



Prospect Resources

Arcadia Lithium Project

Africa's most advanced lithium project

September 2020



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Prospect confirms that for the purposes of Listing Rule 5.19.2, all material assumptions underpinning the information continue to apply and have not materially changed

Competent Person's Statements

The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 25 October 2017.

The Company confirms it is not aware of any new information or data that materially affects the information included in the Arcadia Ore Reserve Estimate and that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its reserve announcement made on 20 November 2019.

Leading African lithium mineral developer

Strategically Focused

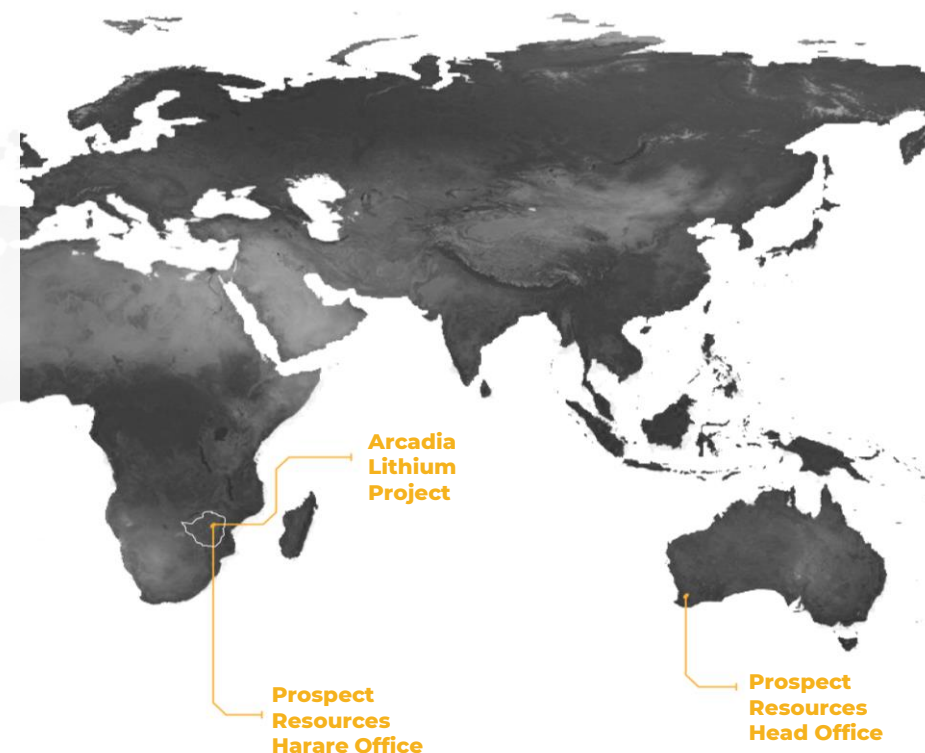
- + Listed on the Australian (ASX: PSC) and Frankfurt (FRA: 5E8) exchanges
- + Lithium minerals focused Company
- + Flagship project is the 87%¹ owned Arcadia Lithium Project located in Zimbabwe

Globally Unique

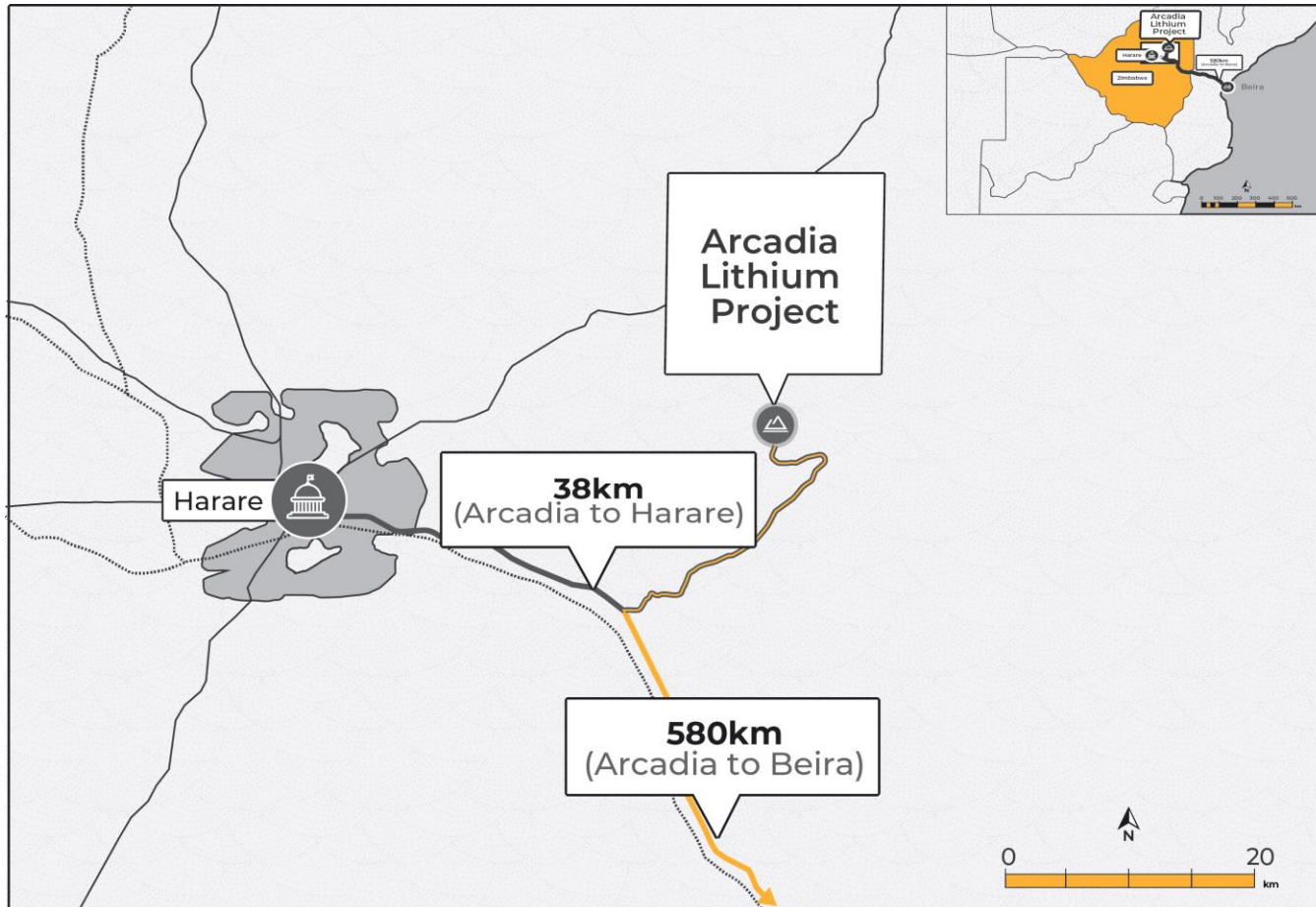
- + Africa's most advanced lithium project
- + Only listed company to produce low iron spodumene and ultra-low iron petalite concentrates
- + A leading player in the lithium industry with low cost production and stability of supply into both chemical and glass & ceramics markets
 - + Offtake agreement and equity investment from Sinomine Resources Group, a Shenzhen Stock Exchange listed lithium chemical converter (002738.SZ)
 - + Offtake agreement with Sibelco N.V, a global leader in industrial minerals and 40 years experience in the sales & distribution of petalite

Experienced Team

- + A strong management team with a wealth of experience across African, lithium and project development, having successfully delivered large, complex mine and plant projects globally
- + Tier 1 EPCM partner - ADP / Lycopodium Engineering

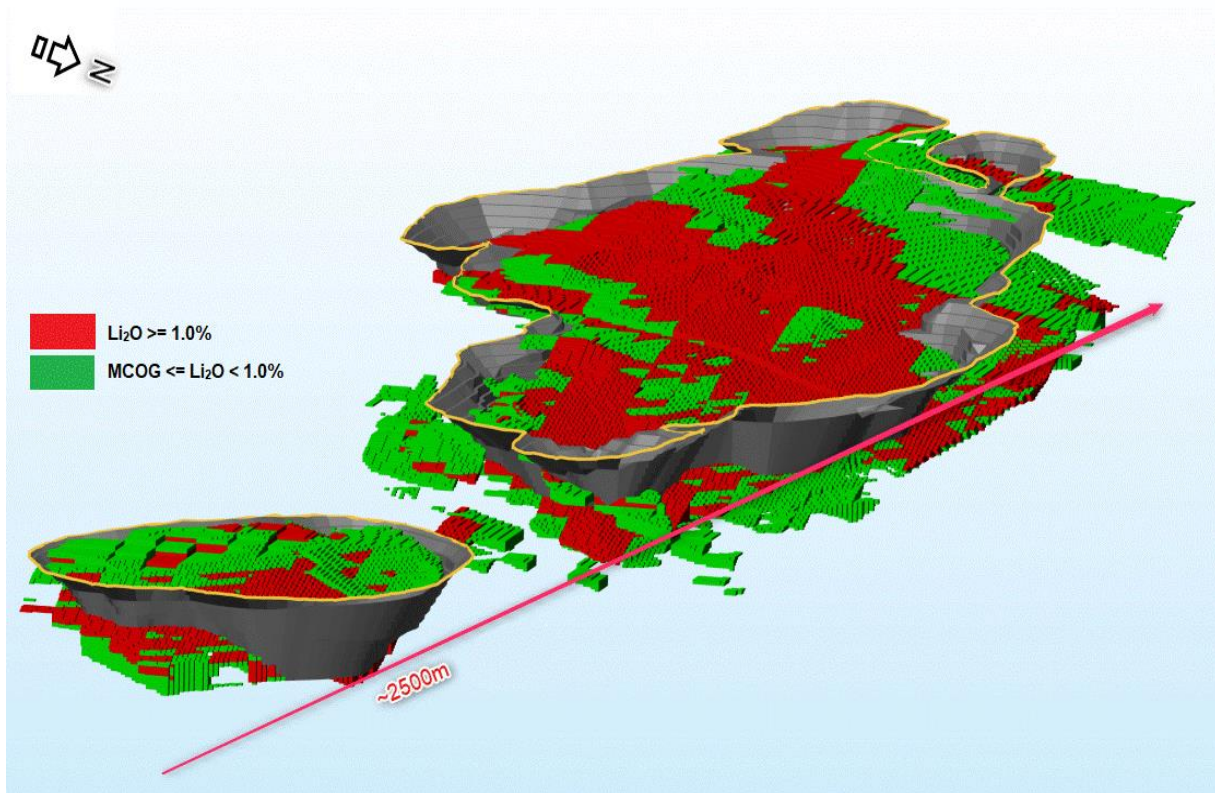


Arcadia, a game changing lithium project



- **Operating in an established mining jurisdiction with over 100 years of mining history**
- **Located 38km outside of Zimbabwe's capital city**
- **Close proximity to a skilled labour force and established infrastructure**
- **Road and rail access to Mozambique's second largest port, the port of Beira (580km from mine site)**
- **Access to alternate port facilities such as Maputo, Richards Bay and Durban**
- **Fully permitted to commence production**

Staged open pits, large scale production



Mineral Resource Oct 2017

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Contained Ta ₂ O ₅ (Mlbs)
Measured	15.9	1.17%	121	185	4.2
Indicated	45.4	1.10%	121	502	12.1
Inferred	11.4	1.06%	111	121	2.8
TOTAL	72.7	1.11%	119	808	19.1

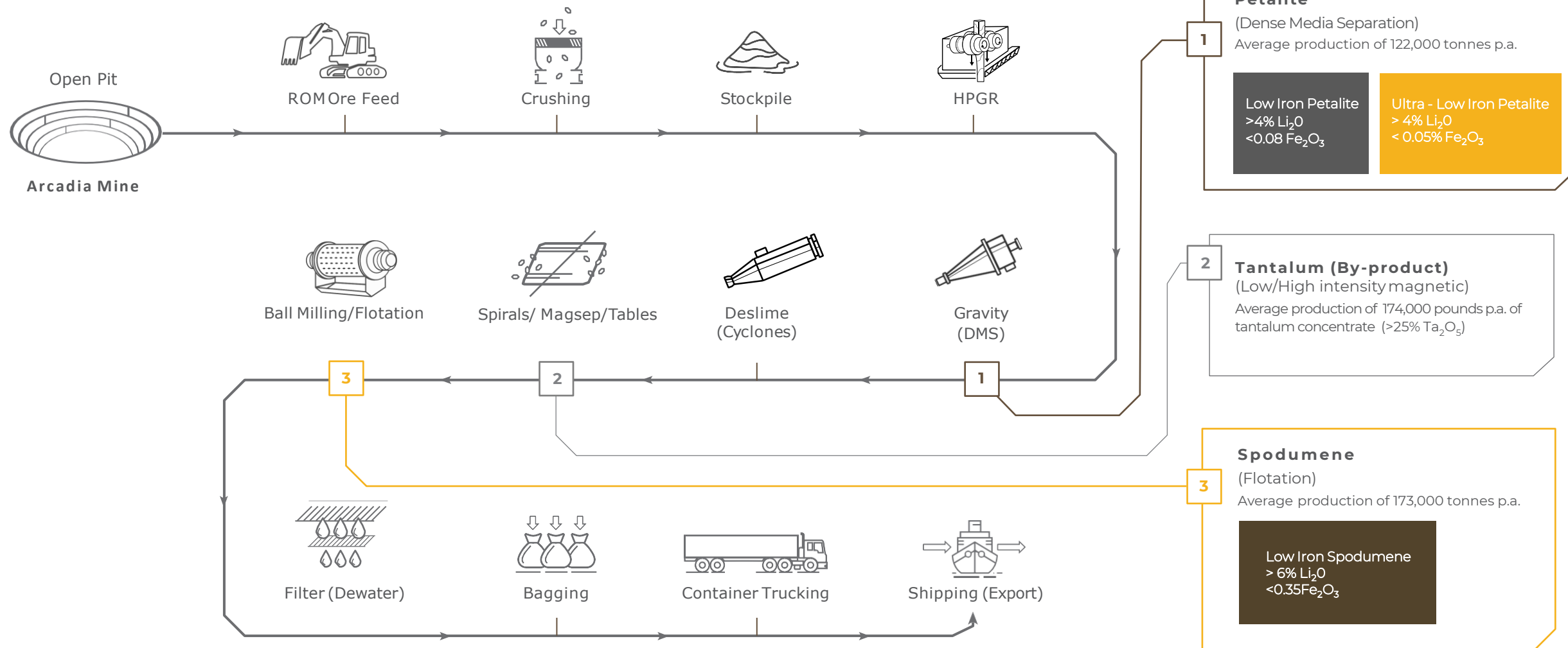
Ore Reserve Nov 2019

Category	Tonnes (Mt)	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Li ₂ O (kt)	Contained Ta ₂ O ₅ (Mlbs)
Proved	11.3	1.28%	114	144	2.8
Probable	26.1	1.20%	124	314	7.2
TOTAL	37.4	1.22%	121	457	10.0

- **15.5 years Life of Mine**
- **Low strip ratio of 3.2:1 (waste:ore)**
- **Shallow, open cast mining (lowest depth approx. 280m)**
- **Reduced risks associated with grade control and orebody knowledge, with 30% of Reserve in the proved category**

Conventional mining and processing

Global lithium recoveries 55.2% with conservative assumptions



A tier one project delivering strong economics

Updated DFS Nov 2019¹

**Average Annual
EBITDA (first 5 years)**

US\$168M

CAPEX

US\$162M

NPV₁₀ pre-tax

US\$710M

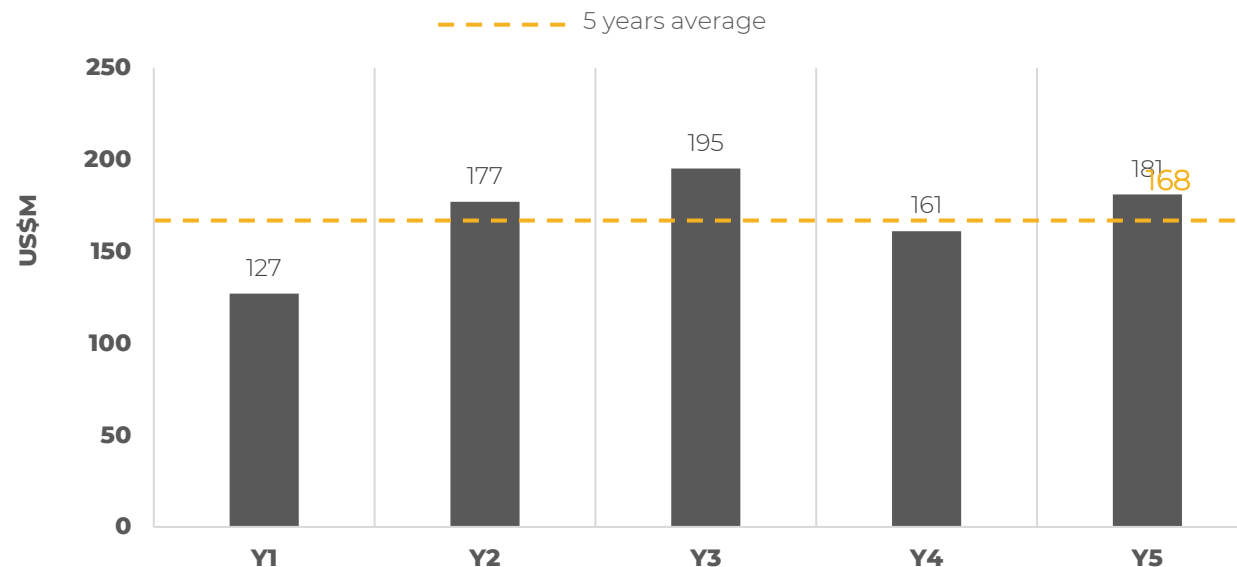
IRR pre-tax

71%

Payback Period

18 months

Annual EBITDA (First 5 Years)



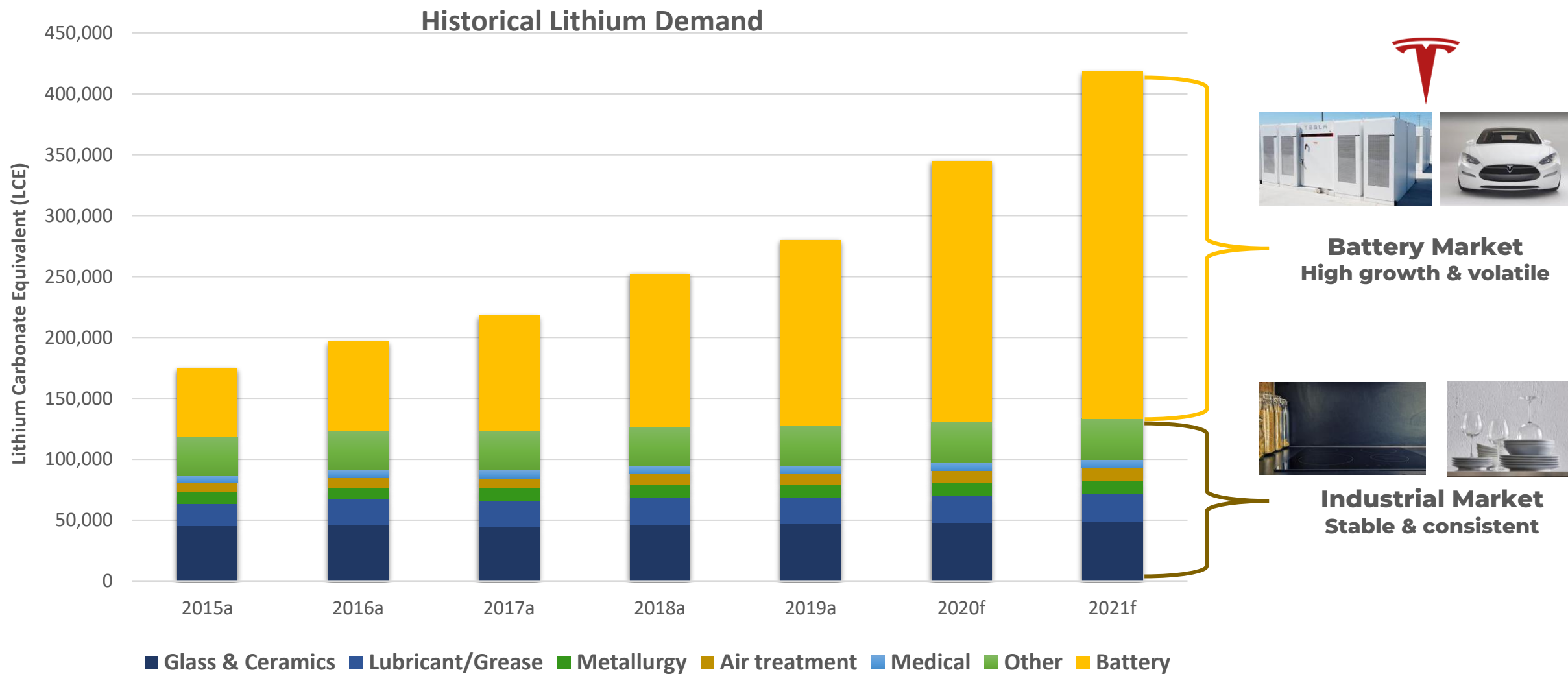
Further enhanced project financial positions

- **Outstanding debt servicing capability and operating performance**
- **Strong profitability in the first 5 years of production**

Lithium Market *Prospect's unique opportunity*



Two markets for lithium



Petalite's unique properties

- **Petalite is a lithium aluminium phyllosilicate mineral with chemical formula $\text{LiAlSi}_4\text{O}_{10}$ and occurs in lithium bearing pegmatites.**
- **Petalite is unique for its thermal properties**
- **Arcadia's ultra-low iron petalite is a key raw material for the production of:**
 - **Glass Ceramics (cooktops)**
 - **Ceramics (Porcelain enamel, sanitary ware, ceramic tiles & dinnerware)**
 - **Glass (cover glass, display glass and medical glass)**
 - **Fibreglass (wind turbines)**





Corning Inc

- Market Capitalisation US\$23.6B, Revenue US\$11.5B and total assets US\$28.9B



Compagnie de Saint-Gobain S.A (France)

- Market Capitalisation €\$16B, Revenue €\$42.6B and total assets of €\$50B



Schott (Germany)

- Privately held, Revenue €2.19B and total assets €2.74B



Nippon Electric Glass (Japan)

- Market Capitalisation A\$1.52B, Revenue A\$257M





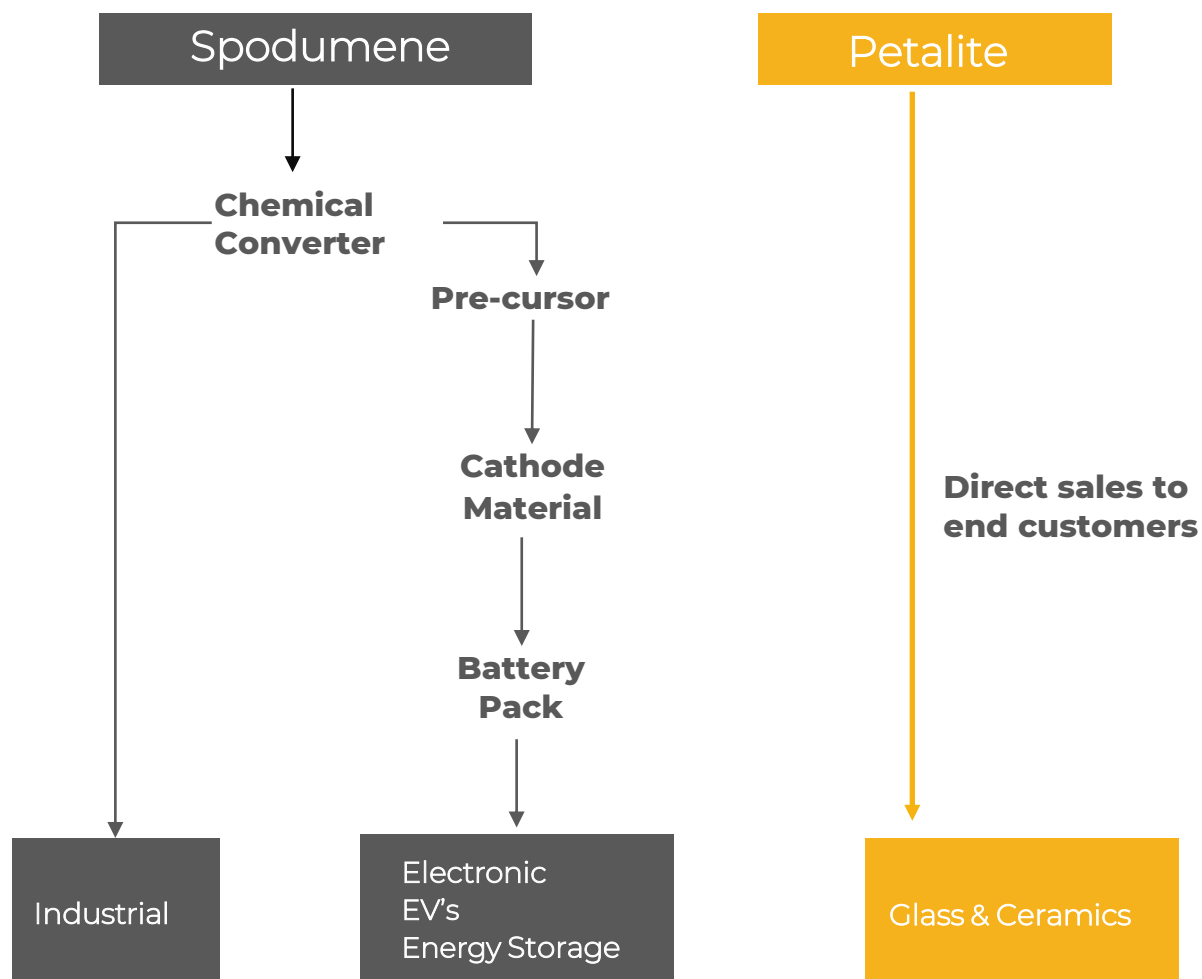
Numerous other large glass, ceramic, glass-ceramic and industrial







Prospect Resources



Opportunity in the Glass & Ceramics Market

- **One of two** ultra-low iron petalite suppliers in the world
- **One of three** suppliers able to go directly into the glass & ceramics market with a lithium concentrate product
- **Petalite a preferred feedstock** for the glass & ceramics market:
 - Lower cost alternative
 - Simplifies customer procurement process (value-in-use of petalite)
 - Lower carbon footprint

Sibelco Offtake Agreement

Material solutions advancing life

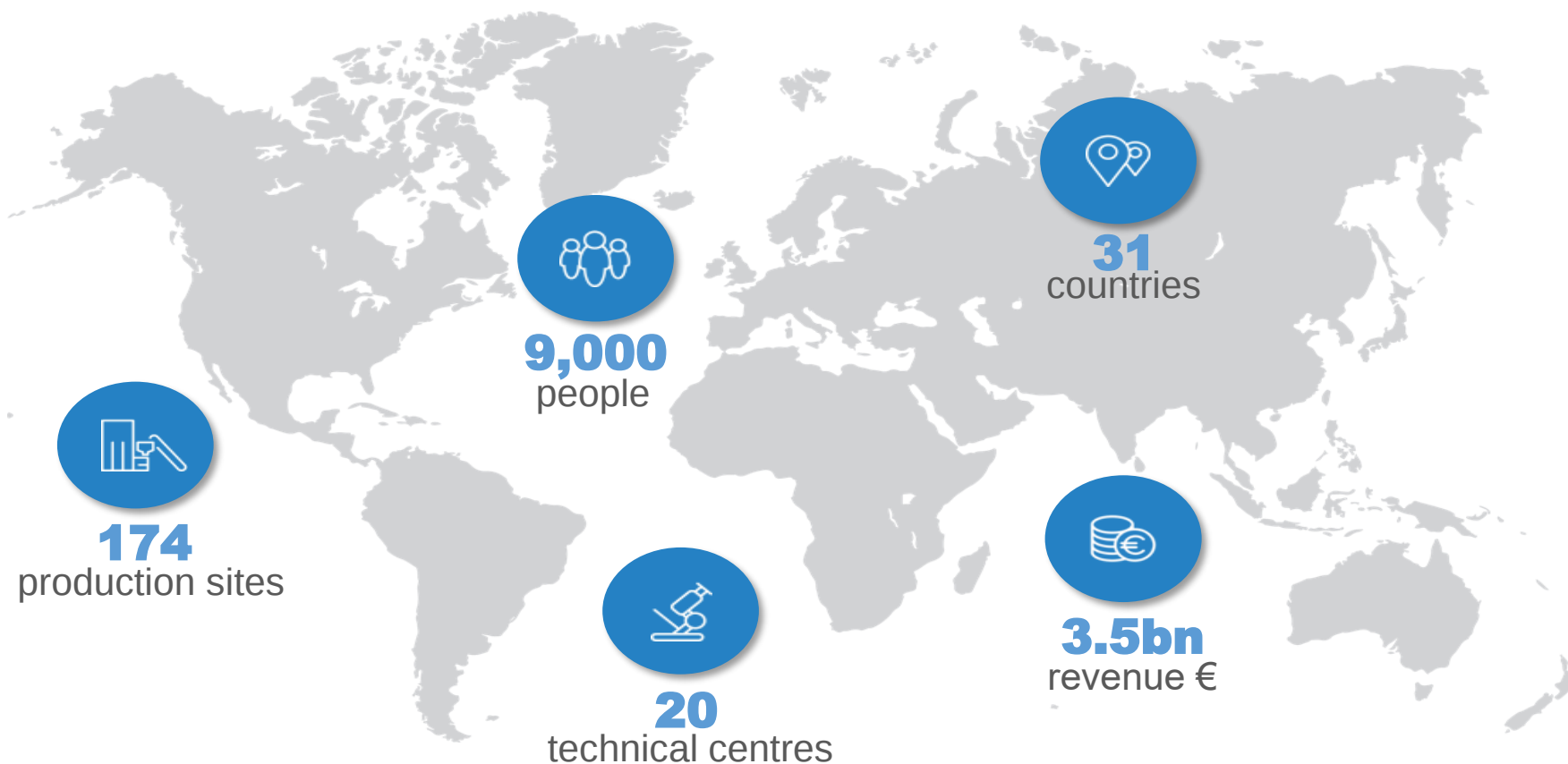


SIBELCO

Material solutions advancing life

**SIBELCO**

Founded back in 1872 and still privately-owned, we've grown into a truly multinational material solutions business

**MAIN MATERIALS**

- Silica
- High purity quartz
- Specialty minerals
- Clays
- Feldspar
- Nepheline syenite
- Olivine
- Cristobalite
- Recycled materials
- Dolomite

Numbers include Covia, a leading provider of material solutions for the industrial and energy markets and 65% owned by Sibelco. All figures refer to Sibelco Group including 100% of Covia.

Offtake Agreement Summary



Sibelco facility – Geertruidenberg, Netherlands

- **Seven-year term for up to 100,000 dry metric tonnes (dmt) per annum, to a total of up to 700,000 dmt over the lifetime of the agreement**
- **World's largest known ultra-low iron petalite off-take agreement, positioning Prospect to be the world's largest ultra-low iron petalite producer**
- **Arcadia now has up to 100% of total petalite production secured under offtake for the first 7 years**
- **Sibelco's Geertruidenberg facility has been processing petalite for over 20 years and will be the facility for further processing and distribution to European customers.**

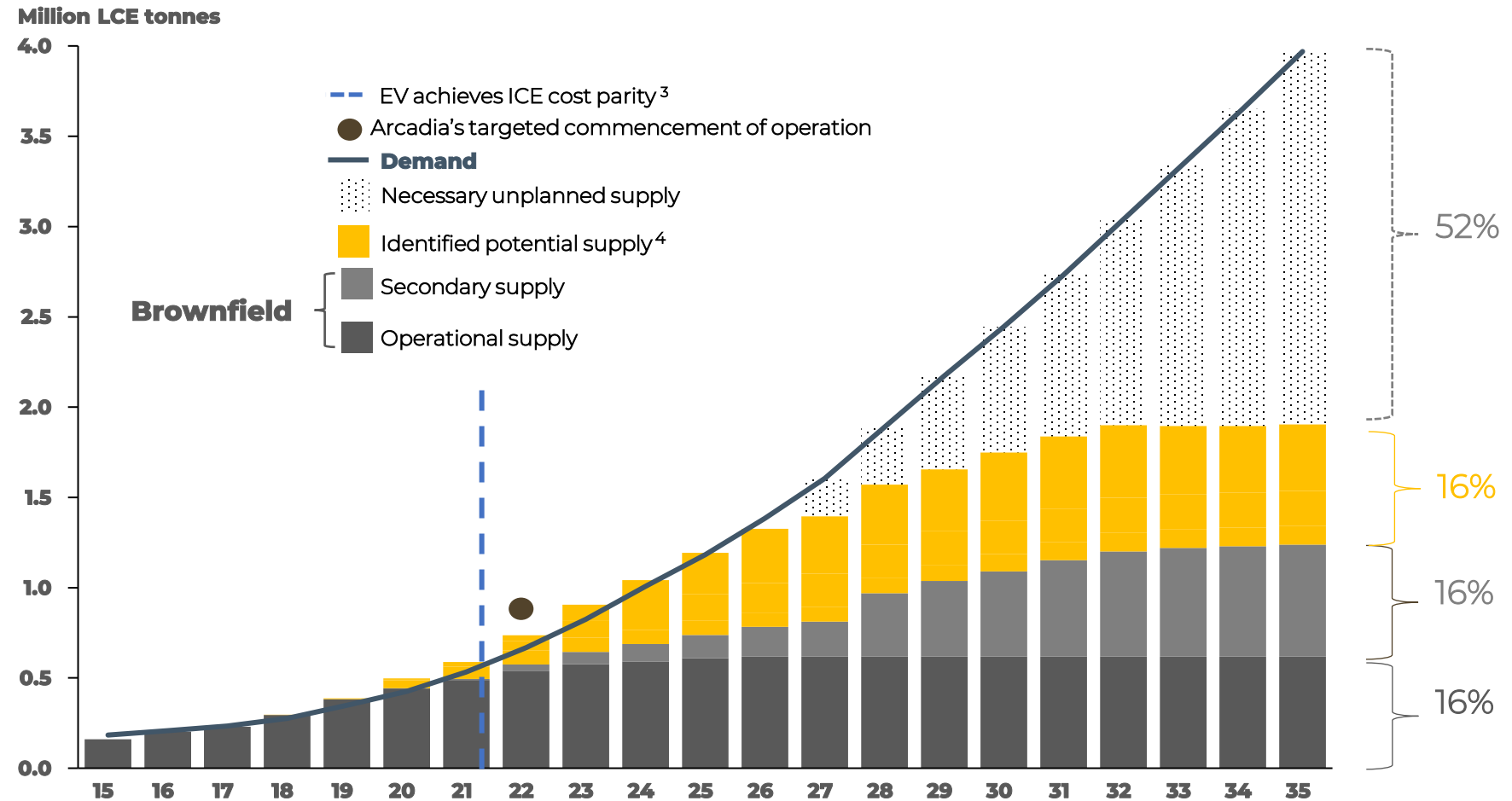


Market Opportunity commencement of *production in a supply constrained market*

Without further investment, the market is in deficit by 2021

Shortage of long term supply¹

- 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 have had 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



Interest from a clean energy leader

- Uranium One Group JSC is an international mining company of ROSATOM, the Russian State Corporation for Nuclear Energy, with a diverse portfolio of assets worldwide, including in Kazakhstan, the United States, Tanzania and Namibia.
- Focused on developing a foreign mineral reserve base, Uranium One executes promising non-uranium projects, incl. extraction of nonferrous metals, rare and rare earth elements (lithium, cobalt and others)
- On the 12 December 2019 Prospect signed a Memorandum of Understanding (“MOU”) with Uranium One
- The purpose of the MOU is to afford Uranium One to:
 - Complete due diligence on the Company and its Arcadia Lithium Mine;
 - and subject to satisfactory due diligence, negotiate:
 - Equity investment terms in Prospect or its subsidiaries; and
 - Offtake terms for at least 51% of the Company’s future lithium production.
- On the 6 July 2020 Prospect appointed Renaissance Capital as its exclusive financial advisor in relation to the potential sale, directly or indirectly, of the Company’s economic or other participation in, or the whole or part of the licence and/or the assets of, the Arcadia Lithium Project or of the Company itself to Uranium One or its affiliates

No. 1

in the world in terms of the number of NPP power units in the portfolio of foreign projects (36 power units)

No. 1

in the world in terms of uranium enrichment (36% of the global market)

No. 2

in the world in terms of uranium resources (520,700 tonnes in Russia and 197,100 tonnes abroad) and production (7,289 tonnes)

ROSATOM'S VALUES



No. 3

in the world in terms of nuclear fuel fabrication (17% of the global market)

RUB 9.2 bln

expenditure on corporate social programmes for employees in 2018

RUB 24.2 bln

expenditure on environmental protection in 2018

255,400

employees

¹
Within the scope of consolidation of ROSATOM as of Q4 2018 (not including State Atomic Energy Corporation Rosatom).

The world's only nuclear-powered icebreaker fleet

335¹

organizations and enterprises within the Corporation

18.7%

share in power generation in Russia

Summary

Strong project economics

- **Average Annual EBITDA (First 5 years) US\$168M**
- **CAPEX US\$162M, including EPCM cost provision & 14% contingency¹**
- **Pre-tax IRR of 71%**
- **Pre-tax NPV₁₀ US\$710M²**

Tier 1 deposit Long Life of Mine

- **7th Largest Global Hard Rock Lithium Asset**
- **Ore Reserve 37.4Mt @ 1.22% Li₂O and 121ppm Ta₂O₅**
- **15.5 Year Life of Mine**

Exposure to high growth EV & stable glass ceramic thematic

- **The global demand for lithium is driven by EV growth**
- **Market is in deficit by 2021³**
- **Supply into the stable glass & ceramics and the growing EV / battery market**

Africa's most advanced lithium project

- **DFS completed**
- **Fully permitted**
- **Offtake secured**
- **Pathway to funding**

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¹ Contingency includes EAA (Estimate Accuracy Allowance)

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

³ Benchmark Minerals Intelligence.



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