

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Prospect Global Resources Inc. (the “Corporation”), has developed and adopted certain corporate governance principles (the “Guidelines”) establishing a common set of expectations to assist the Board, and its committees in performing their duties in compliance with applicable requirements. In recognition of the continuing discussions about corporate governance, the Board will review and, if appropriate, revise these Guidelines from time to time.

A. *Director Responsibilities*

1. Represent the interests of the Corporation's shareholders in maintaining and enhancing the success of the Corporation's business, including optimizing long-term returns to increase shareholder value.
2. Selection and evaluation of a well-qualified principal executive officer (“CEO”) of high integrity, and approval of other members of the senior management team.
3. Oversee and interact with senior management with respect to key aspects of the business including strategic planning, management development and succession, operating performance, and shareholder returns.
4. Provide general advice and counsel to the Corporation's CEO and senior executives.
5. Adopt and oversee compliance with the Corporation's Code of Business Conduct and Ethics. Promptly disclose any waivers of the Code of Ethics for Senior Financial Officers and the Code of Business Conduct and Ethics for Directors or executive officers.
6. Hold regularly scheduled executive sessions of independent directors. Designate and publicly disclose the name of the Director who will preside at such meetings. Formally evaluate the performance of the CEO and senior management each year in executive sessions.
7. Regular attendance at Board meetings is mandatory. Meeting materials should be reviewed in advance.
8. *Duty of Care:* In discharging the duties of a Director, including duties as a Committee member, Nevada law requires that a Director shall act in good faith; (b) with care an ordinary prudent person in a like position would exercise under similar circumstances; and (c) in a manner he or she believes to be in the best interests of the Corporation.

B. *Director Qualification Standards*

1. The Board, with the input of the CEO, will consider recommendations for nominees for Board membership to fill vacancies or newly created positions or the persons to be nominated by the Board for election at the Corporation’s Annual Meeting

of Shareholders. All nominees should be sent to the Secretary of the Corporation at pavery@prospectgri.com.

2. In connection with the selection and nomination process, the Board shall review the desired experience, mix of skills and other qualities to assure appropriate Board composition, taking into account the current Board members and the specific needs of the Corporation and the Board. The Board will generally look for individuals who have displayed high ethical standards, integrity, and sound business judgment. This process is designed to ensure that the Board includes members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to the business of the Corporation.

3. Any Director who satisfies all the following criteria as detailed in the Corporate Governance Guidelines on Director Independence shall be deemed to be an independent director of the Corporation.

C. *Board Committees*

1. The Board shall at all times have an Audit Committee.

2. The Board shall evaluate and determine the circumstances under which to form new committees.

D. *Director Compensation*

1. Non-employee directors and committee chairs shall receive reasonable compensation for their services, as may be determined from time to time by the Board. Compensation for non-employee directors and committee chairs shall be consistent with the market practices of other similarly situated companies but shall not be at a level or in a form that would call into question the Board's objectivity. The Board shall annually review and report director compensation and benefits.

2. Directors who are employees of the Company or its affiliates receive no additional pay for serving as Directors.

3. Directors who are members of the Audit Committee may receive no compensation from the Corporation other than the fees they receive for serving as Directors and committee chairs.

E. *Director Access to Management and Independent Advisors*

1. The Board is expected to be highly interactive with senior management. Directors are granted access to the name, location, and phone number of all employees of the Corporation.

2. It is Board policy that executive officers and other members of senior management who report directly to the CEO be present at Board meetings at the invitation of the Board. The Board encourages such executive officers and senior management to make presentations, or to include in discussions at Board meetings managers and other employees who (a) can provide insight into the matters being discussed because of their functional expertise and/or personal involvement in such

matters and/or (b) are individuals with high potential whom such executive officers and senior management believe the Directors should have the opportunity to meet and evaluate.

3. Directors are authorized to consult with independent advisors, as is necessary and appropriate without consulting management.

F. *Management Succession and CEO Compensation*

1. The Board plans for succession to the position of principal executive officer.

2. The principal executive officer shall provide an annual report to the Board assessing senior managers and their potential to succeed him or her. The report shall also contain the principal executive officer's recommendation as to his or her successor.

3. The Board is responsible for setting annual and long-term performance goals for the principal executive officer and for evaluating his or her performance against such goals.

G. *Annual Performance Evaluation of the Board*

1. The Board and its Committees will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

2. The Board will also review its Committees' periodic recommendations concerning the performance and effectiveness of the Board and its Committees.

Adopted by the Board of Directors
_____, 2011