



Prospect Resources

Investor Presentation – Mining Indaba – Cape Town

February 2018

Disclaimer & Competent Person's Statements



The information contained in this presentation or subsequently provided to any recipient of this presentation whether orally or in writing by or on behalf of Prospect Resources Ltd ("Prospect Resources or the Company") or its respective employees, agents or consultants (Information) is provided to the recipients on the terms and conditions set out in this notice. The purpose of this presentation is to provide recipients with information relating to Prospect Resources. This presentation has been prepared by Prospect Resources and each recipient must make his/her own independent assessment and investigation of Prospect Resources and its business and assets and should not rely on any statement or the adequacy and accuracy of any information.

Prospect Resources makes no representation or warranty (either expressed or implied) as to the accuracy, reliability or completeness of the Information. Prospect Resources and its directors, employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (express or implied) arising out of, contained in or derived from, or for any omissions from the presentation, except liability under statute that can not be excluded.

This presentation contains references to certain intentions, expectations and plans of Prospect Resources. These intentions, expectations and plans may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ. The performance and operation of Prospect Resources may be influenced by a number of factors, many of which are outside the control of Prospect Resources. No representation or warranty, express or implied, is made by Prospect Resources or its respective directors, employees, officers, agents, consultants or advisers that intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

This presentation does not constitute in any way an offer or invitation to subscribe for securities in Prospect Resources pursuant to the Corporations Act 2001 (Cth).

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 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 Miller 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 study that relates to the processing plant and infrastructure design as well as the financial analysis is based on information compiled by or under the supervision of Mr Lee W John of BioMetallurgical, Zimbabwe. Mr John is registered as a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM CP) and is Fellow with The South African Institute of Mining and Metallurgy (FSAIMM) and is registered as a Professional Engineer with the Engineering Council of South Africa (Pr. Eng. ECSA). Mr John is the Principle Engineer of BioMetallurgical and has sufficient experience which is relevant to the mineral processing project under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Mr John 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 Background



Prospect Resources Limited (ASX:PSC) an African Battery Minerals Company

Company has been built around core team made up of:

Africa Team - focus on exploration and development

- Strong and experienced local team with a track record of discovering, proving, building and operating mining projects in Africa
- Significant majority of the Prospect team based on the ground in the region

Australia Team – focus on transactions, financing, investor relations and corporate governance

- Small and focused Perth Based head office team
- Deep financial market and transaction experience
- Strong networks in China and region

Focus and Projects:

- Arcadia Lithium Project – taking into development stage
- Exploration – ongoing assessment and engagement on other relevant energy mineral opportunities currently undertaking exploration work:
 - Good Days (Lithium – Zimbabwe)
 - Tombolo (Copper/Cobalt – DRC)
 - Chishanya Carbonatite (Rare Earth Elements – Zimbabwe)

Prospect Resources Background (cont)



- Prospect Resources Limited (ASX:PSC) is a battery minerals company based in Perth with operations in Zimbabwe, and exploration activities in Zimbabwe and the DRC
- Zimbabwe, under a new Government, is again a focus for international investors; Prospect is receiving significant domestic support for its plans and operations
- Prospect's Arcadia Lithium Project is one of the largest hard rock lithium resources in the world
- 7 year offtake for 100% of Phase 1 Production with Sinomine (strong Chinese partner) which includes full finance for the construction of the Mine and Plant also become major shareholder in Prospect via a share investment of A\$10 million in the coming months - subject to conditions
- Drilling and exploration work expected to commence in DRC in coming months
- Oversubscribed \$10M placing undertaken January 2018 – to allow further exploration work and to fund working capital

Market Data

Shares outstanding	2 Feb 18	1,604,128,296
Market Capitalisation (A\$)	2 Feb 18	~114m
Current Share price (A\$c)	2 Feb 18	7.1
Shares options outstanding	2 Feb 18	245m
Cash (A\$)	31 Dec 17	2.3m
Debt	31 Dec 17	-

Major Shareholders at 2 February 2018

Pershing Nominees	15.7%
MBM Capital Partners	8.8%
BNP Paribas	6.9%
Elliot Holdings Group	8.0%
Armoured Fox Capital	6.7%
Total	46.1%

Above tables have not been updated for A\$10M announced 30 January 2018

Share Price Graph YTD



Arcadia Lithium Project Summary



Globally Significant
Hard Rock Resource
– Good Location &
Surrounding
Infrastructure

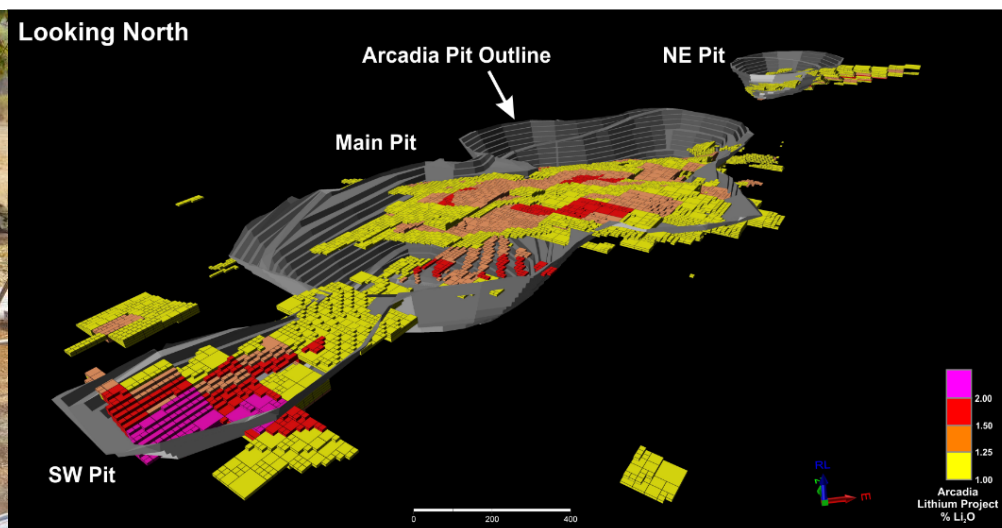
Offtake
Agreement
Signed with
Sinomine
includes full build
funding

Ongoing
Definitive
Feasibility Study
and Legal
Documentation
Preparation

“Break ground” in
H1 2018 with a
view to having
operating mine
c.14 months
thereafter

Phase 1- Build of Mine and Concentrate Plant through to Production Fully Financed

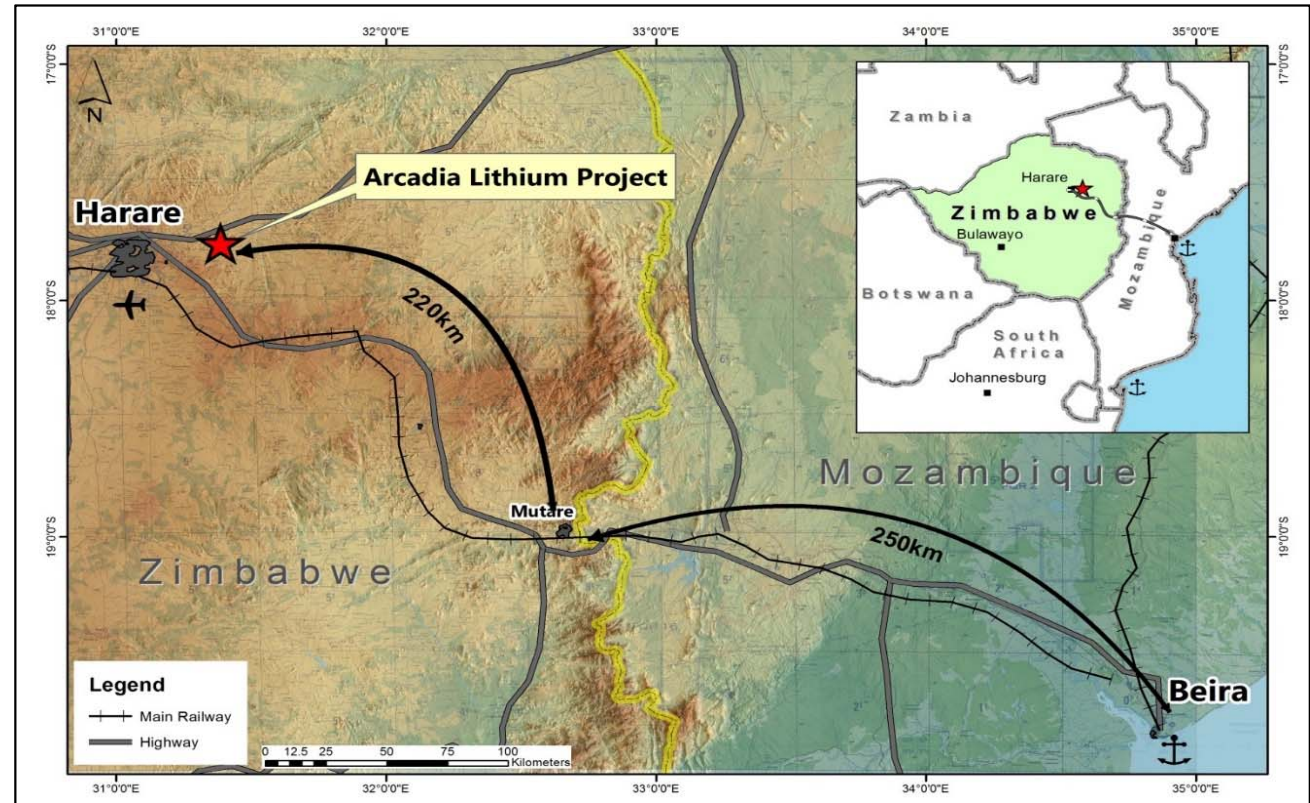
Subject to Prospect and Sinomine each obtaining necessary regulatory approvals (including National Development Reform Commission, the Ministry of Commerce and State Administration of Foreign Exchange, FIRB and RBZ Exchange Control); and the parties negotiating relevant documents



Arcadia Lithium Project Location, Infrastructure and Resources



- Arcadia is conveniently located and has excellent access to infrastructure and resources:
 - approximately 35 km East of Harare
 - less than 20 km gravel road to sealed highway
 - less than 20 km from railway to Beira, 450 km away
 - less than 3 km from 33 kVA mainline power grid
 - abundant groundwater available
 - access to skilled and semi skilled labour from Harare – an easy daily commute from the capital city.
 - All the above factors contribute significantly to the economics at Arcadia
- The mine lease area covers approximately 14km² and located within an unpopulated agricultural area
- Mining and Environmental Approvals in place
- Surface rights secured by Prospect and being utilised for agriculture



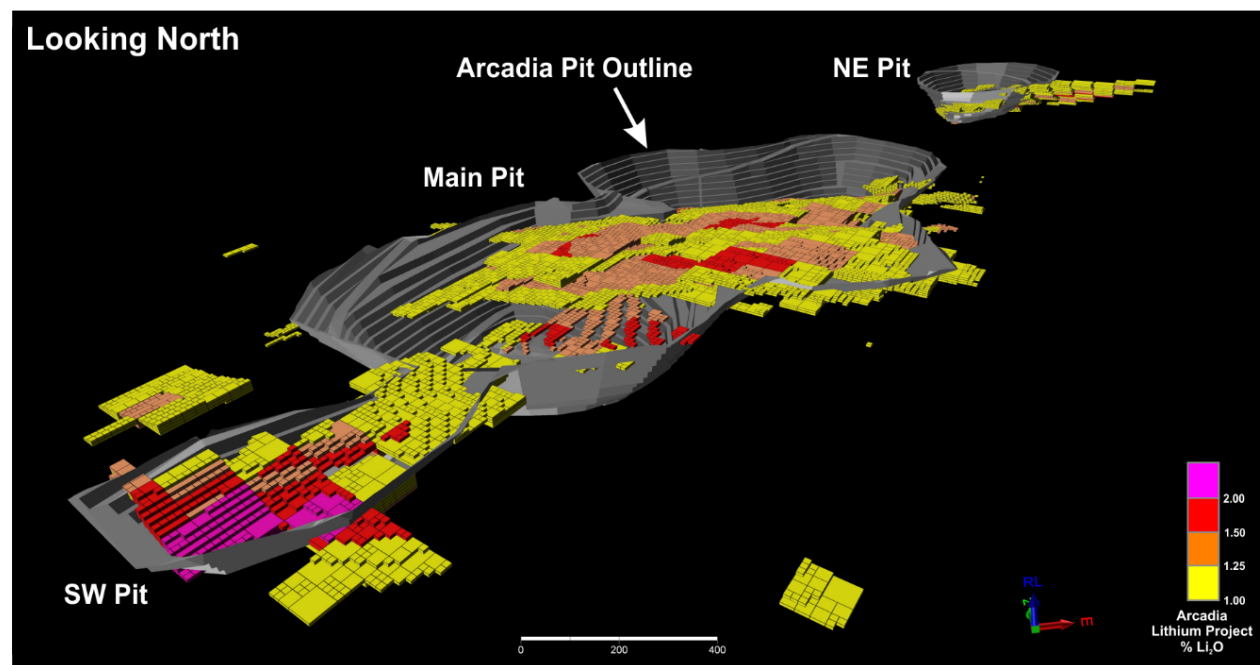
Arcadia Ore Reserve



Arcadia Lithium Deposit Ore Reserve Estimate*

Category	Tonnes	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (t)	Ta ₂ O ₅ (Mlbs)	Fe ₂ O ₃ (%)
Proved	8,000,000	1.36	128	109,000	2.2	0.93
Probable	18,900,000	1.28	127	242,000	5.3	1.25
TOTAL	26,900,000	1.31	128	351,000	7.6	1.15

- Ore Reserve represents more than 20 years of production
- Contains ~868,000 tonnes of Lithium Carbonate Equivalent (LCE)
- 70% increase in Ore Reserve compared to Pre Feasibility Study
- Upgrade reduces risks associated with grade control and orebody knowledge



*As described in ASX Announcement 6 December 2017

Arcadia Mineral Resource Estimates



High Grade Zone - 1% Li ₂ O Cut-off*					
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

Global Resource - 0.2% Li ₂ O Cut-off*					
Category	Tonnes Mt	Li ₂ O %	Ta ₂ O ₅ ppm	Li ₂ O Tonnes	Ta ₂ O ₅ Mlbs
Measured	15,900,000	1.17%	121	184,900	4.2
Indicated	45,400,000	1.10%	121	501,500	12.1
Inferred	11,400,000	1.06%	111	121,400	2.8
GRAND TOTAL	72,700,000	1.11%	119	807,800	19.1

*As described in ASX Announcement 6 December 2017

Approximately 2,000,000 tonnes of Lithium Carbonate Equivalent (LCE)

Arcadia Lithium Project Highlights



Description	Result/ Output
Mineral Resource at 1% Li ₂ O Cutoff*	43.2 Mt @ 1.41 % Li₂O
Ore Reserve*	26.9 Mt @ 1.31 % Li₂O & 128 ppm Ta₂O₅
Plant Throughput	1,200,000 tpa
Life of Mine (LoM)	+20 years
Li ₂ O Recovery DMS, Spirals and Flotation	71 % Li ₂ O
LoM Strip Ratio	3.1:1 waste to ore
Spodumene Production (6% Li₂O) avg. LoM	75,000 tpa
Petalite Production (4.1% Li₂O) avg. LoM	155,000 tpa
Total Lithium Carbonate Equivalent (LCE) avg. LoM	26,000 tpa

*Based on Updated Ore Reserve and Mineral Resource estimate published on 6 December 2017, data from PFS published on 3 July 2017 and pricing formula in conditional off-take agreement.



Arcadia Lithium Project High Level Investment Returns Summary – Mine and Concentrate Plant Only



	Updated PFS Model Result (USD)
Model Output Summary:	
– Pre-Tax Net Present Value at 10%	\$319M
– Internal Rate of Return	189%
– Gross Revenue LoM	\$2.3B
– OPEX LoM	\$1.4B
– Net Cash flow	\$775M
– Payback Period	~2 years
Main Assumptions using PFS Model:	
– CAPEX Per PFS (i.e. including initial working capital) $\pm 25\%$	\$52.5M
– Avg Near term Spodumene Price (\$/t) (5 years)	\$788
– Avg Long term Spodumene Price (\$/t) (thereafter)	\$600
– Avg Near term Petalite Price (\$/t) (5 years)	\$524
– Avg Long term Petalite Price (\$/t) (thereafter)	\$400

- PSC Directors have updated PFS model assumptions as a result of active engagements with various prospective offtake customers including Sinomine and further market information on current pricing
- Above Summary will be updated when Definitive Feasibility Study work is released – Directors current expectation is that this will improve materially

Prospect Resources Exploration



Prospect has:

- A world class mineral exploration team with a proven track record
- Strong network and reputation in the region
- Assessing various regional mineral opportunities focused on, but not limited to, battery minerals



Malachite & Heterogenite – Tombolo, DRC



RC Drilling at Good Days Spodumene



Sampling Team Good Days Open Cast

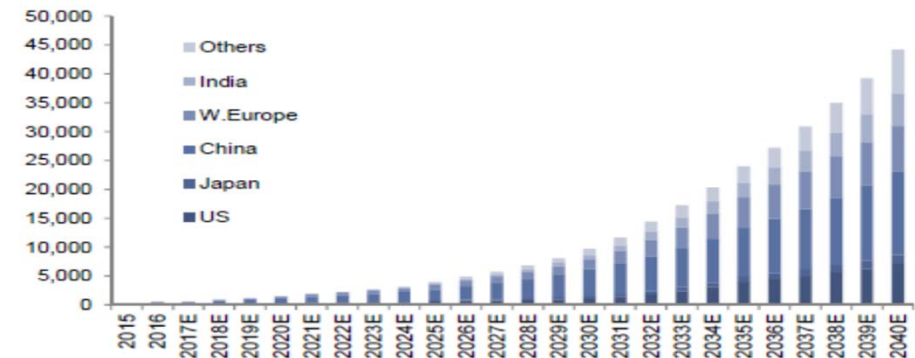
Electric Vehicles Drive Demand



- Electric Vehicles (“EVs”) are about to reach tipping point in penetration, and as a result investment in battery technology and production is rising rapidly
 - China target 2025 20% of vehicle production to be EV
 - Britain 2040 deadline all vehicle sales to be EV and by 2050 all cars zero emissions
 - France 2040 deadline all vehicle sales EV / hybrid
- This is driving demand for underlying battery raw materials including lithium (battery lithium demand overtaken non battery lithium demand)
- Industry investment in battery production and its value chain is increasing

What if....lithium & related battery minerals are the new gasoline!!

EV sales of main countries ('000 units)



BATTERIES MARKET PICKING UP

136x

While auto battery capacity was a mere 17GWh in 2015, we estimate it will increase 136x to 2,319GWh by 2040.

LITHIUM SUPPLY/DEMAND LIKELY TO TIGHTEN

2x

Lithium price doubled from US\$5/kg in 2015 to US\$12/kg in 2017. Lithium prices is around 5-10% of battery production cost.

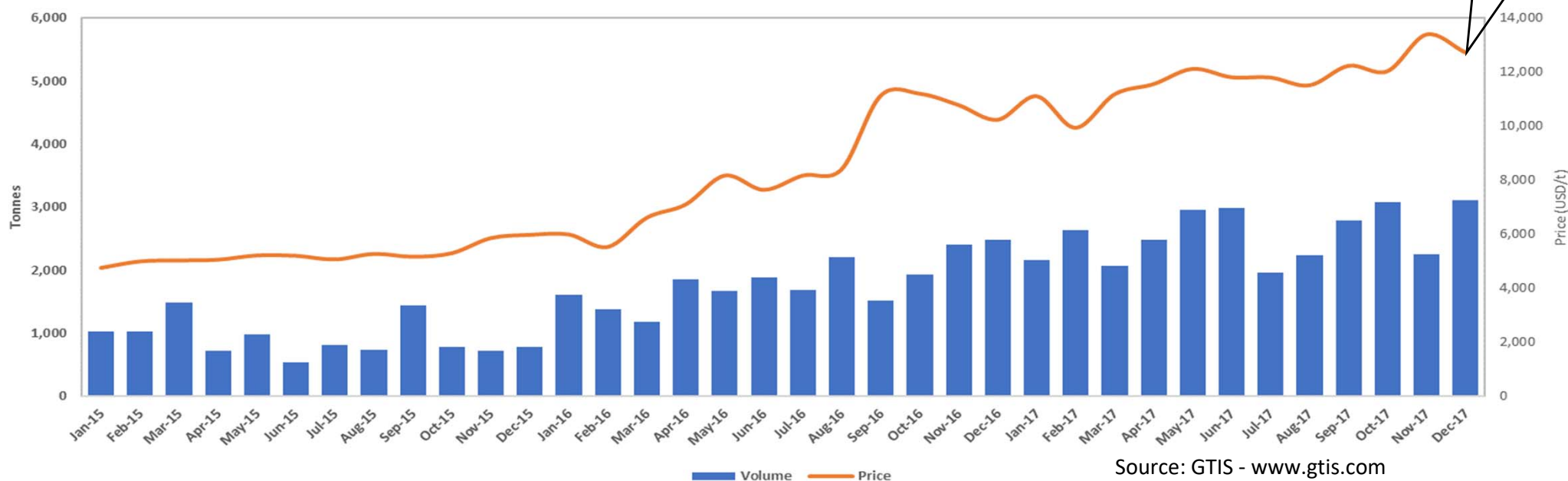
Above extracts from Goldman Sachs Report - Electric Vehicle Boom - 7 September 2017

Lithium Demand has Outpaced Supply

Resulting in significant increase in lithium prices



Chinese Li_2CO_3 Imports



6% Li_2O Spodumene Concentrate Prices

- 2014 Greenbushes
- 2015 Greenbushes
- 2016 Greenbushes

USD390/t CIF China (est)

USD425/t CIF China (est)

USD470/t CIF China (est)

Current Contracts

- Nov 16 Galaxy Resources 120,000t delivered 2017
- Apr 17 Tawana Resources 2018 & 2019 deliveries
- Jul 17 Neometals 2017 H2 deliveries
- Jul 17 Altura Mining First 3 years' production
- **Nov 2017 Prospect 7yrs Production**

USD905/t FOB Esperance

USD880/t FOB Esperance

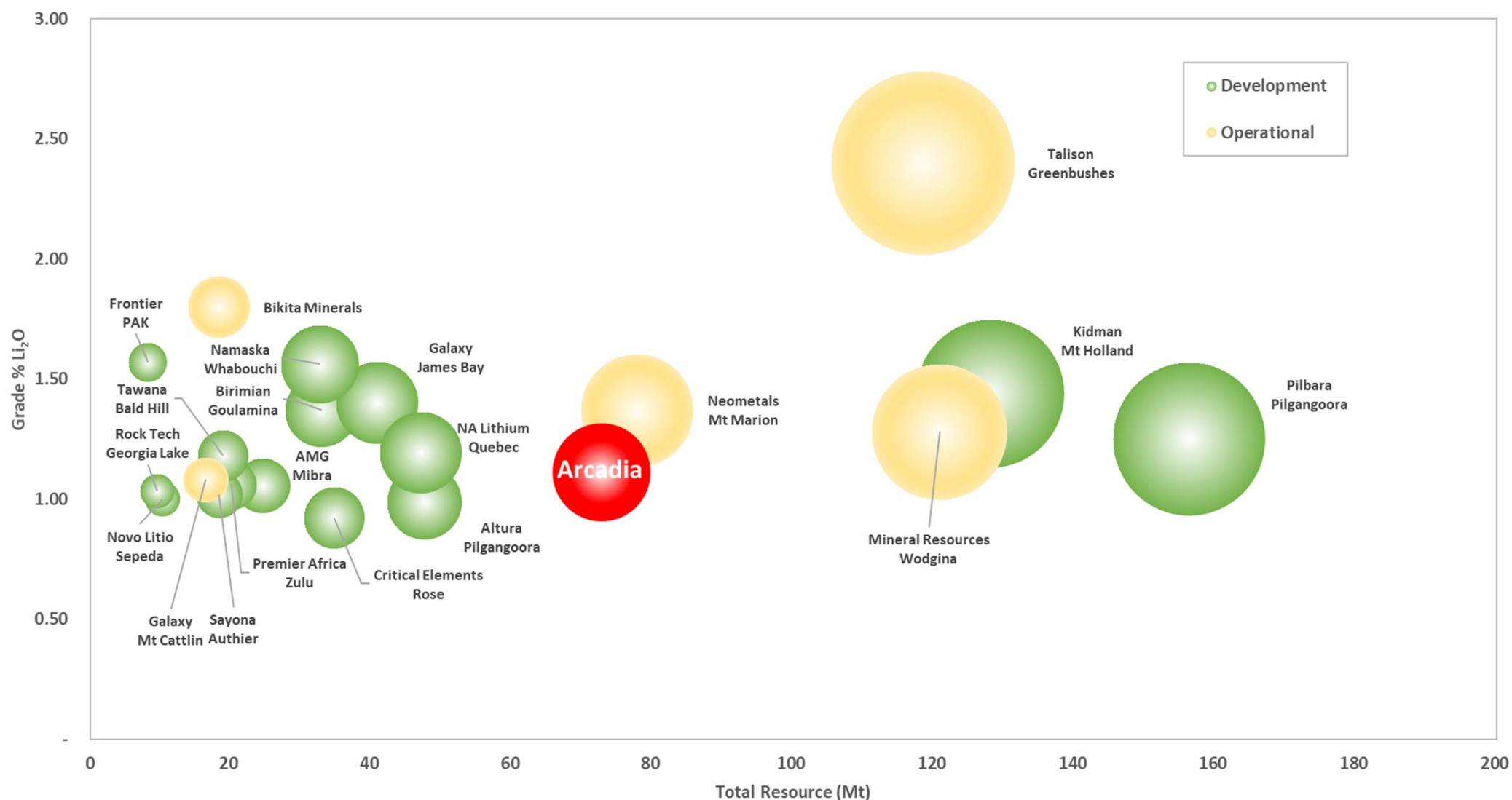
USD841/t CFR China

Indexed to Li_2CO_3 prices min **USD550/t** max **USD950/t**

Indexed to Li_2CO_3 prices – no min or max pricing

Source: Various Company Announcements

Global Hard Rock Lithium Resources



Note: Hard Rock refers to all pegmatite hosted Li deposits only. Mineral Resource estimates for Projects other than Arcadia have been sourced from Company Public Domain sources. These estimates have been prepared under differing estimation methodologies and cut offs and therefore maybe not be directly comparable. Readers should therefore treat and rely on this information accordingly

Profiles – Board Members



Prospect Resources board of directors, management and technical consultants have extensive experience and demonstrated capacities in the commercialisation of mineral ores in Zimbabwe and across Africa.

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 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. Mr Greaves is a well respected and well known member of the Zimbabwe mining fraternity.
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.
Zed Rusike (Non Executive Director)	Mr Rusike is a qualified accountant. 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. 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 Prospect Resources major shareholders. Mion Limited is a 100% black owned South African based diversified investment company.
Mr 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.

Profiles – Key Management



<p>Paul Chimbodza (Executive Director Examix)</p>	<p>Mr Chimbodza is the holder of a BSC Honours degree in geology and has held positions of increasing responsibility over his more than 25 years in the mining and minerals exploration industry. He has occupied senior management and executive positions with Rio Tinto, delta Gold, Metallon Gold and as Executive Director Zimbabwean listed Falgold. Mr Chimbodza is the founder of Geo Associates P/L a mineral asset portfolio developer and is the original vendor of the Arcadia lithium claims.</p>
<p>Chris Hilbrands (Group CFO)</p>	<p>Mr Hilbrands has worked as CFO for a number of public companies listed on the ASX and AIM, primarily resources focused. Mr Hilbrands has been responsible for the day to day financial and administrative operations together with the statutory reporting and compliance obligations of these organizations. Mr Hilbrands has a B.Com and is a Chartered Accountant.</p>
<p>Lee John (General Manager Operations)</p>	<p>Mr John is a Minerals Processing Engineer. He has more than 25 year's experience in mining and minerals processing and more than 18 years in management roles, including COO, CEO. Lee's African experience includes operating mining projects within Congo (DRC), Mozambique, Zambia, Botswana, Kenya, Tanzania and Zimbabwe.</p>
<p>Roger Tyler (Chief Geologist)</p>	<p>Mr Tyler 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 Kinsevere mine. He is a shareholder in Farvic Consolidated Mines and Prospect Resources.</p>
<p>Gavin Stephens (Africa CFO)</p>	<p>Mr Stephens is a registered Chartered Accountant (Zimbabwe) since 1991. He has served as Financial Director to IMF Holdings (Pvt) Ltd and PPC Zimbabwe (Ltd), in each case for ten years, as well as the Business Development Director for PPC Zimbabwe Ltd for a further five years. In this capacity is was involved with exploration, project development and finance. His skill set includes strategic planning, risk management and corporate governance, as well as the financial and general management skills associated with 25 years of experience in the Zimbabwe economy.</p>

Profiles – Key Management (cont)



Mike Kitney (Metallurgist)	Mr Kitney is a practising Metallurgist with over 46 years with experience in mineral processing ranging from R&D, operations management. Also lately project design, construction and commissioning. Minerals exposure includes alumina, phosphate, gold, copper, tin and lithium. In the latter case Mr Kitney has specific experience in spodumene beneficiation and downstream lithium carbonate plant design, construction and commissioning. He also holds an MSc degree in Mineral Economics.
David Miller (Mining Engineer)	Mr Miller is a mining engineer with 33 years' experience in the mineral resource industry. In the last ten years he has held in a number of senior business development roles including the assessment, development and product marketing of lithium, tin and tantalum projects.

Summary of Conditional Placement & Off-take Agreement



- **Placement – Sinomine to invest A\$10,000,000 via a share placement in Prospect at A\$0.05 per share.**
 - Subject to regulatory approvals (including Chinese NDRC, and FIRB; Zimbabwe Exchange Control); and
- **Offtake Agreement for Phase 1 Production– Prospect agrees to sell:**
 - **390,000 tonnes of Spodumene Concentrate (6% Li₂O); and**
 - **1,097,000 tonnes of Petalite Concentrate (4% Li₂O);**
- **Product Uses - Spodumene and Petalite** are both lithium bearing minerals which are converted to battery grade lithium carbonate and lithium hydroxide
- Possibly the largest Petalite offtake ever signed
- **Offtake Term for Phase 1 Production – 7 Years**
- **Pricing**
 - 6% Li₂O Spodumene, 4% Li₂O Petalite & 99.5% Battery Grade Lithium Carbonate priced using a market linked price which is referenced to Lithium Carbonate sold into China
 - US\$10/t discount in Price per 0.1% Li₂O reduction in grade from 6.0% Li₂O to 5.5% Li₂O Spodumene Concentrate
- **Lithium Carbonate Plant – ~6,500tpa**
 - Prospect has the option, at any time, to build a lithium carbonate plant and divert 50% of the Petalite Concentrate to this facility and supply Lithium Carbonate to Sinomine under the Offtake Agreement
- **Repayment of facility commences out of first product shipped to Sinomine under the Offtake Agreement**
- **Expansion – Offtake Agreement consumes only 1/3 of the current Mineral Resource Estimate.**

About Sinomine



- Founded in 1999, Sinomine Resource Exploration Co., Ltd., (**Sinomine**) was spun out from China Nonferrous Metal Mining (Group) Co., Ltd and is now a modern integrated geo-tech services company with head offices in Beijing, China.
- The company is listed on the Shenzhen Stock Exchange (002738) since December 2014 with a market capitalisation of ~A\$1.1Billion.
- Sinomine has the technical and financial resources to help Prospect fast track the development of Arcadia.
- The company employs over 300 senior professional technicians and managers and its main business lines include solid mineral prospecting services, mining investment, resource evaluation services and international trade and logistics services.
- Sinomine has carried out exploration and mining activities in over 20 different countries around the world including Zimbabwe, Zambia, Congo (DRC) and has subsidiaries in each of these jurisdictions.



For further information, please contact



Hugh Warner
Prospect Resources
Executive Chairman
Mobile: +61 413621652

Harry Greaves
Prospect Resources
Executive Director
Mobile: +263 772144669

www.prospectresources.com.au