,200,000	1.41%	119	610,500	11.3

¹ Ore Reserve - As described in ASX Announcement 6 December 2017

² Mineral Resource - As described in ASX Announcement 25 October 2017