



Prospect Resources

Investor Presentation

March 2018

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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 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 development and exploration

- 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, corporate governance and marketing / offtake

- Small and focused, Perth based, head office team
- Deep lithium and related minerals process and marketing experience and network
- Deep financial market and transaction experience

Focus and Projects:

- Arcadia Lithium Project – take through development stage – primary focus
- Exploration – continual review of other mineral projects, currently undertaking exploration work at:
 - Good Days (Lithium – Zimbabwe)
 - Tombolo (Copper/Cobalt – DRC)
 - Chishanya Carbonatite (Rare Earth Elements – Zimbabwe)

Prospect Resources Background (cont)



- Prospect Resources is a battery minerals company based in Perth with operations in Zimbabwe, and exploration activities in Zimbabwe and the DRC
- Prospect's Arcadia Lithium Project is one of the largest hard rock lithium resources in the world
- Zimbabwe, under its new Government is "open for business"
 - Prospect is receiving significant domestic support for its plans and operations from all relevant government departments
 - Zimbabwe is again a focus for international investors and offtakers
- Pre-development work at Arcadia Lithium Project site has commenced, PSC is undertaking various financing discussions to develop the mine and concentrate plant including:
 - Offtake discussions, including ongoing Sinomine engagement
 - Equity & Debt investors
 - Offers of supplier funding – equipment, infrastructure and services
- Oversubscribed \$10M placing closed in February 2018 – to allow further exploration work and to fund working capital
- Exploration work expected to commence in DRC in coming months

Market Data

Shares outstanding 28 Feb 18	1,814,448,304
Market Capitalisation (A\$) 28 Feb 18	~87m
Current Share price (A\$) 28 Feb 18	4.8
Shares options outstanding 28 Feb 18	265m
Cash (A\$) 28 Feb 18	10.7m
Debt 28 Feb 18	-

Major Shareholders at 28 February 2018

Pershing Nominees	13.7%
MBM Capital Partners	7.8%
Elliot Holdings Group	7.1%
BNP Paribas	6.2%
JP Morgan Nominees	6.1%
Armoured Fox Capital	6.0%

Total

Share Price Graph YTD



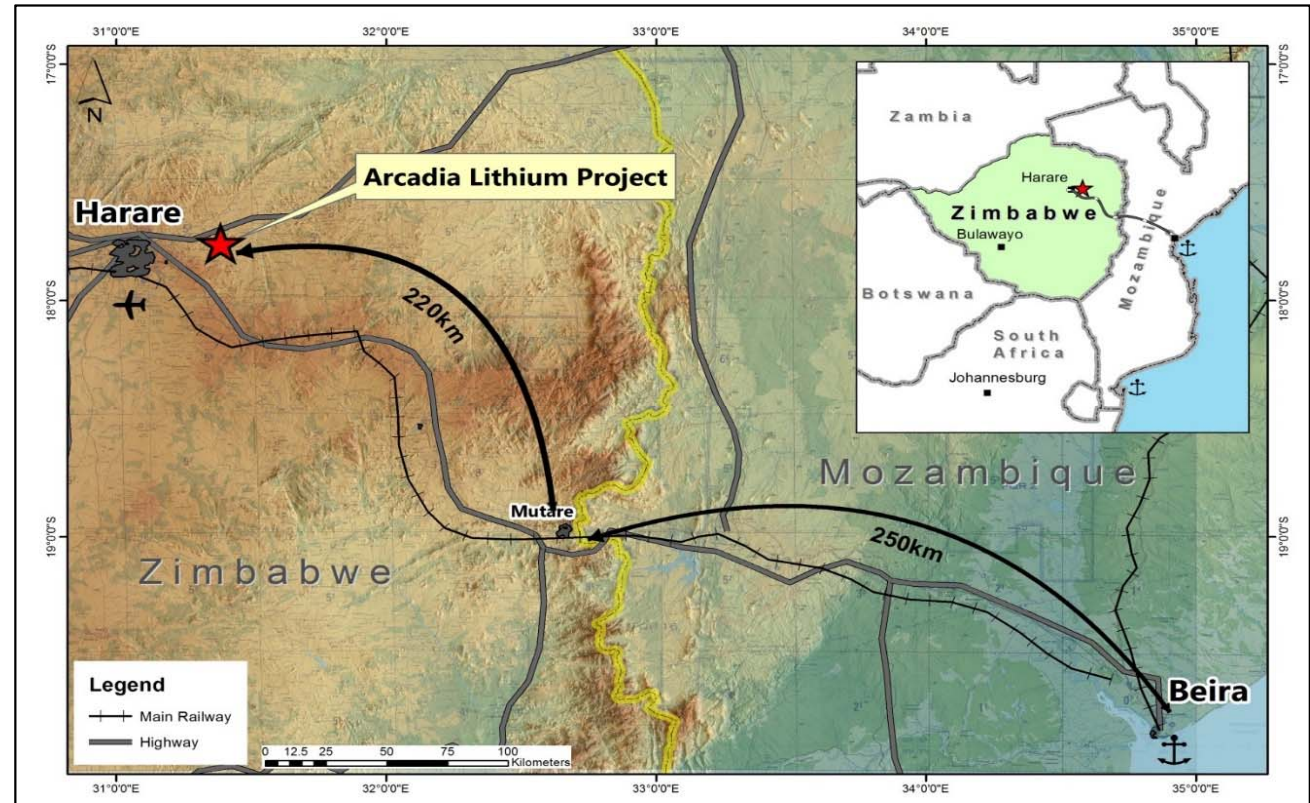
Arcadia Lithium Project Location, Infrastructure and Resources



- Arcadia is located and has excellent access to infrastructure and resources:
 - approximately 35 km East of Harare
 - less than 20 km gravel road to sealed highway
 - Beira, 450 km away with potential rail route
 - grid power close by and soon to be connected to site 20MVA supply – sufficient for the lithium chemicals plant.
 - 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 mining claims area covers approximately 14km² and is located within an unpopulated agricultural area
- Mining and Environmental Approvals in place
- Surface rights secured by Prospect and being utilised for agriculture



Arcadia Lithium Project Summary



Globally Significant
Hard Rock Resource

Excellent
Location &
Surrounding
Infrastructure

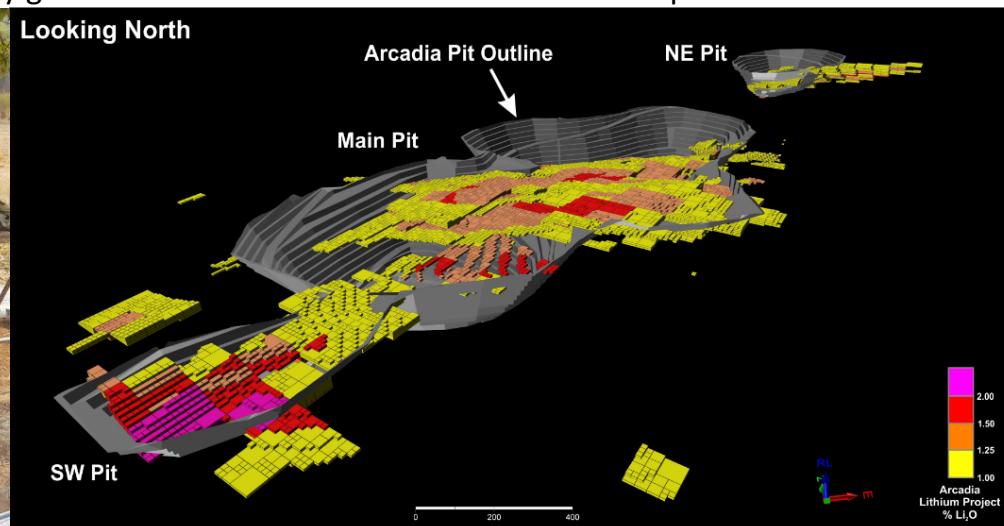
Pre Feasibility
Study – detailed
review
undertaken
January - March
2018

“Break ground” in
Q2 2018

Phase 1- Mine and Concentrate Plant

Post a detailed review of the PFS undertaken between January to March 2018 – the Company’s Board has decided, in parallel with ongoing offtake discussions with Sinomine which are no longer exclusive, to look at other options to bring the project into development and production

- PFS work has been done at a level of detail such that if the funding were in place development could begin immediately
- Prospect’s team has the skills and experience to take the proposed project through development and into full production
- Relevant credible and established contractors, plant and equipment suppliers, service providers and consultants are ready to start work
- Full Laboratory & chemicals pilot plant established and producing battery grade lithium carbonate >99.5% from Arcadia petalite



Current Project Status Post Detailed Review of PFS



Significant further work has been undertaken by the Prospect team reviewing the Pre Feasibility Study for the development of the mine, plant and related infrastructure

Resource

- c.\$10M spent on drilling
- JORC compliant resource – 6th largest hard rock resource globally
- Over 20 year life of mine

Infrastructure, Testing & Pre Stripping

- Power, roads, civils, tailings dam – detailed quotes received ready for execution

Mine

- Simple opencast mine approach with strip ratio of 3.1:1
- Pit design and optimisation completed
- Design work complete

Process / Plant

- Conventional technology
- DMS, Flotation and Spirals Test work undertaken in Johannesburg and Perth
- Each element of the plant and the process is well understood and the Company in discussions established suppliers for each
- Detailed engineering designs initiated and will continue during construction

Logistics

- Detailed discussions with various logistics providers to take concentrate from Arcadia site to Beira Port
- Firm quotation received from largest provider of road transport from region to and from Beira Port

Team

- Core senior team for development of mine and plant in place
- Includes significant experience in the construction, mining, processing and marketing of lithium projects and products
- Balance of skills available locally in Zimbabwe and from Zimbabweans wanting to move home

Suppliers

- Company has engaged with and confirmed interest and where appropriate quotes from credible suppliers for all elements of the proposed development
- Many suppliers confirmed availability of equipment to commence early construction

Team Responsible - Mine and Plant Development



Prospect's senior team responsible for the development of the project are hugely experienced having successfully delivered large complex mine and plant projects in the region

The team has a unique blend of experience to take Arcadia Lithium Project through development and into production

- **Lee John** was responsible for designing, developing and managing mines and plants in many countries in Africa and Asia including DRC, Zambia, and Zimbabwe for small and multinational clients
- **Harry Greaves** has successfully developed 2 separate mines in Zimbabwe over the last 15 years
- **Mike Kitney**, a metallurgist, was involved in process design of the Greenbushes lithium mine and the build of the first foreign owned lithium carbonate plant in China.
- **David Miller** involved in mine and process facility expansions at the Greenbushes lithium mine
- **Gavin Stephens** key member of the executive team that was responsible for building a new cement grinding plant in Zimbabwe, exploration, mining and manufacturing management

The Prospect team responsible for the development of the mine, has collectively overseen the development of over a dozen mines / plants of various sizes and complexity in Zimbabwe and the surrounding region with total capex of several billion US\$

Arcadia Lithium Project - High Level Use of Funds Breakdown



Breakdown	Per PFS Model Result (USD M)
— Crushing and Screening	\$2.8
— DMS	\$3.7
— Flotation	\$9.8
— Filtration Drying Bagging	\$4.1
— Reagents and Stores	\$4.1
— Engineering and Services	\$4.6
— Utilities, Infrastructure, Transport	\$5.8
— Tailings storage facility	\$3.8
Total Capital Expenditure	\$38.6
— Mining	\$9.1
— Contingency	\$4.8
Total Project Costs	\$52.5

Arcadia Lithium Project Highlights Updated



Description	Result/ Output
Mineral Resource at 1% Li ₂ O Cutoff	43.2 Mt @ 1.41 % Li ₂ O
Ore Reserve	26.9 Mt @ 1.31 % Li ₂ O & 128 ppm Ta ₂ O ₅
Plant Throughput	1,200,000 tpa
Life of Mine (LoM)	+20 years
Li ₂ O Recovery DMS, Spirals and Flotation	67 % Li ₂ O
LoM Strip Ratio	3.1:1 waste to ore
Spodumene Production (6% Li ₂ O) avg. LoM	96,000 tpa
Petalite Production (4.1% Li ₂ O) avg. LoM	127,000 tpa
Total Lithium Carbonate Equivalent (LCE) avg. LoM	27,000 tpa

Company has undertaken a detailed update of its PFS during January to March 2018 – summary of the project highlights provided above



Arcadia Lithium Project High Level Investment Returns Summary – Phase 1 - Mine and Concentrate Plant Only



	Result (USD)
Model Output Summary:	
– Pre-Tax Net Present Value at 10%	\$340M
– Internal Rate of Return	77%
– Gross Revenue LoM	\$2.6B
– OPEX LoM	\$1.6B
– Net Cash flow	\$1.0B
– 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)	\$748
– Avg Long term Spodumene Price (\$/t) (thereafter)	\$675
– Avg Near term Petalite Price (\$/t) (5 years)	\$457
– Avg Long term Petalite Price (\$/t) (thereafter)	\$413

- The above summary takes into account any changes that the Directors believe are appropriate as a result of the detailed review of the Pre Feasibility Study

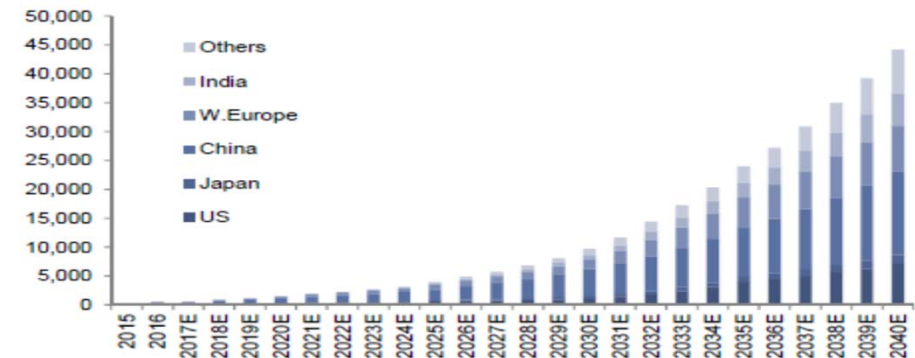
Electric Vehicles Drive Demand



- 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.

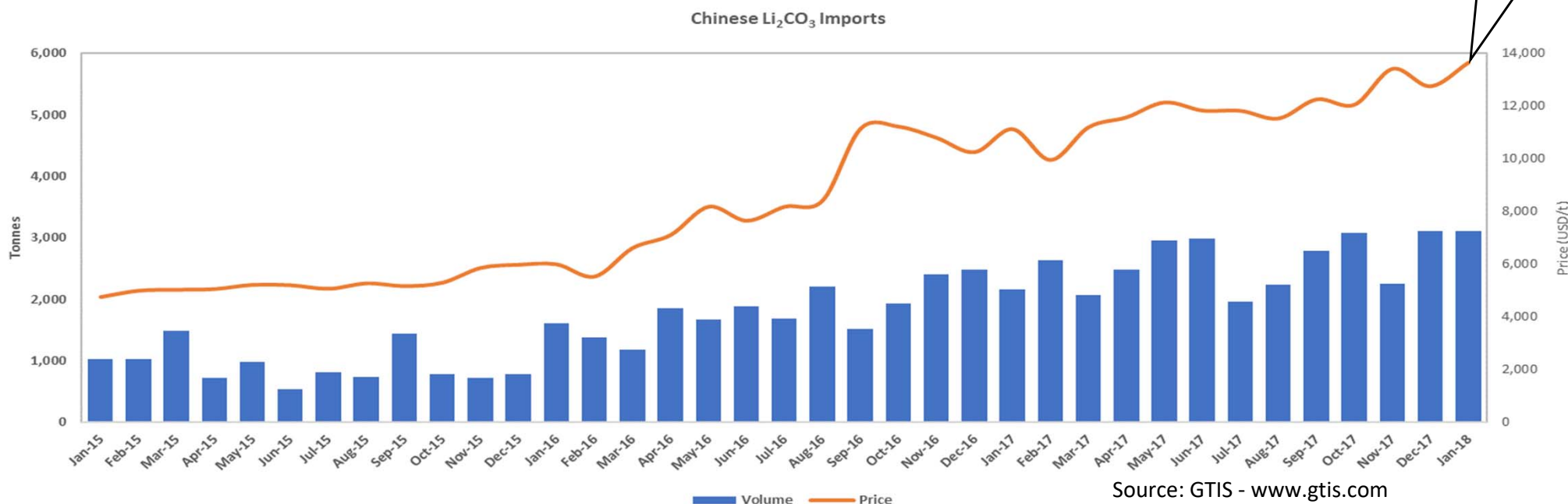
Above extracts from Goldman Sachs Report - Electric Vehicle Boom - 7 September 2017

Lithium Demand has Outpaced Supply

Resulting in significant increase in lithium prices



USD13,630/t



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 2018 Q1 deliveries
- Jul 17 Altura Mining First 3 years' production
- **Nov 2017 Prospect 7yrs Production**

USD905/t FOB Esperance

USD880/t FOB Esperance

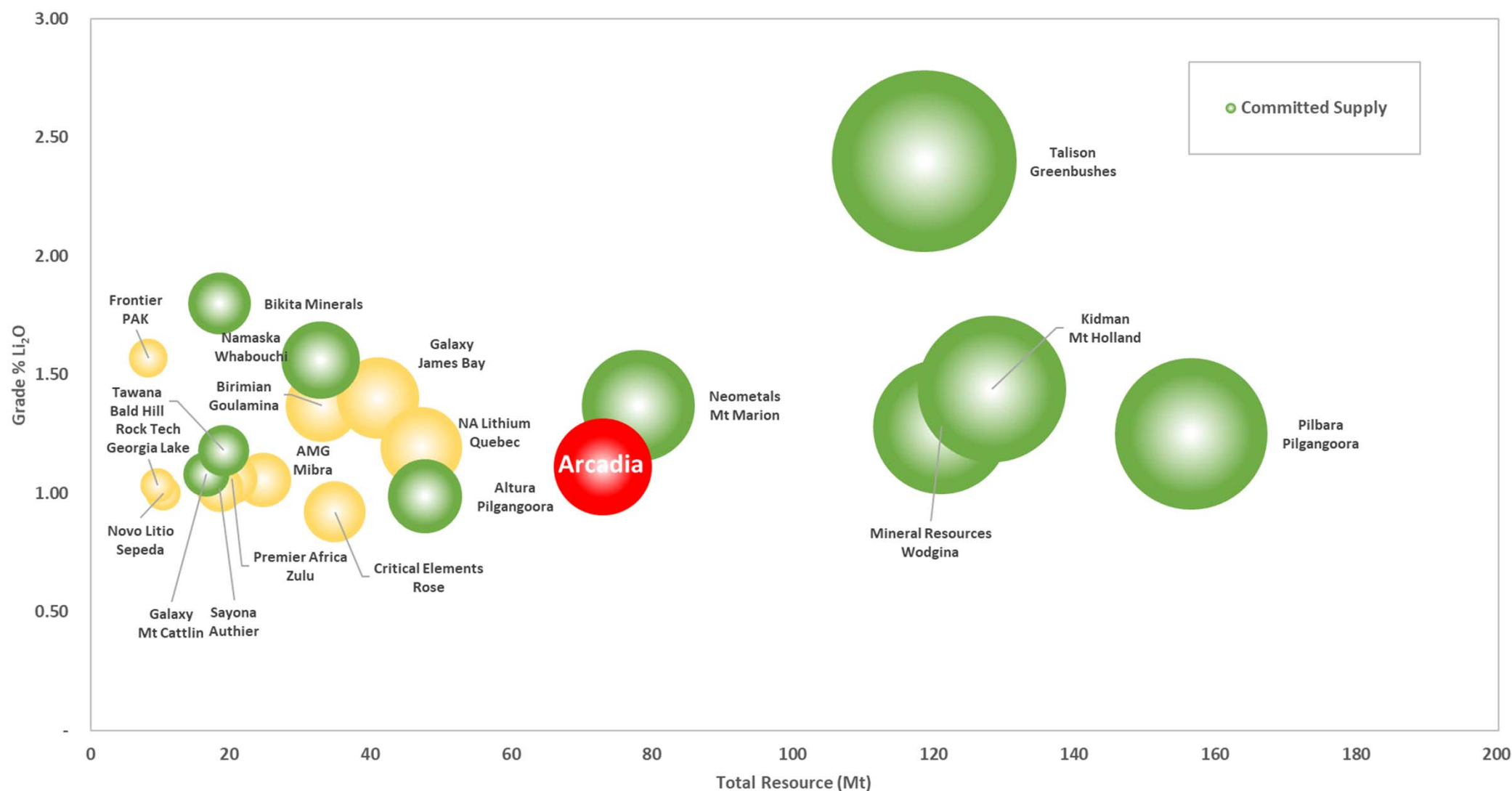
USD900/t CFR China

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

Indexed to Li_2CO_3 prices – no min or max pricing

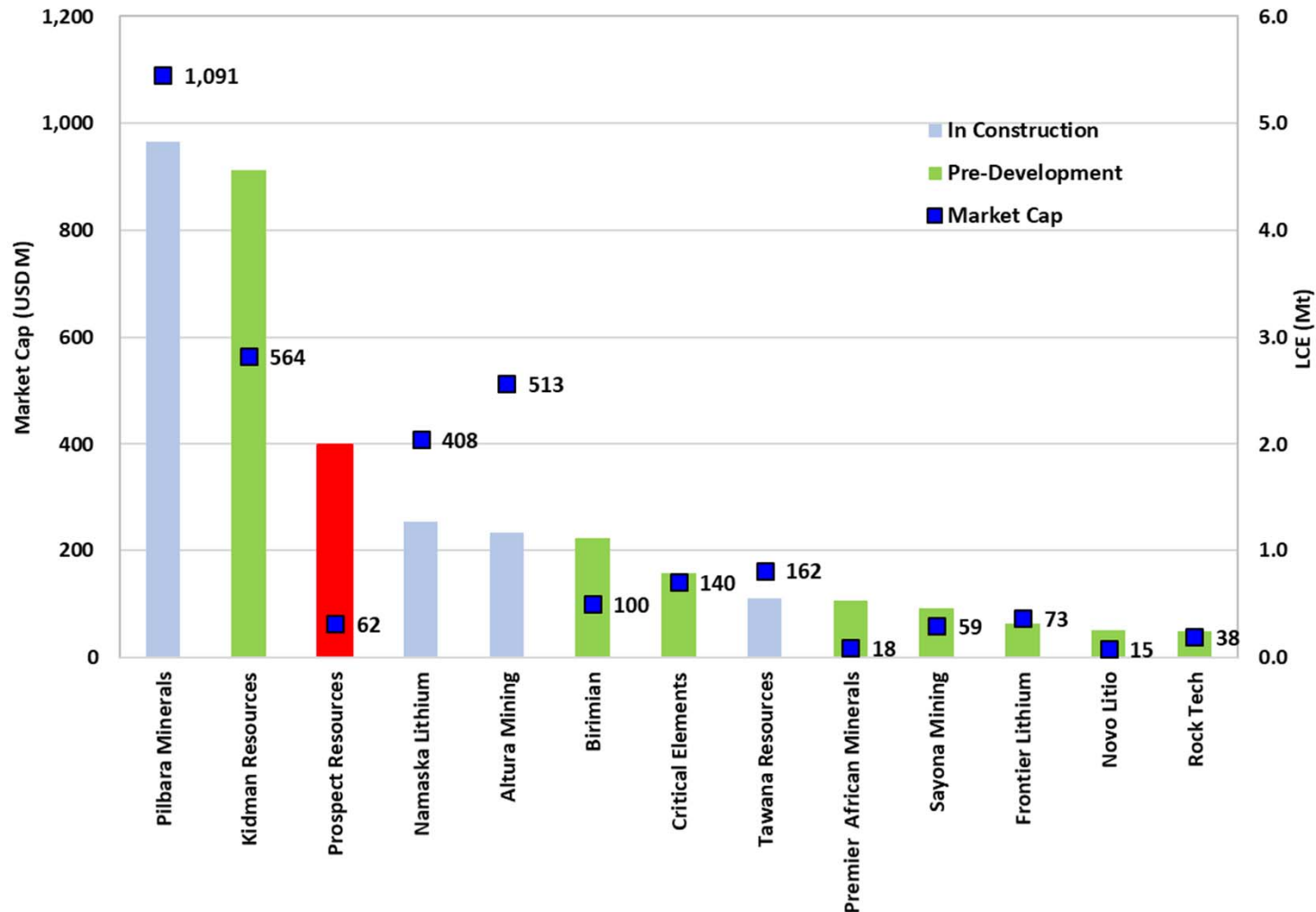
Source: Various Company Announcements

Global Hard Rock Lithium Resources –Supply



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. The data is correct as at 8 March 2018.

Global Hard Rock Lithium Resources



Arcadia contains over 2 Mt of Lithium Carbonate Equivalent (LCE)

Shows significant rerating of projects when construction commences

Prospect appears undervalued when compared to its peers, as shown by market capitalisation – potential catalyst for rerating when project moves into construction

Note: LCE 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
Market Cap data as of 8 March 2018

Lithium Carbonate Opportunity



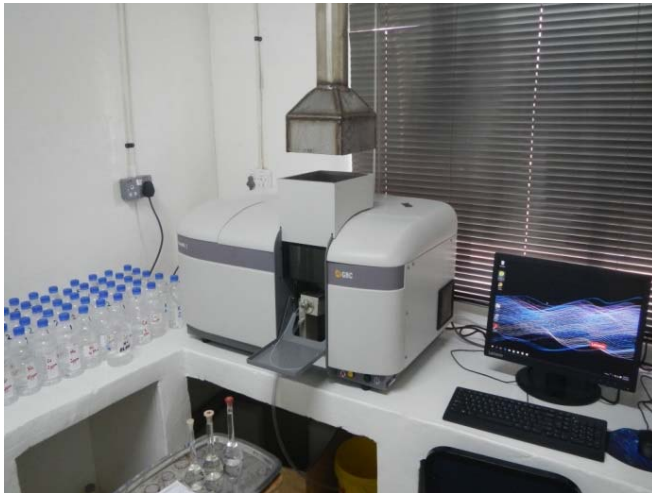
Prospect has a significant opportunity to build a chemical plant for lithium carbonate (or potentially hydroxide) conversion on site at Arcadia

- Company is currently working on a PFS for the lithium carbonate plant where a portion of the Company's petalite production is processed into lithium carbonate (current conditional Sinomine deal caters for this)
- Rationale and economics are compelling:
 - Rather than producing 1 tonne of concentrate that contains 4-6% lithium that sells at c. \$400-900 per tonne that has to be transported all the way to China, subjected to a 17% tax, and then be converted to lithium carbonate and then potentially exported to battery makers elsewhere in the world
 - One can produce 1 tonne of battery grade lithium carbonate with 99.5% lithium that sells at c. \$10,000-13,500 per tonne and can be exported directly to battery maker end customers
- Would be the first plant of this type in Africa and one of the few plants outside China
- Potential investors and customers were not sure that the Company could make battery grade lithium carbonate from Arcadia petalite, as a result the Prospect team produced battery grade lithium carbonate in the Company lab in Zimbabwe in October 2017
- From this lab bench process the Company has now commissioned a pilot plant as proof that the process can be scaled to the next level, pilot plant is expected to produce 100kgs of lithium carbonate per month

Battery Grade Lithium Carbonate from Arcadia Petalite



Lithium Carbonate Pilot Plant Process



Atomic Absorption Spectrometer for various elemental analyses



Petalite post decrepitation at processed at >100 kg per day



Acid mixing and baking process



Evaporator condensers – for lithium salt concentration



Chiller units for the evaporation / condensation process



Evaporators and crystallisers (under vacuum)

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

Prospect currently undertaking or planning exploration:

- Good Days (Lithium – Zimbabwe)
- Tombolo (Copper/Cobalt – DRC)
- Chishanya Carbonatite (Rare Earth Elements – Zimbabwe)



Malachite & Heterogenite – Tombolo, DRC



RC Drilling at Good Days Spodumene



Sampling Team Good Days Open Cast

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



Chris Hilbrands (Group CFO)	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.
Lee John (General Manager Operations)	Mr John is a Minerals Processing Engineer who is Zimbabwean and is a Registered Professional Engineer (ECSA) and a Chartered Professional (AusIMM). He has more than 25 year's experience in mining and minerals processing and more than 18 years in management roles, including COO, CEO in various African countries. Lee's African experience includes design, construction and operating mining projects in Africa including within Congo (DRC), Zambia and Zimbabwe.
Roger Tyler (Chief Geologist)	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.
Gavin Stephens (Africa CFO)	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.
Paul Chimbodza (Executive Director Examix)	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.

Profiles – Key Management (cont)



Mike Kitney (Metallurgist)	Mr Kitney is a practising Metallurgist with over 46 years 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.



APPENDIX I

Arcadia Mineral Ore Reserve & Resources Estimation

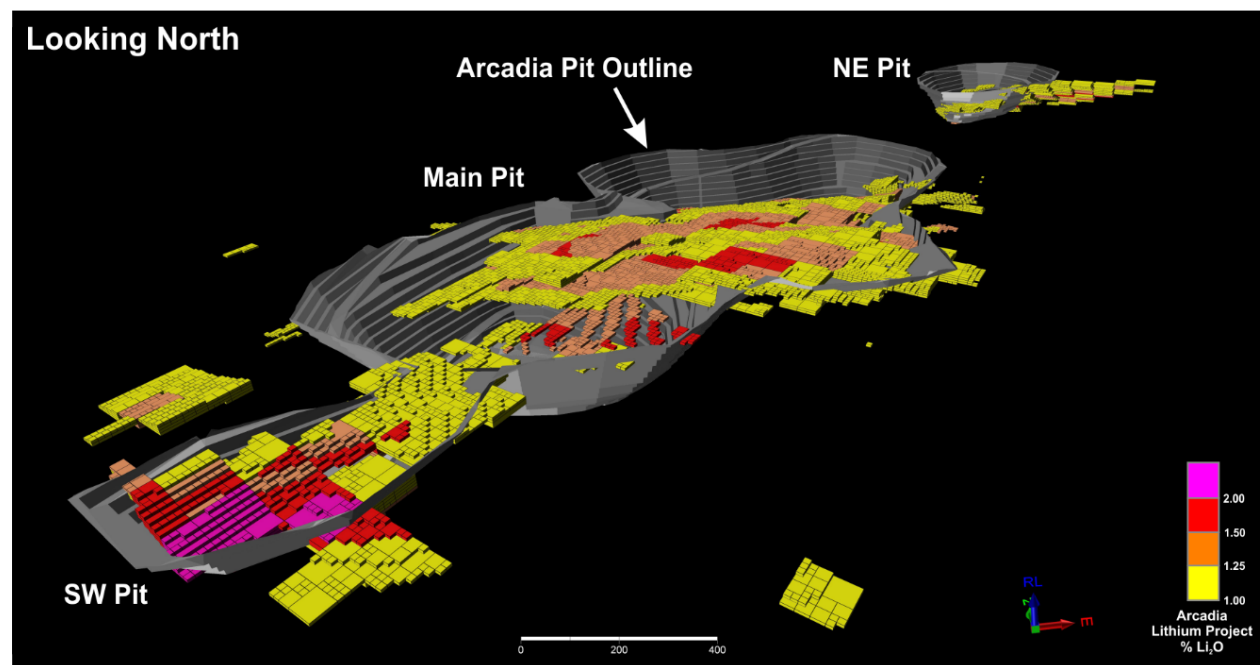
Arcadia Ore Reserve



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

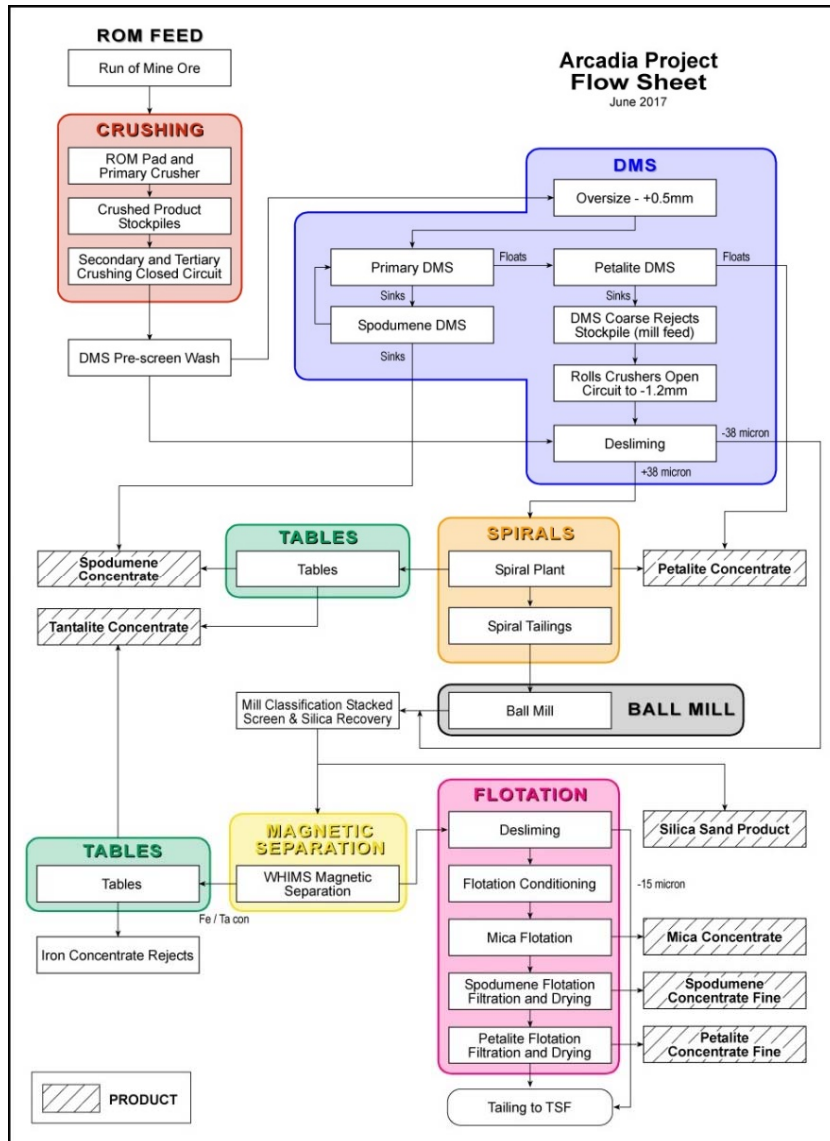
Approximately 2,000,000 tonnes of Lithium Carbonate Equivalent (LCE)



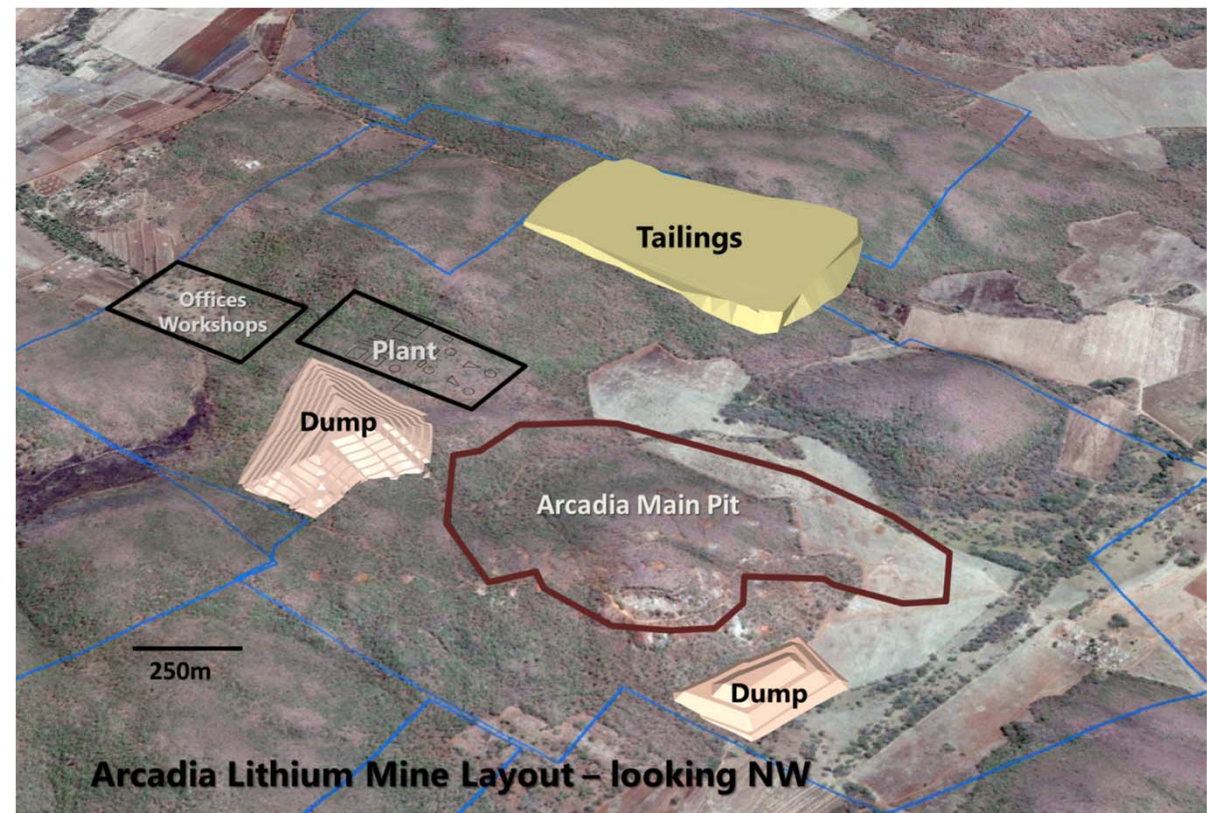
APPENDIX II

Arcadia Lithium Mine – Processing and Logistics

Arcadia Lithium Project - Processing & Logistics

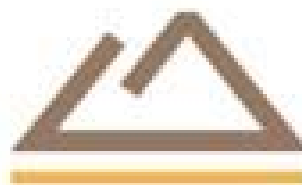


- Extensive metallurgical testwork completed
- Total recoveries 67%, process optimisation continues
- Simple open pit, and short haul to communiton and process plant
- Sufficient ground and surface water with grid power <3km away





For further information, please contact



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