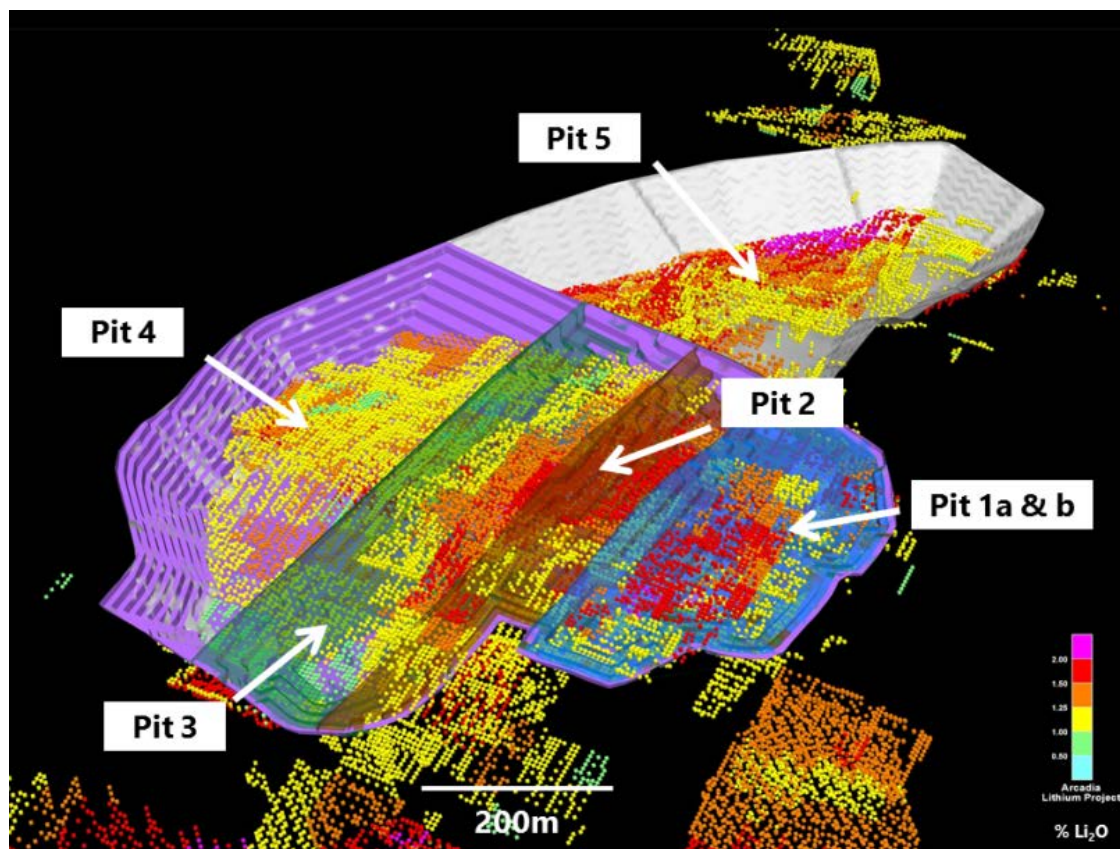


Prospect Resources Limited



Summary of Arcadia Pre-Feasibility Study – Investor Presentation

July 2017



**Arcadia PFS
Completed**

**Lithium Chemical
Plant PFS
underway**

(ASX Code: PSC)

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Corporate & Project Snapshot



Prospect Resources Limited (ASX:PSC) – Developing the Arcadia Lithium Deposit in Zimbabwe

Market Data	
Shares Outstanding	1,594,128,296
Market Capitalisation (\$A)	\$37m
Options	190,000,000
Cash (\$A)	\$7.2m
Debt	Nil

Major Shareholders	
Pershing Nominees	15.3%
BNP Paribas	9.8%
MBM Capital Partners	8.9%
Elliot Holdings Group	8.0%
Armoured Fox Capital	6.8%

NPV ₁₀ USDM		Spodumene & Petalite Price CFR USD/t					
		\$500	\$540	\$600	\$800	\$1 000	<i>Spodumene</i>
		\$380	\$400	\$450	\$550	\$680	<i>Petalite</i>
OPEX	115 %	-\$2	\$43	\$134	\$360	\$621	+15 %
	105 %	\$62	\$107	\$198	\$424	\$685	+05 %
	100 %	\$94	\$139	\$230	\$456	\$716	Base Case
	90 %	\$157	\$202	\$294	\$519	\$780	-10 %
	75 %	\$253	\$298	\$389	\$615	\$876	-25 %

- **Cash OPEX US\$ 320/t conc.**
- **Low CAPEX of US\$ 52.5 M**
- **Average annual production of:**
 - 75 000t spodumene concentrate (6% Li₂O)
 - 155 000t petalite concentrate (4.1% Li₂O)
 - 88 000lb contained tantalite in concentrate (>25% Ta₂O₅)

Experienced Board & Management Team



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.

Gerry Fahey - Non-Executive Director

Mr Fahey has over 40 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 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.

Lee John – General Manager, Operations

Lee 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. Lee's remit is to manage the design, construction and operations of the Arcadia High Grade Lithium Project.

Senior Management & Advisors



Gavin Stephens – Africa CFO - Gavin Stephens, a Zimbabwean citizen, has been 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.

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 Kinsevere mine. He is a shareholder in Farvic Consolidated Mines and Prospect Resources.

Chris Hilbrands – Group CFO - 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 - 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. Mike has a BSc(Hons) in Geology and is a Fellow of the SEG.

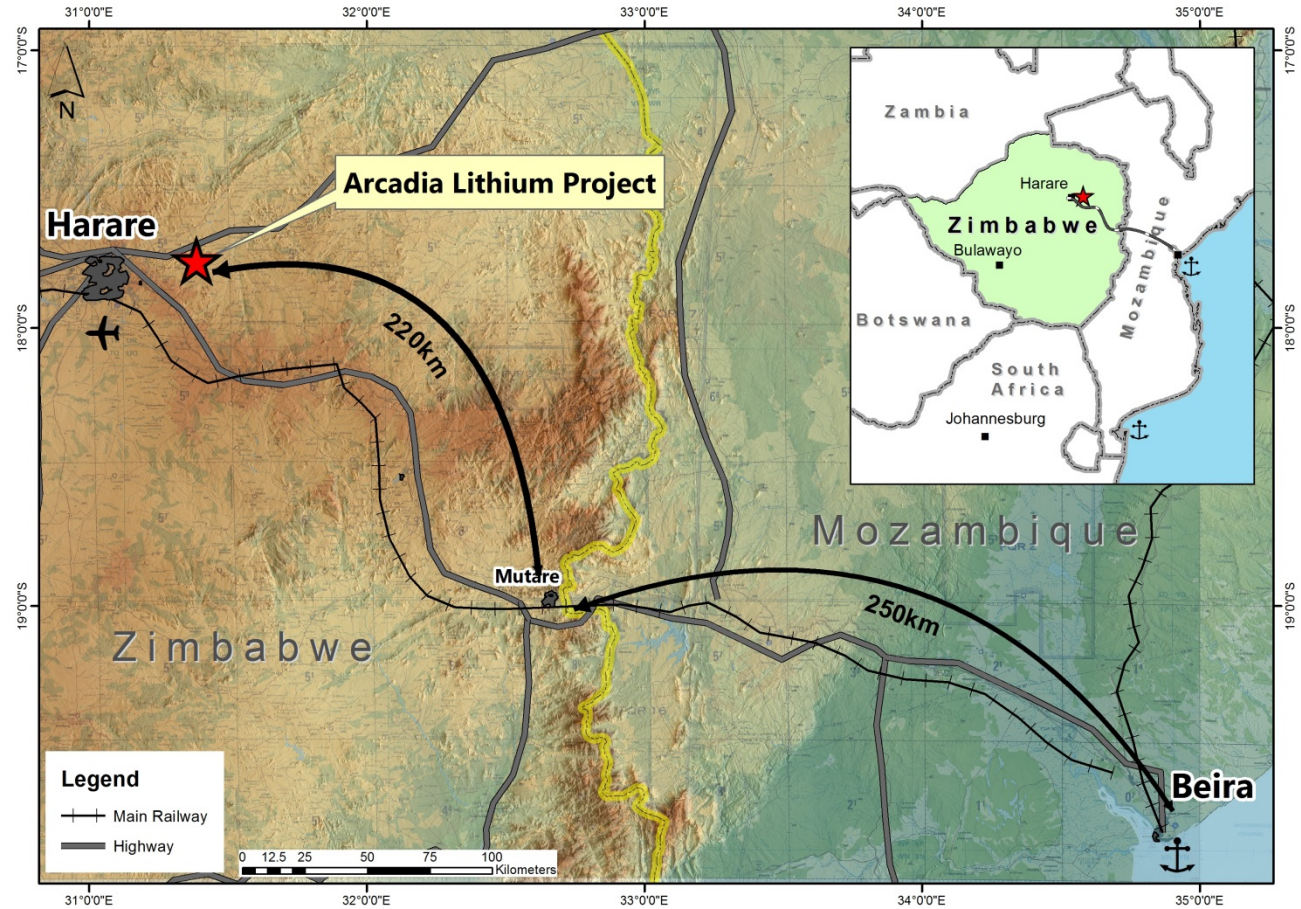
Mike Kitney – Consultant, Metallurgy, Process Design - Mike is a practising metallurgist with over 46 years experience in mineral processing ranging from R&D, operations management. Also latterly project design, construction and commissioning. Minerals exposure includes alumina, phosphate, gold, copper, 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 – Consultant Marketing and Off-take - David 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.

Arcadia Lithium Project Location



- 35km East of Harare
- Mining friendly jurisdiction
- Excellent access to infrastructure, including roads, rail, power and skilled labour
- <20km gravel road to sealed highway & railhead to Beira, 450km away
- Mining and Environmental Approvals in place
- Abundant groundwater available
- Surface rights secured by Prospect and being developed for agriculture



Arcadia PFS Highlights



Study Criteria and Financial Outputs	Basis and Variables
Mineral Resource at 1 % Li ₂ O Cutoff	34.9 Mt @ 1.42 % Li ₂ O
Probable Ore Reserve	15.8 Mt @ 1.34 % Li ₂ O & 125 ppm Ta ₂ O ₅
Pit Inventory and Run of Mine (RoM) Diluted Grade	23.7 Mt @ 1.34% Li ₂ O & 124 ppm Ta ₂ O ₅
Plant Throughput	1 200 000 tpa
Life of Mine (LoM)	20 years
LoM Waste Strip Ratio	2.79 t waste per t ore
Spodumene Production (6 % Li ₂ O) avg. LoM	75 000 tpa
Petalite Production (4.1 % Li ₂ O) avg. LoM	155 000 tpa
Total Lithium Carbonate Equivalent (LCE) avg. LoM	26 000 tpa
Tantalite contained in concentrate avg. LoM	88 000 lb. pa
Metallurgical Recovery DMS, Spirals and Flotation ¹	71 % Li ₂ O
Metallurgical Recovery Spirals and Tables ¹	30 % Ta ₂ O ₅
Spodumene 6 % Li ₂ O avg. Price CFR ² China	USD 540 per dry t
Petalite 4.1 % Li ₂ O avg. Price CFR ² China	USD 400 per dry t
CAPEX (including initial working capital) ±25 %	USD 52.5 M
Payback Period (from commissioning)	~2 years
Revenue LoM	USD 1 967 M
OPEX LoM	USD 1 500 M
Net Cash Flow	USD 467 M
Cash Cost avg. LoM ³	USD 320 per t concentrate
NPV 10 % discount	USD 139 M
IRR ⁴	39 %

- **Maiden Ore Reserve of 15.8Mt @ 1.34% Li₂O & 125ppm Ta₂O₅**
- **Pit Inventory of 23.7Mt @ 1.34% Li₂O & 124ppm Ta₂O₅**
- **Life of Mine of 20 years with a strip ratio of 2.79:1**
- **NPV10 of USD 139 Million, IRR of 39% and payback of 2 years**
- **LOM Revenue ~ USD 2 Billion**
- **Cash Operating Cost of USD 320/t conc.**
- **Low CAPEX/start up of USD 52.5 Million**

^[1] Higher recoveries expected as optimisation's are currently on-going and positive but conservative figures used in the PFS base case

^[2] CFR "Cost and Freight" included for delivery to port in China

^[3] Cash Costs include all production, corporate, administration, marketing and royalty costs and are net of by-product credits from Ta₂O₅ sales

^[4] NPV₁₀ and IRR calculated after state royalty (2 %) and MMCZ commissions (0.875 %) on gross production but before tax on profits

Arcadia Mineral Resources & Reserve Estimates



Arcadia Lithium Deposit Ore Reserve Estimate (>1% Li₂O)*

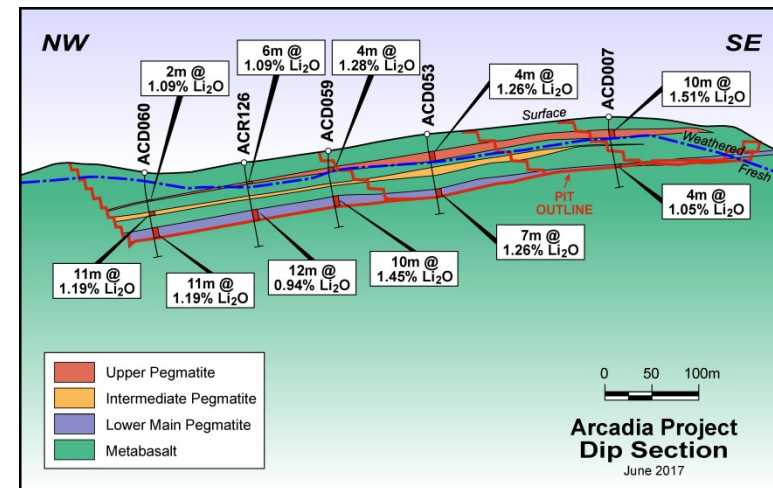
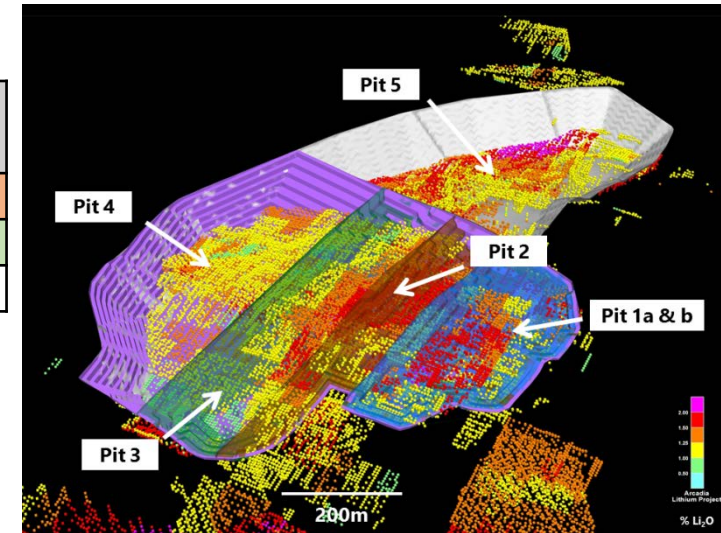
Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (t)	Ta ₂ O ₅ Mlbs	Fe ₂ O ₃ (%)
Proven	0	0	0	0	0	0
Probable	15.8	1.34	125	212,000	4.3	1.02
TOTAL	15.8	1.34	125	212,000	4.3	1.02

Arcadia Mineral Resource estimate (>1% Li₂O)**

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (t)	Ta ₂ O ₅ (Mlbs)
Measured	5.7	1.48	134	83,800	1.7
Indicated	15.1	1.38	118	208,000	3.9
Inferred	14.1	1.44	133	203,000	4.1
TOTAL	34.9	1.42	127	494,800	9.7

Arcadia Global Mineral Resource estimate (>0.2% Li₂O)**

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (t)	Ta ₂ O ₅ (Mlbs)
Measured	9	1.17	134	106,200	2.7
Indicated	24.2	1.10	118	268,000	6.3
Inferred	24.1	1.11	133	268,000	7.0
TOTAL	57.3	1.12	127	642,200	16.0



*As described in ASX Announcement 29 June 2017

** As described in ASX Announcement 16 March 2017

Arcadia Lithium Project – CAPEX & OPEX



CAPEX

- Construction of 1.2Mtpa mine, plant and infrastructure estimated at USD 52.5 Million
- Costing based on local experience and independent consultants

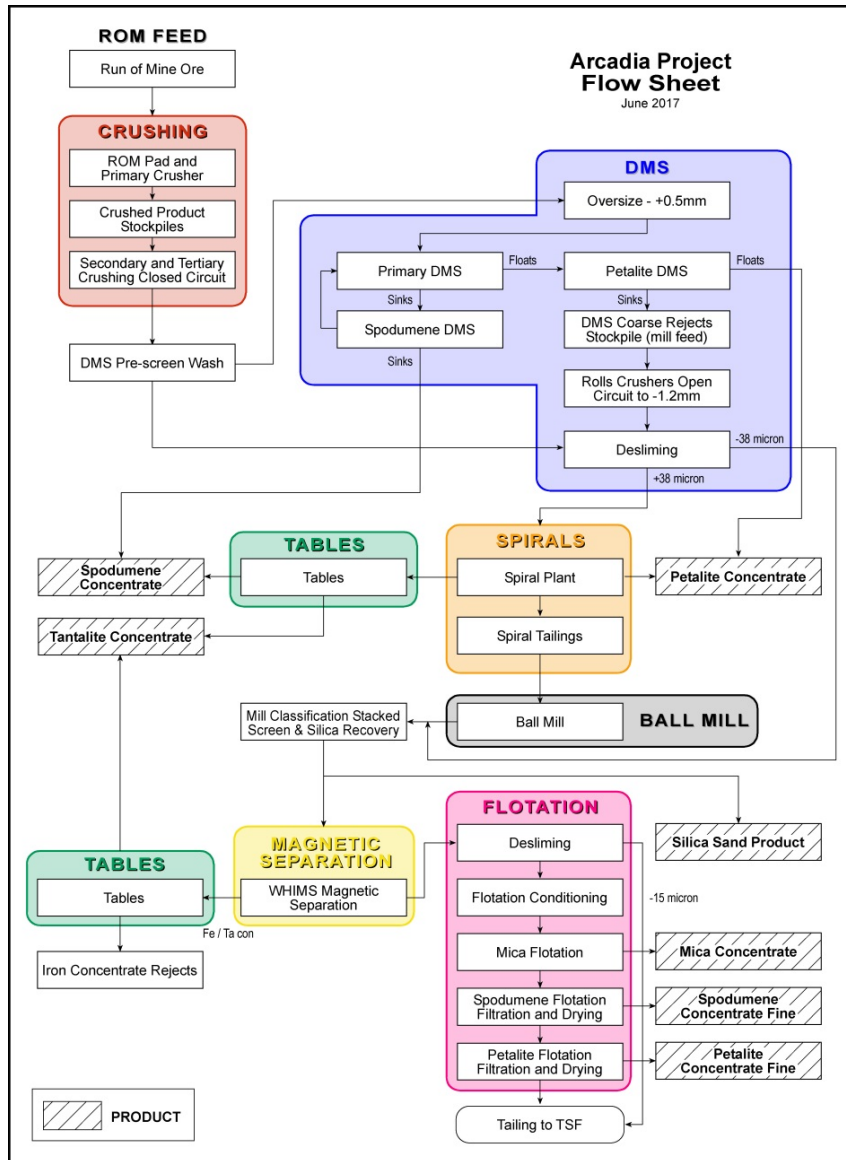
Area	CAPEX (USD)
Mining	\$9 906 000
Crushing and Screening	\$2 764 000
DMS	\$3 747 000
Flotation	\$9 814 000
Filtration Drying Bagging	\$4 072 000
Reagents and Stores	\$4 062 000
Tailings Storage Facility	\$3 782 000
Engineering and Services	\$4 554 000
Utilities, Infrastructure, Transport Depot	\$5 780 000
	\$48 481 000
Contingency	\$4 018 000
TOTAL	\$52 500 000

OPEX

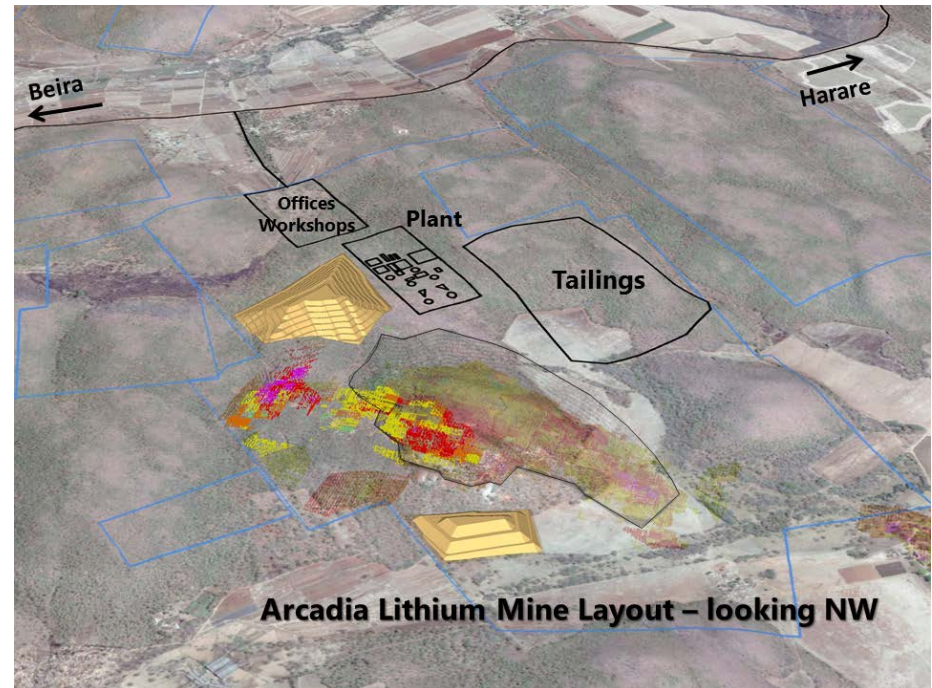
- Total OPEX USD 66/t ore milled
- USD 320/t lithium concentrate *(inclusive of freight & port delivery charges to China)*

Area	Operating Cost (USD)		
	\$/t ore LoM	Per annum avg. LoM	Per tonne concentrate
Mining	\$13	\$15 014 000	\$69
Crushing	\$8	\$9 349 000	\$43
DMS & Spirals	\$3	\$2 892 000	\$13
Milling & Flotation	\$6	\$7 001 000	\$32
Reagents	\$6	\$7 227 000	\$33
Power	\$3	\$3 309 000	\$15
Labour	\$3	\$3 737 000	\$17
Freight & Port	\$18	\$20 514 000	\$94
Administration	\$5	\$5 480 000	\$25
Total OPEX	\$66	\$74 525 000	\$342
With Ta₂O₅ Credit			\$320

Arcadia Lithium Project – Processing & Logistics



- Extensive metallurgical testwork completed
- Total recoveries 71%, process optimisation continues
- Simple open pit, and short haul to communiton and process plant
- Sufficient ground and surface water with grid power <3km away



Arcadia Financial Evaluation & Risk Assessment

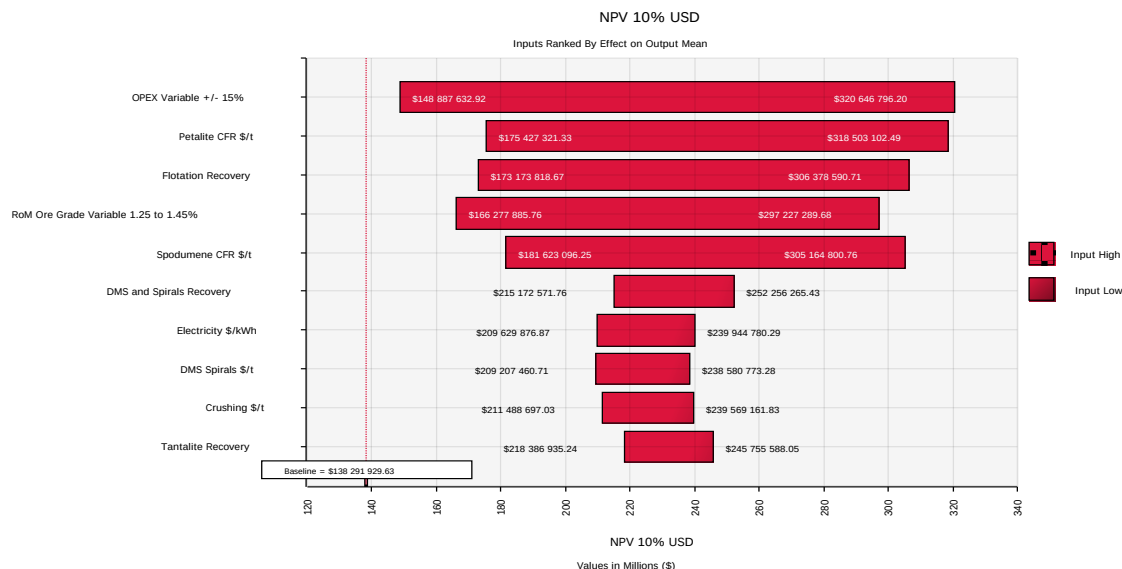


NPV ₁₀ USDM		Spodumene & Petalite Price CFR USD/t					
OPEX	Realistic scenario	\$500	\$540	\$600	\$800	\$1 000	Spodumene
		\$380	\$400	\$450	\$550	\$680	Petalite
	115 %	-\$2	\$43	\$134	\$360	\$621	+15 %
	105 %	\$62	\$107	\$198	\$424	\$685	+05 %
	100 %	\$94	\$139	\$230	\$456	\$716	Base Case
	90 %	\$157	\$202	\$294	\$519	\$780	-10 %
	75 %	\$253	\$298	\$389	\$615	\$876	-25 %

- PFS pricing assumptions considered conservative

➤ 6% Li₂O Spodumene Concentrate – USD 540/t

➤ 4.1% Li₂O Petalite Concentrate – USD 400/t



Arcadia Lithium – Market/Sales/Chemical Plant



Lithium Market

- Lithium Market remains in supply deficit reflected in increases in lithium mineral and chemical prices
- Arcadia is expected to be one of the early new suppliers of lithium to world markets

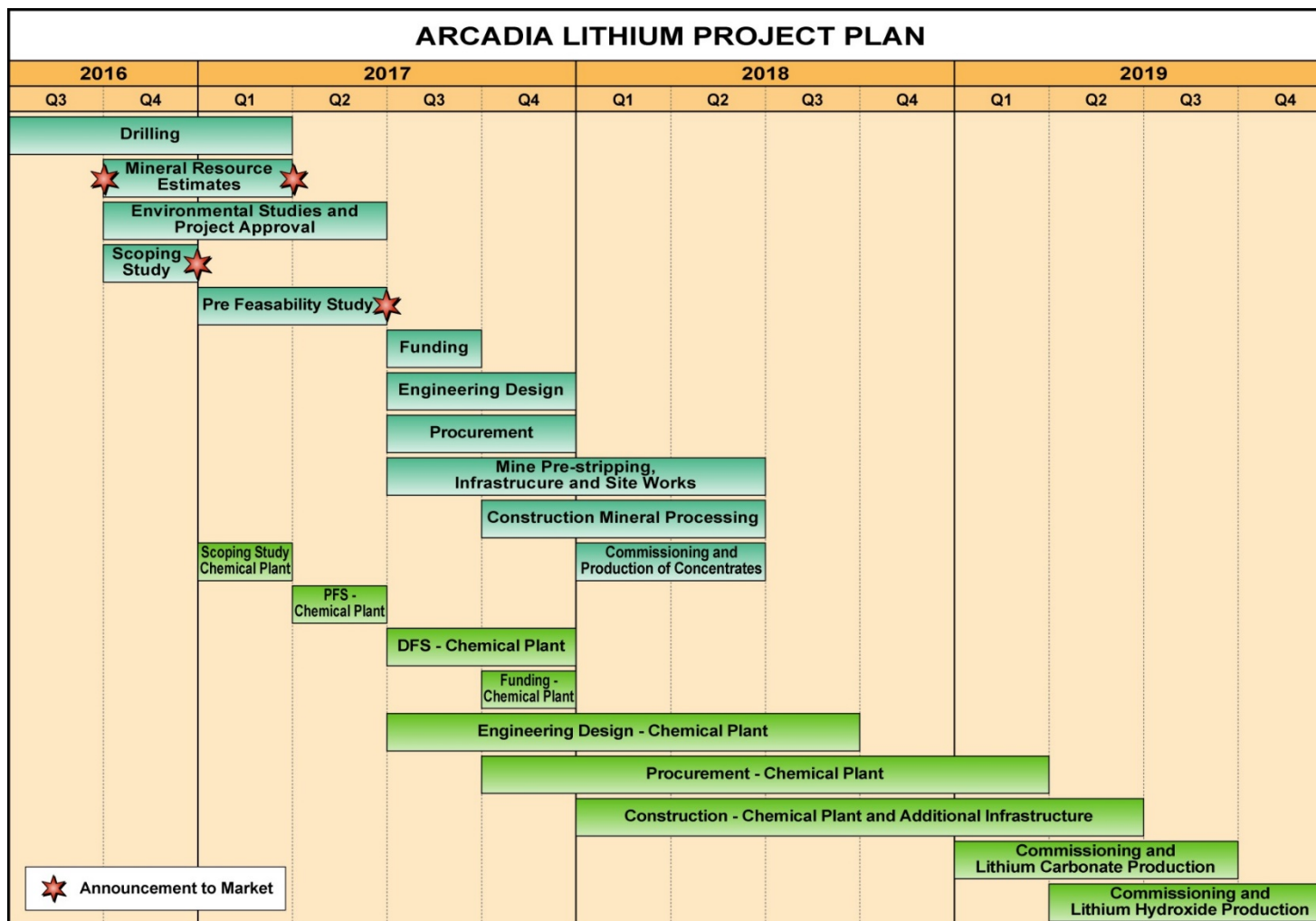
Arcadia Sales Volumes

- Arcadia set to annually produce:
 - >75,000t spodumene concentrate (6% Li_2O)
 - >155,000t petalite concentrate (4.1% Li_2O)
 - 88,000 lb contained tantalite in concentrate (>25% Ta_2O_5)

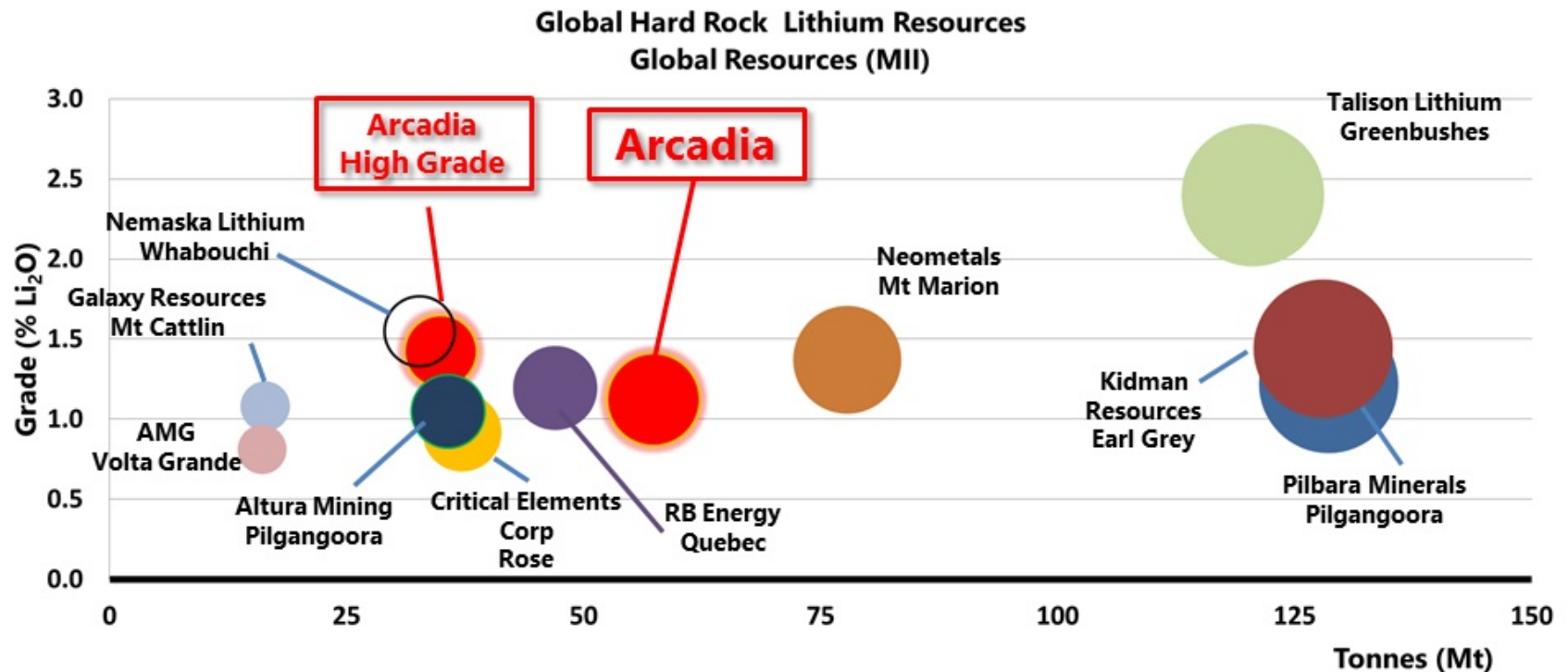
Lithium Chemical Plant – lithium carbonate and lithium hydroxide

- PFS underway to develop a lithium chemical plant at Arcadia
- Only lithium chemical plant outside Australasia
- Value add through downstream high value lithium products
- Geographically well placed to serve European, North American and Asian Markets

Arcadia Lithium Project – Indicative Timeline to Production



Lithium Peer Comparison



Competent Persons 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 Exploration Results and Mineral Resources has been reviewed and audited by Mr Michael Cronwright of The MSA Group, Johannesburg. Mr Cronwright is registered as a Professional Scientist 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 JORC Code 2012 Edition. 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.



Competent Persons Statements

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 Limited



Contact:

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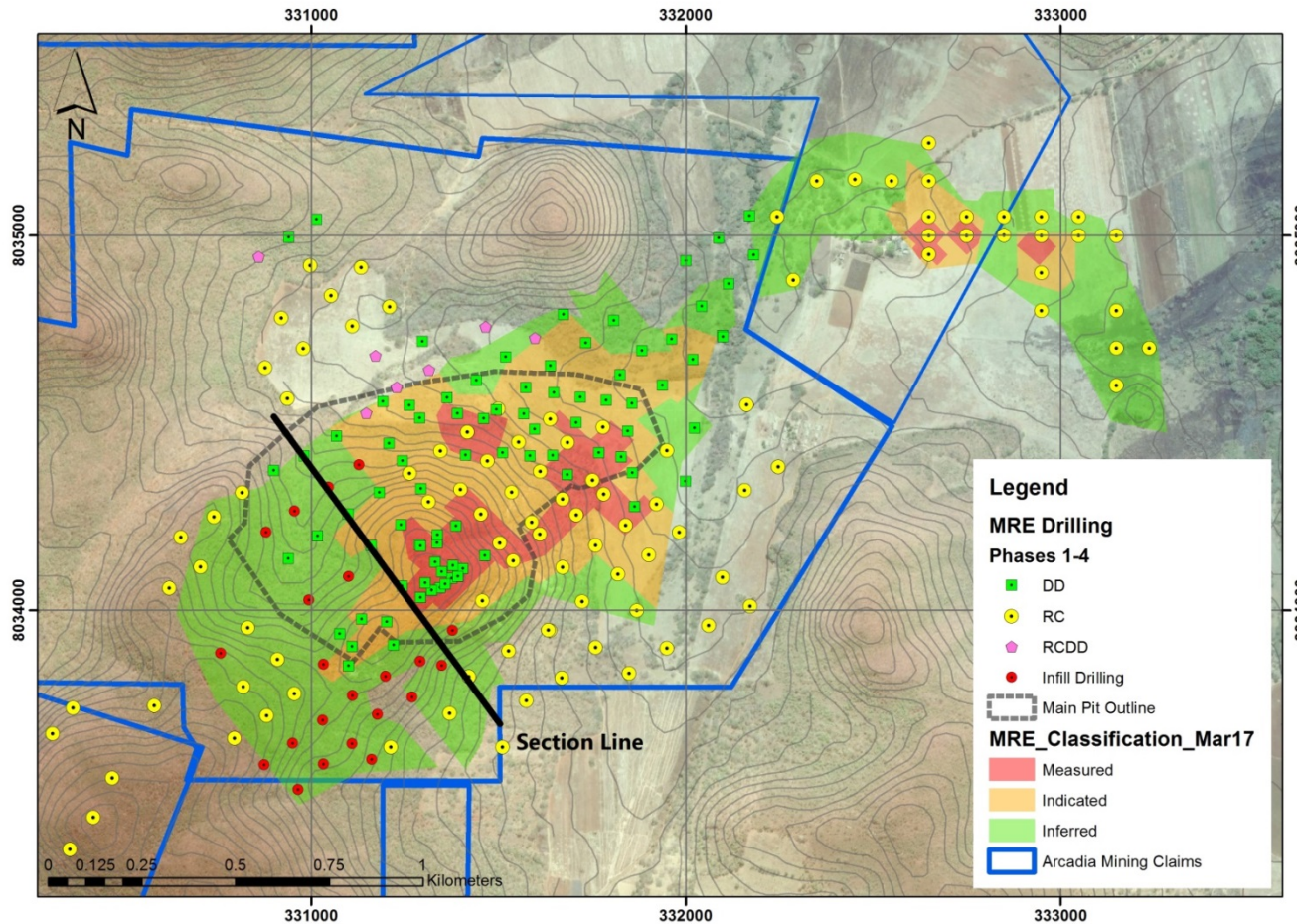
Harry Greaves Executive Director
Ph: +263 772 144 669
76 Clark Road, Bulawayo, Zimbabwe

www.prospectresources.com.au



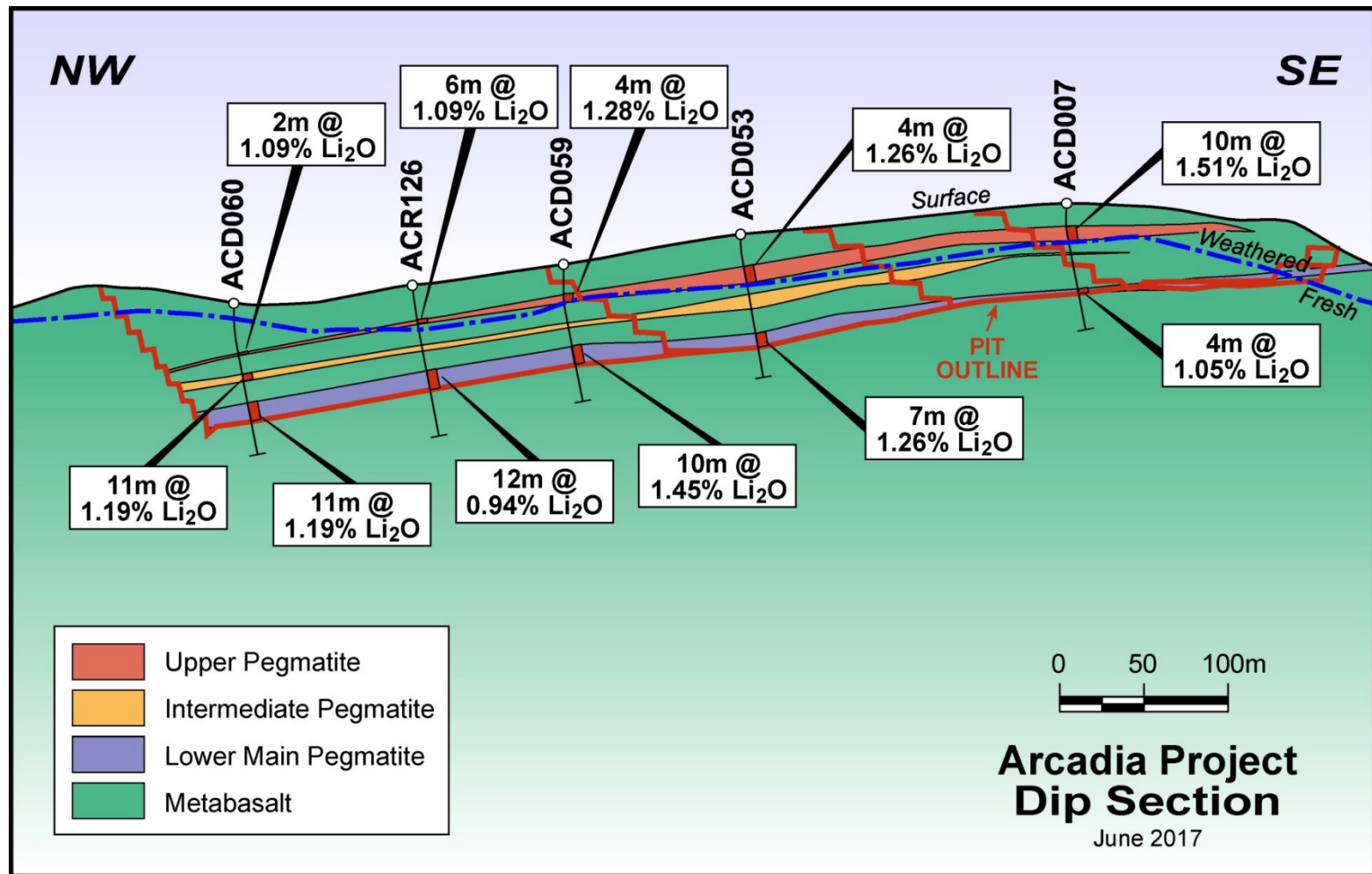
APPENDIX

Arcadia Lithium - Drilling Completed and current focus



- 255 holes drilled totalling >22 300 m completed to date
- Infill drilling planned to upgrade Inferred Mineral resources to Indicated
- Regional geochemical exploration program ongoing

Arcadia Lithium - Dip Section



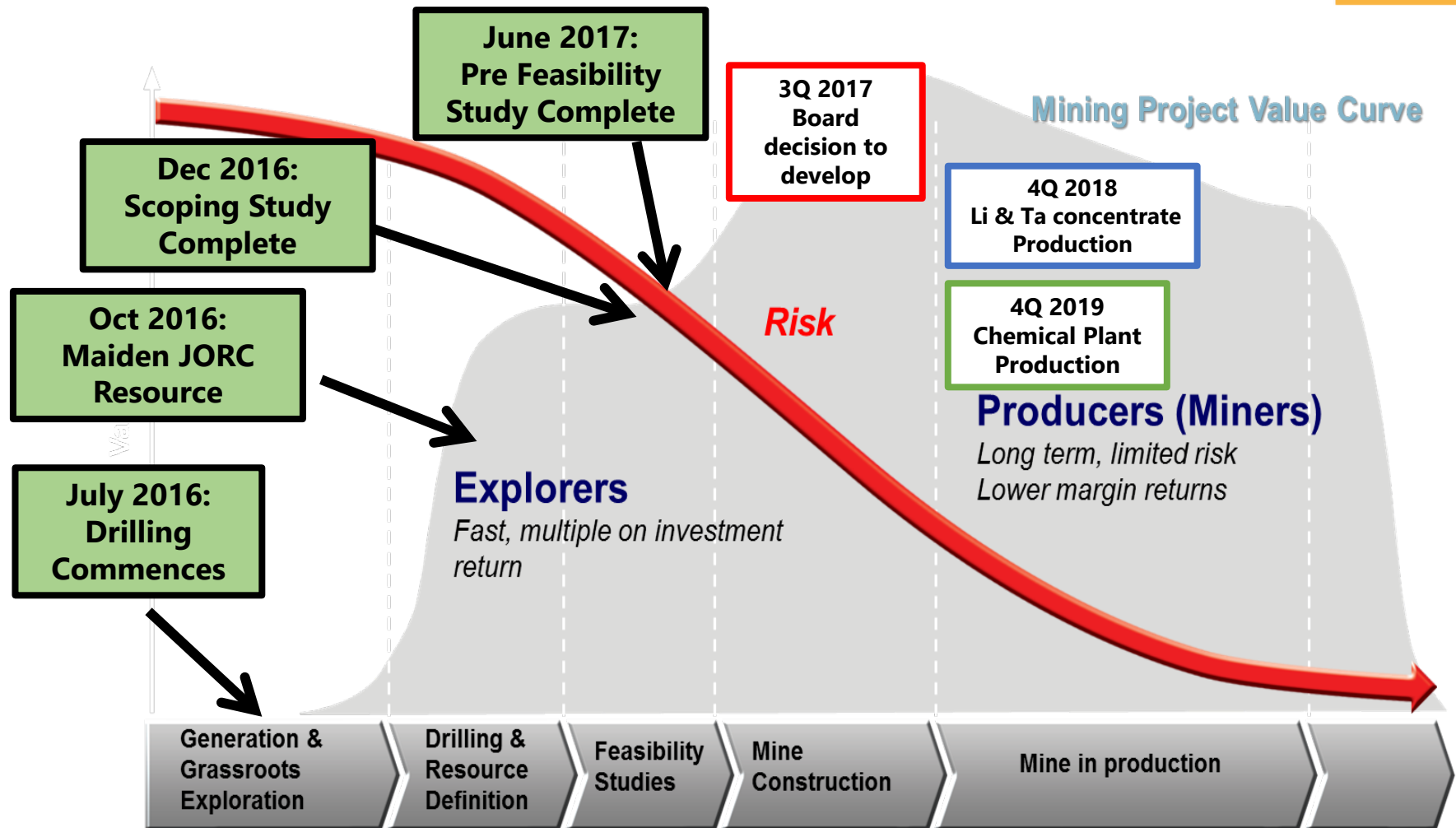
Arcadia Lithium Project – Corporate Social Investment



- Prospect acquired surface rights to ~80 ha
- Maize crops planted, first harvest due
- Maize crops produced will directly support the local community with respect to food and employment



Arcadia Lithium Project Timeline



Prospect Resources is focused on fast tracking the development of the Arcadia Lithium Deposit to become a vertically integrated lithium company. The project's low techno-socio-economic risk profile is supported by a large high grade mining reserve and very low CAPEX/start up costs.