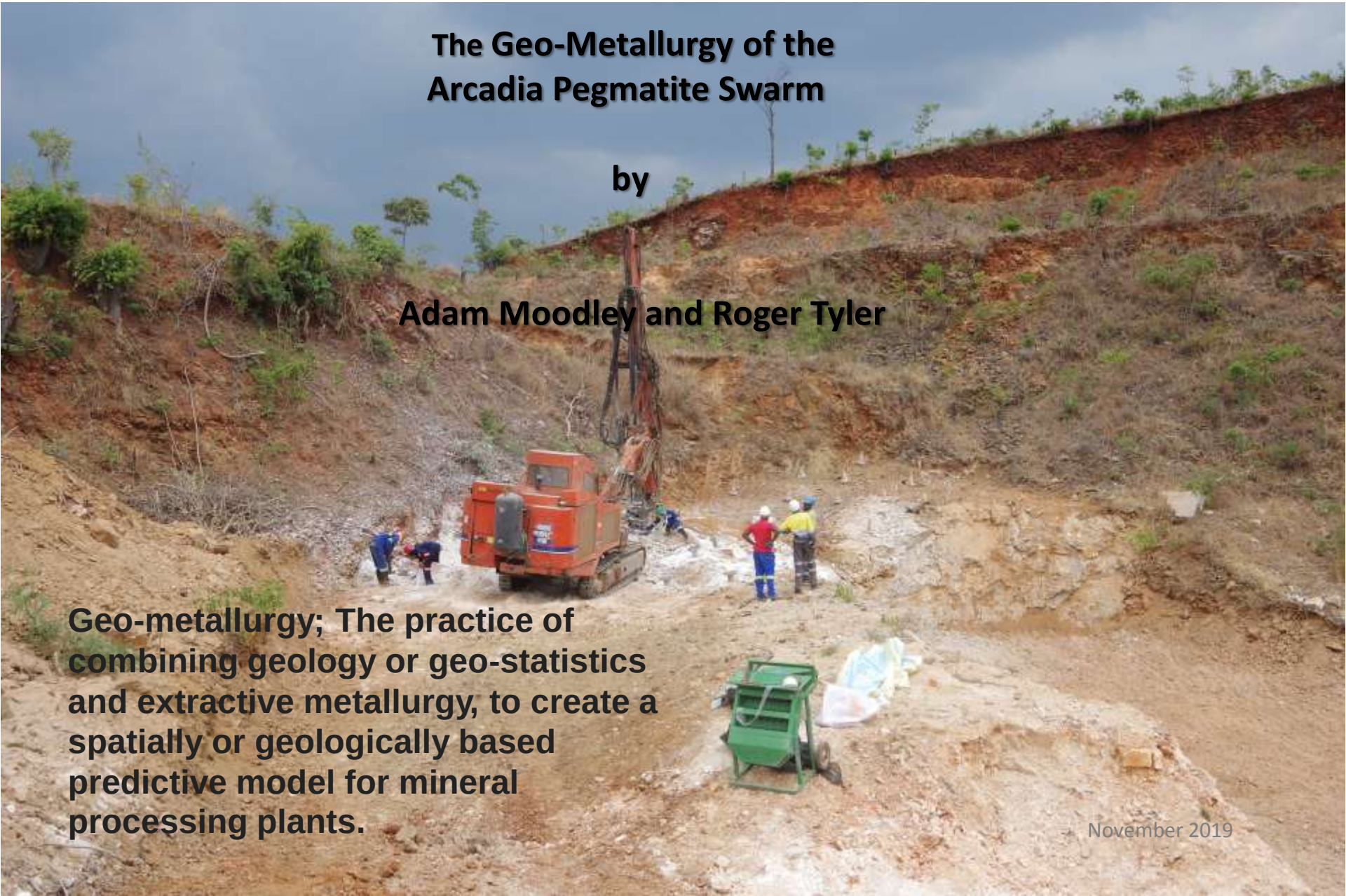
Prospect Lithium Zimbabwe (Pvt) Ltd



The Geo-Metallurgy of the Arcadia Pegmatite Swarm

by

Adam Moodley and Roger Tyler

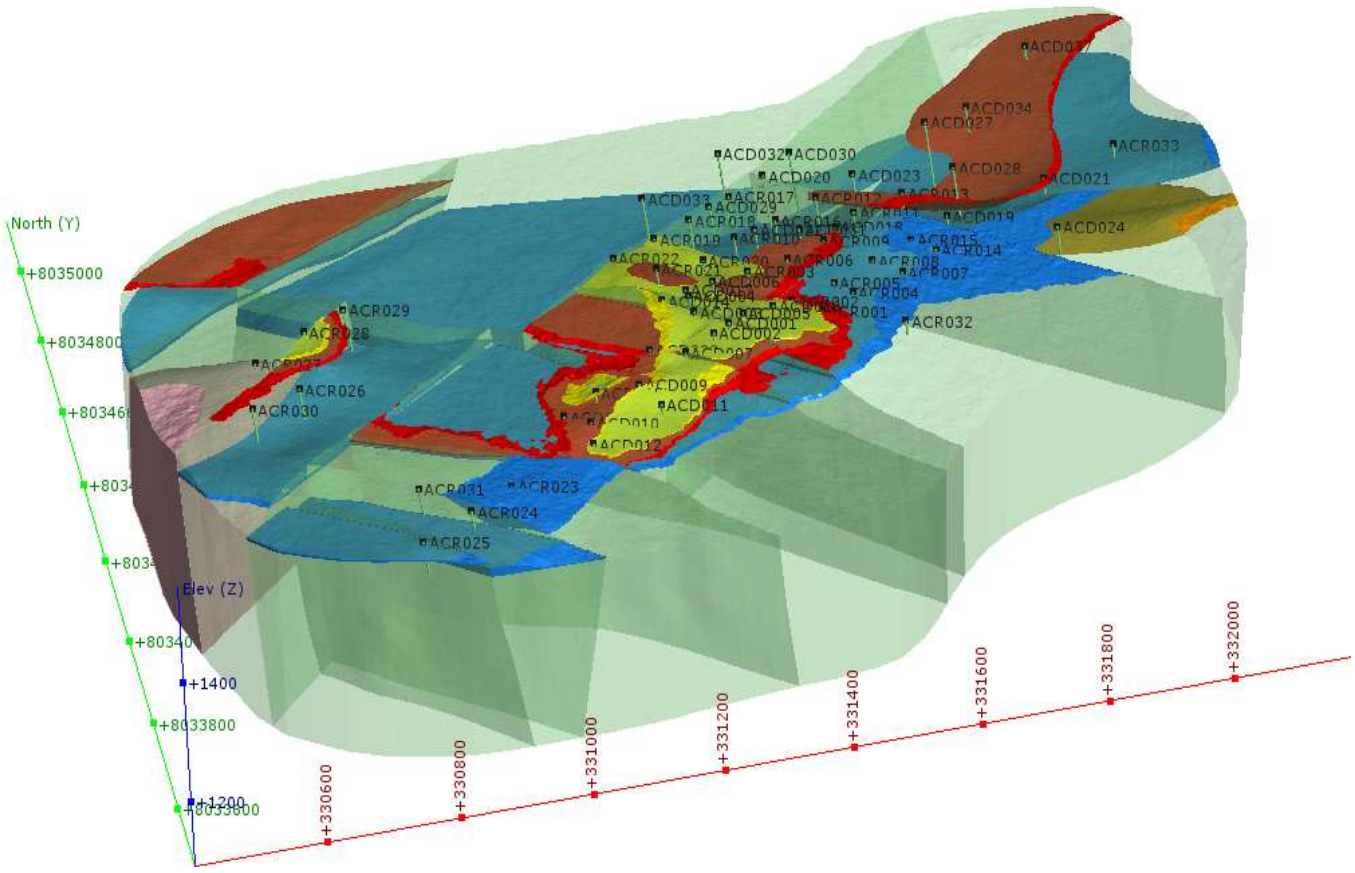
Geo-metallurgy; The practice of combining geology or geo-statistics and extractive metallurgy, to create a spatially or geologically based predictive model for mineral processing plants.

November 2019

Arcadia Lithium Project Location

- 35km East of Harare
- 1050Ha Mining Lease
- 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
- National Project and Special Economic Zone Status
- Abundant groundwater available
- Surface rights secured by Prospect and being developed for agriculture

Exploration Drilling and Resource Classification Complete



301 holes drilled totalling >25,000 m completed

>5,000 Assays & 3,200 XRDs

>13,000 Soil Geochemical samples

Ground magnetics to aid structural interpretation.

Regional geochemical exploration programme continues

LCT Pegmatite

Ore Minerals

Petalite - **Lithium Aluminium Phyllosilicate $LiAlS4_2O_{10}$**

(Contains around 4.8% Li_2O)

100mm

Spodumene -

Lepidolite – Lithium Mica $KLi_2Al(AlSi)_3O10(F,OH)_2$,

(Contains around 7% Li2O

Fine to medium-grained, >1mm - >5mm

Lithium Aluminium Silicate P-T conditions and Arcadia Pegmatites paragenetic sequence

Paragenetic sequence for the Arcadia pegmatite

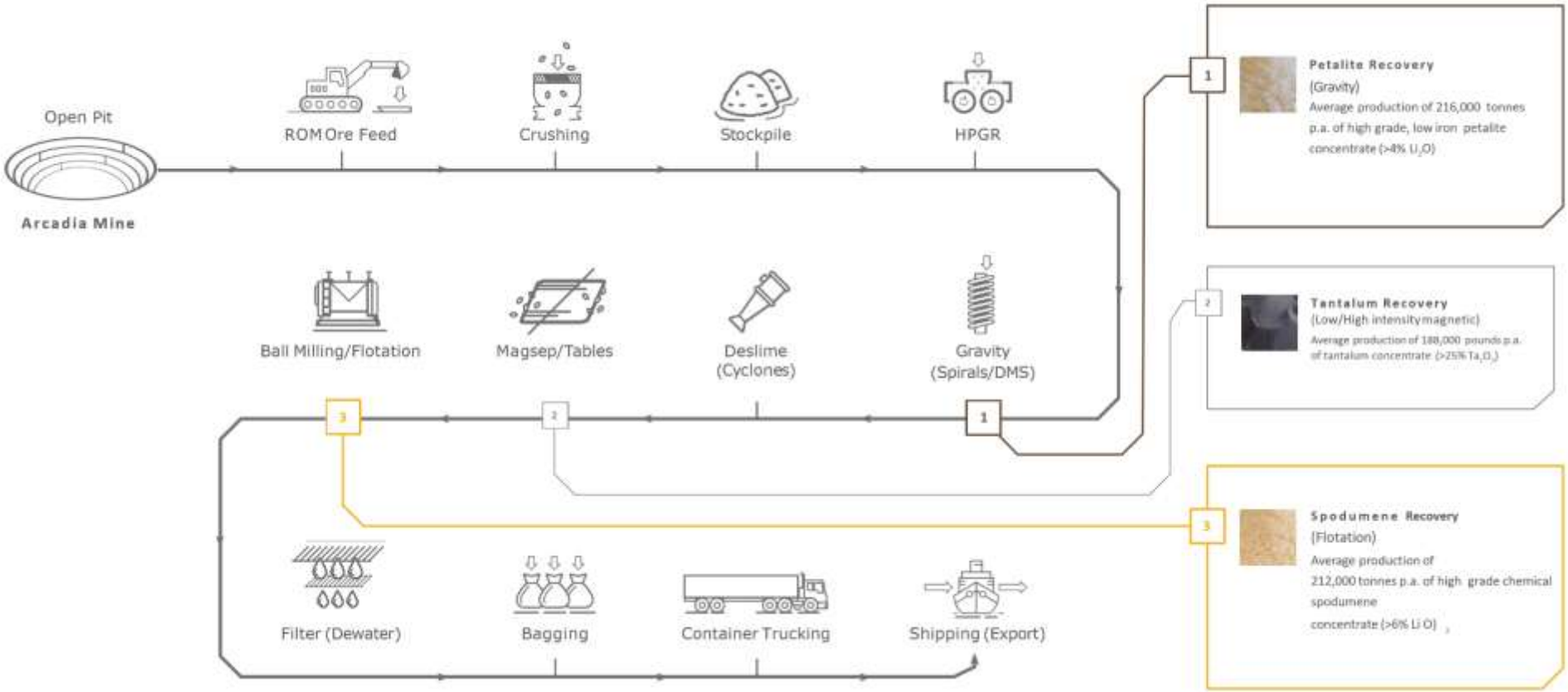
Mineral	Early (primary magmatic crystallisation)	Intermediate (veins and alteration)	Late (alteration)
Quartz	———		
Microcline	———		
Petalite	———		
Spodumene	———		
Eucryptite		- - - - - - - - - - - - -	
Lepidolite		- -	
Hectorite			- -

Petalite: low to moderate temperature and generally lower pressure

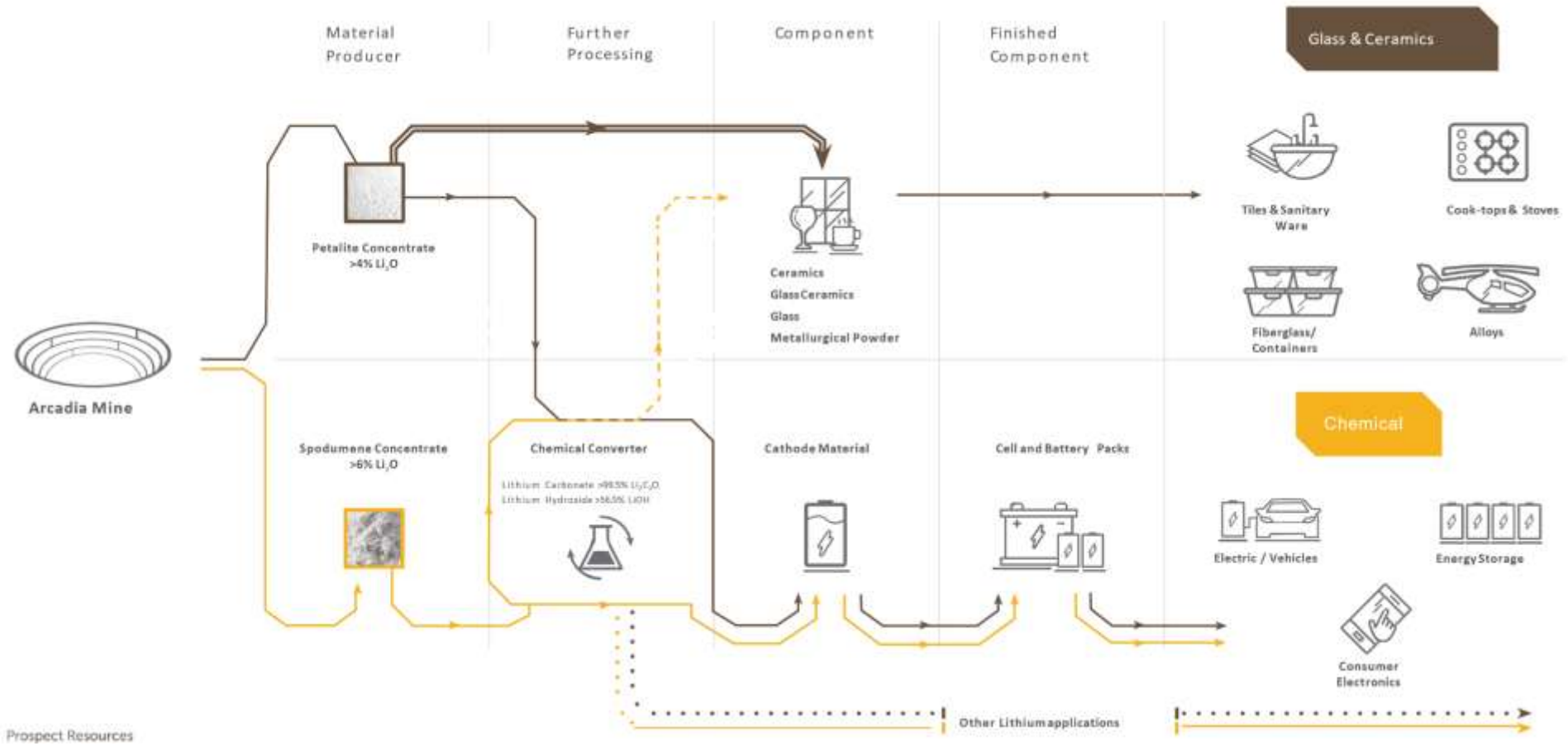
Spodumene: low to moderate temperature and generally higher pressure

Eucryptite: low temperature and low pressure

Simplified version of the Arcadia Process Flow



Arcadia and the current Lithium Supply Chain

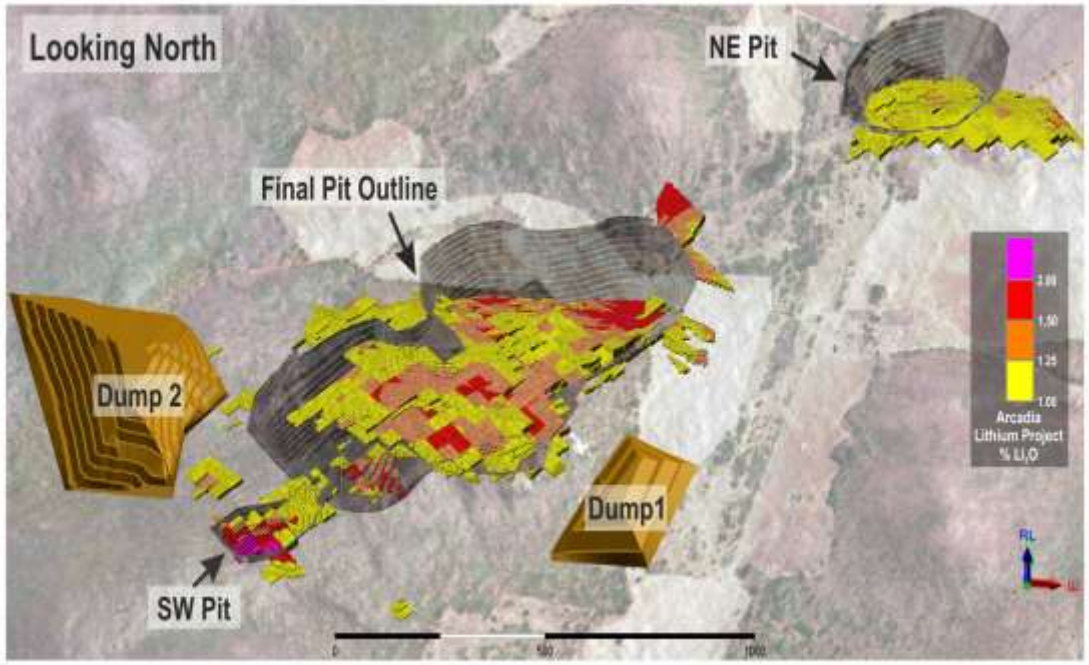


Prospect Resources

November 2019

Arcadia Lithium - DFS Summary

Ore Reserve	26.9Mt @ 1.31% Li_2O & 120ppm Ta_2O_5
Life of Mine	12 years
Strip Ratio	3.0:1 (including pre-strip)
LOM Revenue	US$2.93 billion
LOM EBITDA	US$109 million p.a.
Lom Operating Cost	US$278/t
NPV	US$533 million
Capital Cost	US$163 million
Payback Period	~2.5 years
Internal Rate of Return	45%
Annual Production	



- **Arcadia set to annually produce:**
  - **212,000t low Fe spodumene concentrate (6% Li_2O)**
  - **216,000t low Fe petalite concentrate (4.1% Li_2O)**
  - **188,000 lb contained tantalite in concentrate (>25% Ta_2O_5)**

Questions