ASX ANNOUNCEMENT

25 May 2023

High-grade spodumene intersections extend lithium footprint at Step Aside

Highlights

- **Stage 2 diamond drilling at Step Aside Project has generated significant extensional intersections of high-grade lithium mineralisation across multiple targeted pegmatites**
- **Best results returned include:**
  - **6.28m @ 1.09% Li_2O from 67.52m (CDD031), including 1.14m @ 2.63% Li_2O from 70.55m - Pegmatite E**
  - **5.96m @ 1.08% Li_2O from 100.27m (CDD014) - Pegmatite D**
  - **5.96m @ 1.02% Li_2O from 57.27m (CDD026) - Pegmatite B**
  - **5.17m @ 1.13% Li_2O from 120.83m (CDD021) - Pegmatite D**
  - **3.49m @ 1.59% Li_2O from 67.96m (CDD025) - Pegmatite E**
  - **2.89m @ 1.57% Li_2O from 120.63m (CDD030) - Pegmatite D**
  - **3.82m @ 1.04% Li_2O from 55.66m (CDD025) - Pegmatite E**
- **Drilling targeted 5 visible pegmatite outcrops, with 4 returning robust intersections**
- **The largest, Pegmatite D, is now interpreted to strike over at least 160m and is open to the south and down dip**
- **Results from Pegmatite B and E are highly encouraging, with excellent widths and grades, including significant thickening at depth for Pegmatite B**
- **Lithium-in-soil geochemical sampling indicates further potential "blind" mineralisation**
- **Stage 3 drilling programme under design to target strike and depth extensions of the defined lithium mineralisation and scout drill key soil anomalies**
- **Stage 3 drilling is expected to commence this quarter**

Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) provides an update on key activities at its Step Aside Lithium Project, located 8km north of the Arcadia Lithium Project.

Prospect's Managing Director, Sam Hosack, commented:

"The Stage 2 drilling results at Step Aside, combined with the highly prospective geochemical soil anomalies returned to the south, demonstrate the significant additional potential underlying this project. We look forward to targeting further extensional and blind lithium mineralisation targets with the Stage 3 program, the design of which is well advanced with drilling expected to commence in the next six weeks. Our core targets remain unchanged at Step Aside – rapid growth in defined mineralised footprint at strong tenor, and delineation of a JORC-reportable Mineral Resource estimate that reflects such attractive lithium deposition."

Step Aside Lithium Project

Prospect's 100%-owned Step Aside Lithium Project is located within the Archaean Harare Greenstone Belt, approximately 35 km east of Zimbabwe's capital city Harare, with the claim covering approximately 100 hectares (see Figure 1). Step Aside is 8 km north of the Arcadia Lithium Project, which was discovered by Prospect and holds a Mineral Resource estimate of 72.7 million tonnes grading 1.02% Li_2O. The Arcadia asset was sold to Huayou Cobalt by Prospect in mid-2022 for approximately US$422 million cash.

The Step Aside Project consists of a folded sequence of meta-sediments of the Gwebi and Mapfeni Members, of the Passford Formation. These meta-sediments are intruded by north trending pegmatites, dolerites and quartz veins of the Mashonaland Suite, which make up the youngest rocks found within the Harare Greenstone Belt.

Figure 1: Locality map of Step Aside Lithium Project, 8 km north of Arcadia

Broadly, six visible mineralised pegmatites (denoted "A" to "F") have been identified within meta-dolerite host rocks at Step Aside. Individual pegmatites, geologically mapped at surface, are all generally parallel to one another, striking roughly north-south with dips of 40-45˚ to the west geologically mapped at surface. Pegmatite A on the eastern side and Pegmatite D to the west are the widest, measuring 5-15m thick and 4-20m thick, respectively. The strike lengths of the A, B, C, D, E and F pegmatite outcrops at surface, are between 50m and 120m long (see Figure 2).

Observations made previously by Prospect during drilling at Arcadia show that several parallel narrow pegmatites can coalesce into thicker pegmatites down dip, indicating the potential that parallel pegmatites outcropping at Step Aside could join to form a more comprehensive, lithium mineralised pegmatite system at depth. Bifurcating pegmatites have also been noted from drilling at

Step Aside, which might also indicate emplacement of the pegmatite deposits during a period of active faulting in the region (the Mashonganyika Fault Zone).

Stage 2 Diamond Drilling Programme

The Stage 2 diamond drilling programme at Step Aside comprised a total of 20 drill holes for approximately 2,221 metres, targeting Pegmatites A, B, D, E and F.

The work followed on from the successful Stage 1 maiden programme of mixed RC and diamond drilling completed last year (refer Prospect ASX Announcement dated 20 October 2022), which outlined extensive, consistent, steep dipping, spodumene-dominated lithium mineralisation in all pegmatites targeted.

The goal of the Stage 2 programme was to extend the defined lithium mineralisation at Step Aside both along strike and down dip – which was successfully achieved.

In particular, **Pegmatite D** has been extended along strike and down dip, **Pegmatite B** has thickened at depth and **Pegmatite E** has generated significant drill intersections of high-grade lithium mineralisation. All these deposits demand significant follow-up drilling in the next stage of exploration at Step Aside.

These results are complemented by coherent “blind” lithium anomalies in recent regional soil geochemical sampling programmes, which are described later in this release.

Drill hole locations for the completed Stage 2 drilling programme are shown on Figure 2 (brown dots), relative to the outcropping pegmatites at Step Aside, and are also tabulated in Appendix 1.

A list of significant intersections from the Stage 2 drilling can be found in Appendix 2.

Figure 3 shows a cross section through the Pegmatite A to F deposits at Step Aside (excluding Pegmatite E which is further north) on section line 8040615mN, showing the widespread lithium mineralisation (as spodumene), defined to date.

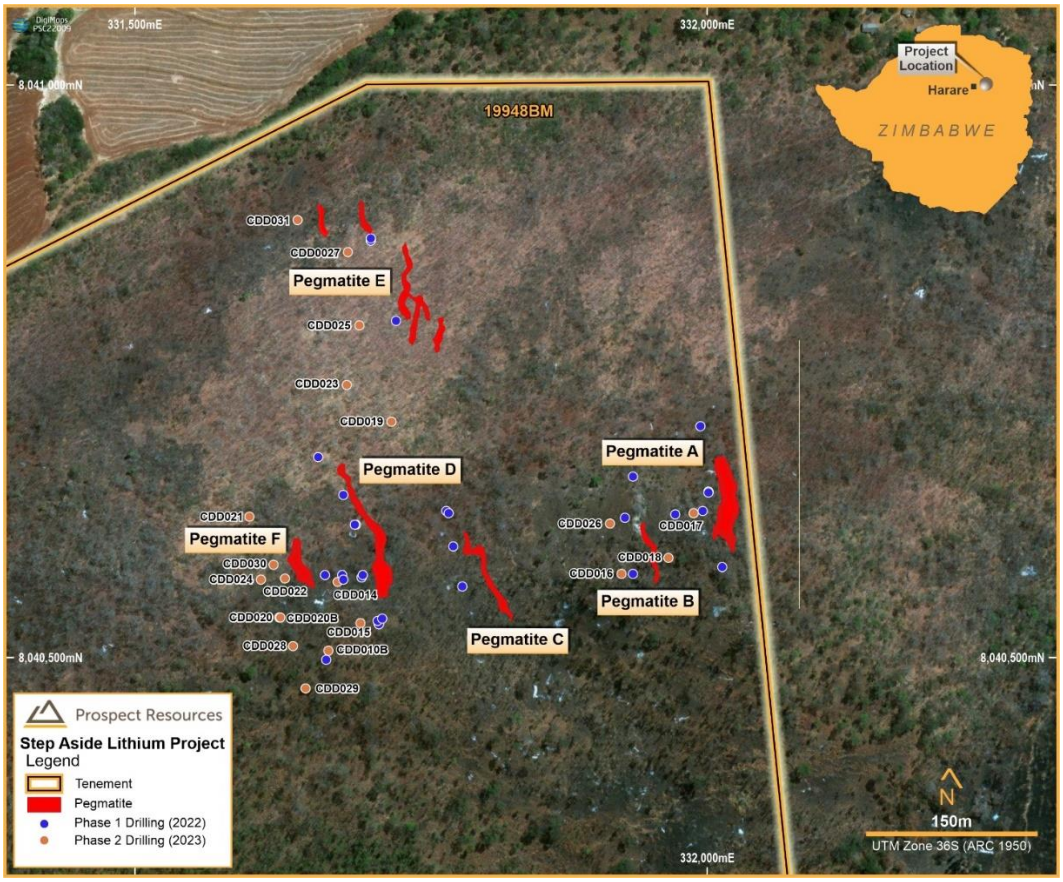

Figure 2: 2023 drill hole collar plan for Step Aside Lithium Project with pegmatite outcrops

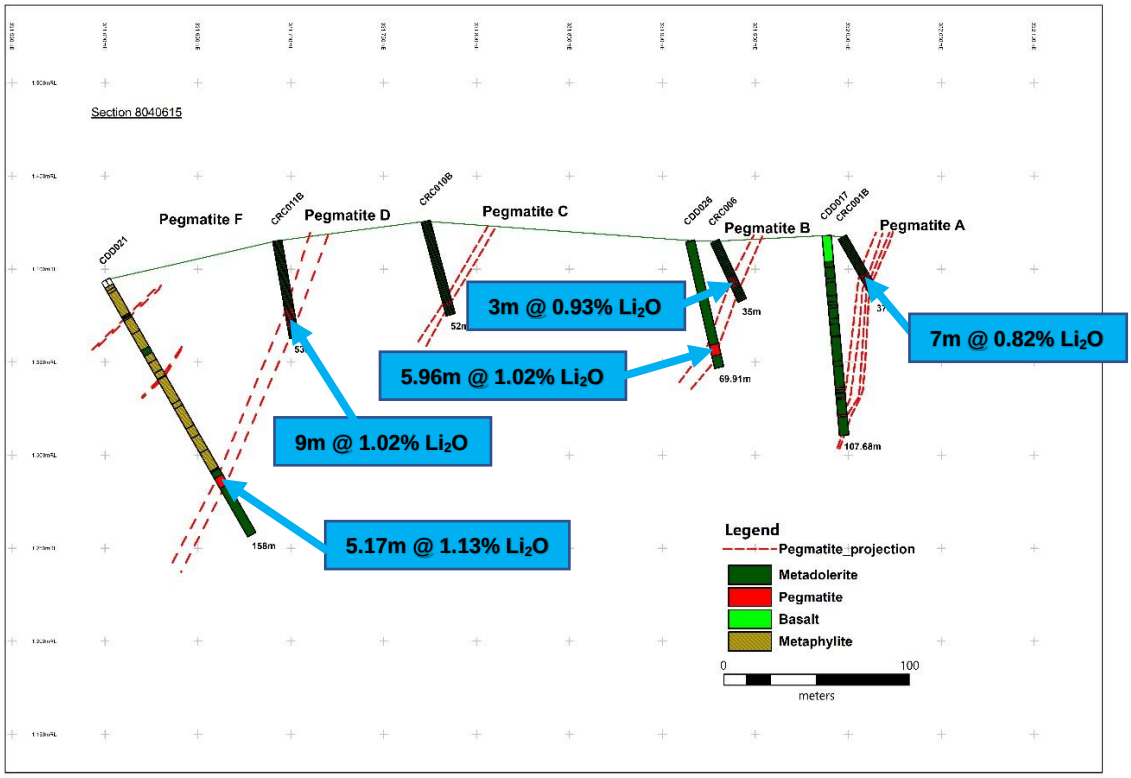

Figure 3 : Cross section through Step Aside Project deposits looking north (8040615mN)

Pegmatite D

Pegmatite D was targeted by six diamond drill holes during the Stage 2 programme.

All holes intersected lithium mineralisation in the targeted positions.

Drilling to date has confirmed that the pegmatite dips at between 60° to 75° to the west, steeper than was mapped at surface (40-45°). Mineralisation has now been identified over a lateral extent of 160m strike and is open both down dip and along strike to the south.

Best results returned for Pegmatite D during the Stage 2 drilling included:

- 5.96m @ 1.08% Li_2O from 100.27m (CDD014) – see core photo in Figure 4;
- 5.17m @ 1.13% Li_2O from 120.83m (CDD021);
- 2.89m @ 1.57% Li_2O from 120.63m (CDD030);
- 5.13m @ 0.85% Li_2O from 52.4m (CDD015); and
- 1.41m @ 1.46% Li_2O from 138.0m (CDD029).

Additional drilling for Pegmatite D is being designed, and the area south of CDD029 has yet to be targeted. Recent regional soil geochemistry in that area shows coherent and anomalous lithium in surface sampling and therefore, a potential extension of the defined mineralisation in that general direction along strike.

Figure 4: Coarse high-grade spodumene intersected in drill hole CDD014 (Pegmatite D)

Pegmatite E

Five diamond drill holes targeted Pegmatite E in the Stage 2 programme, which is located at the far north-eastern end of the Step Aside licence. Whilst drill holes CDD019 and CDD023 are now interpreted to have been drilled too far to the west of the interpreted southerly strike of the deposit, the remaining three holes generated multiple intersections of moderate to wide zones of high-grade lithium mineralisation, that in places exceeded 1.5% Li_2O, and in the case of CDD031, exceeded 2.5% Li_2O.

The Pegmatite E deposits are complex, bifurcating in places, but the overall tenor of the lithium grades are very favourable and located close to surface. In addition, the dip of the mineralised zones defined, appears to be shallower than elsewhere at Step Aside.

Best results returned for Pegmatite E included:

- 6.28m @ 1.09% Li_2O from 67.52m (CDD031), including 1.14m @ 2.63% Li_2O from 70.55m;
- 3.49m @ 1.59% Li_2O from 67.96m (CDD025);

- 3.82m @ 1.04% Li_2O from 55.66m (CDD025); and
- 3.09m @ 1.01% Li_2O from 26.63m (CDD027).

Follow up drilling is expected to target the Pegmatite E system further to the south and east (to infill the gaps missed by CDD019 and CDD023) and also the north, where strong drilling intersections and anomalous lithium-in-soil geochemical anomalies indicate additional prospectivity.

Figures 5-6 show a simple cross section and long section through the Pegmatite E system with the associated drilling intersections.

Figure 7 shows the wide, high-grade mineralised zone intersected within drill hole CDD031.

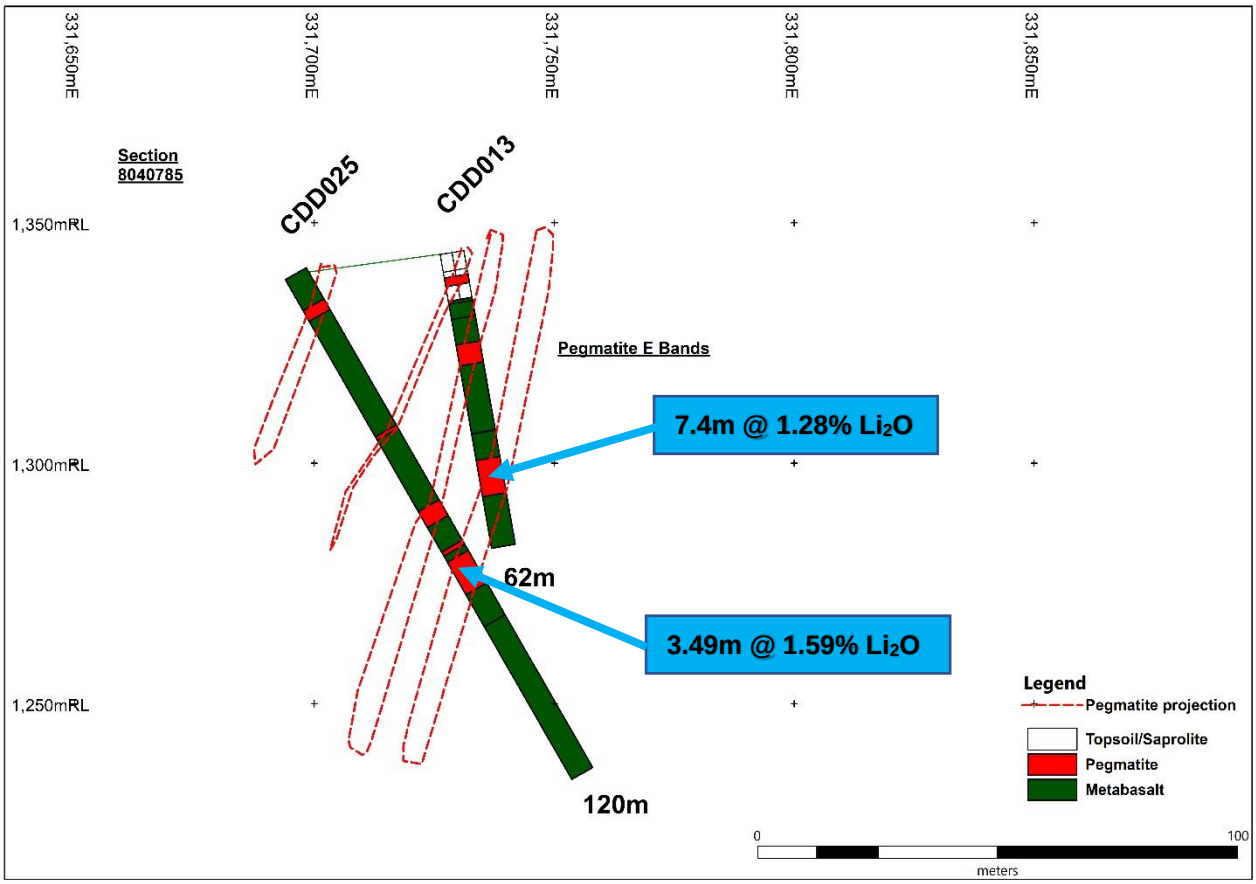

Figure 5: Drilling cross section through the Pegmatite E deposit looking north

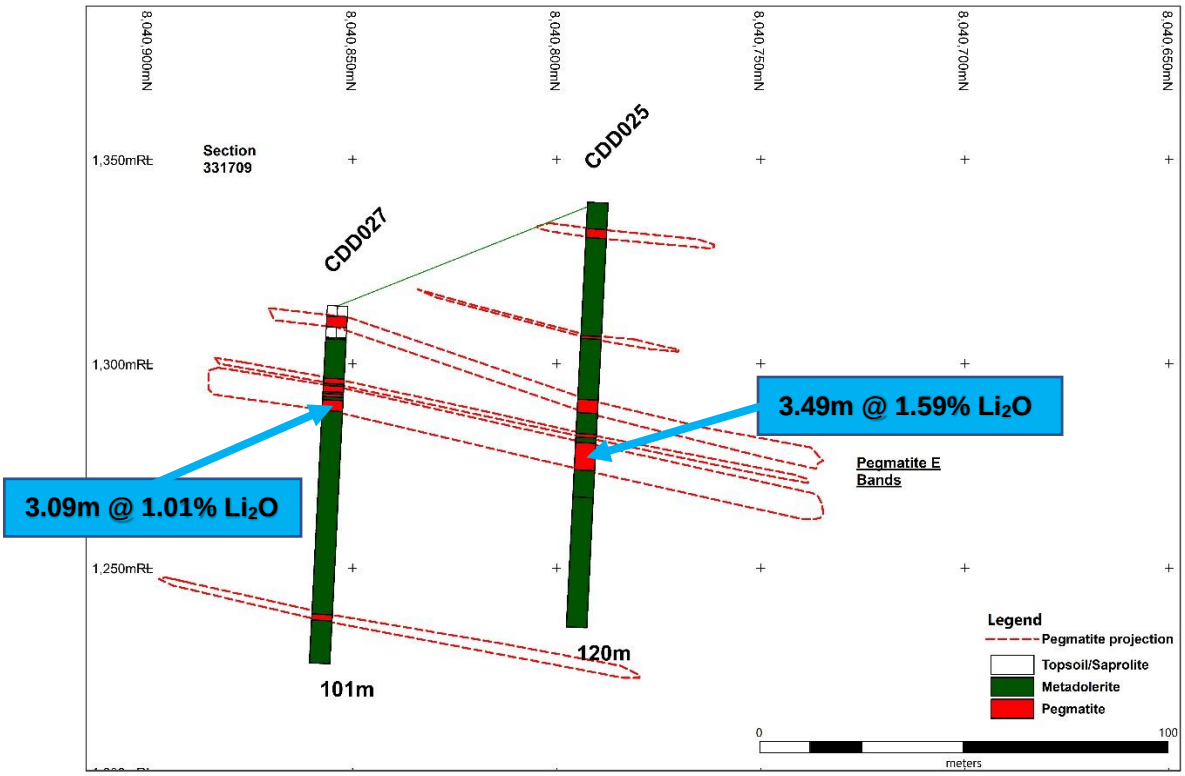

Figure 6: Drilling long section through the Pegmatite E deposit looking east

Figure 7: Wide high-grade spodumene mineralised zone in drill hole CDD031 (Pegmatite E)

Pegmatite B

The Stage 1 drilling programme at Step Aside returned shallow, but relatively modest, narrow intersections of lower grade lithium mineralisation from two RC holes completed directly west of the outcrop for Pegmatite B (refer Prospect ASX Announcement dated 20 October 2022).

These holes returned 3m @ 0.74% Li_2O from 37m (CRC005) and 3m @ 0.93% Li_2O from 22m (CRC006) respectively. A third hole (CRC007) from the Stage 1 programme was drilled too far to the east and missed the potential northern extension of Pegmatite B.

The Stage 2 programme stepped the drilling back under the initial intersections, with very pleasing results returned from both diamond holes completed.

Results returned for Pegmatite B were:

- 5.96m @ 1.02% Li_2O from 57.27m (CDD026); and
- 5.13m @ 0.34% Li_2O from 82.0m (CDD016).

The widths of these two intersections are very encouraging, showing an apparent thickening of the pegmatite body with depth, compared to the Stage 1 RC drilling results, and returning a strong tenor intercept within CDD026.

Further work is now required to follow up these results to the north and south, which is also supported by anomalous lithium-in-soil geochemical anomalies in those areas.

Figure 8 shows a long section through Pegmatite B and new high-grade intersection in CDD026.

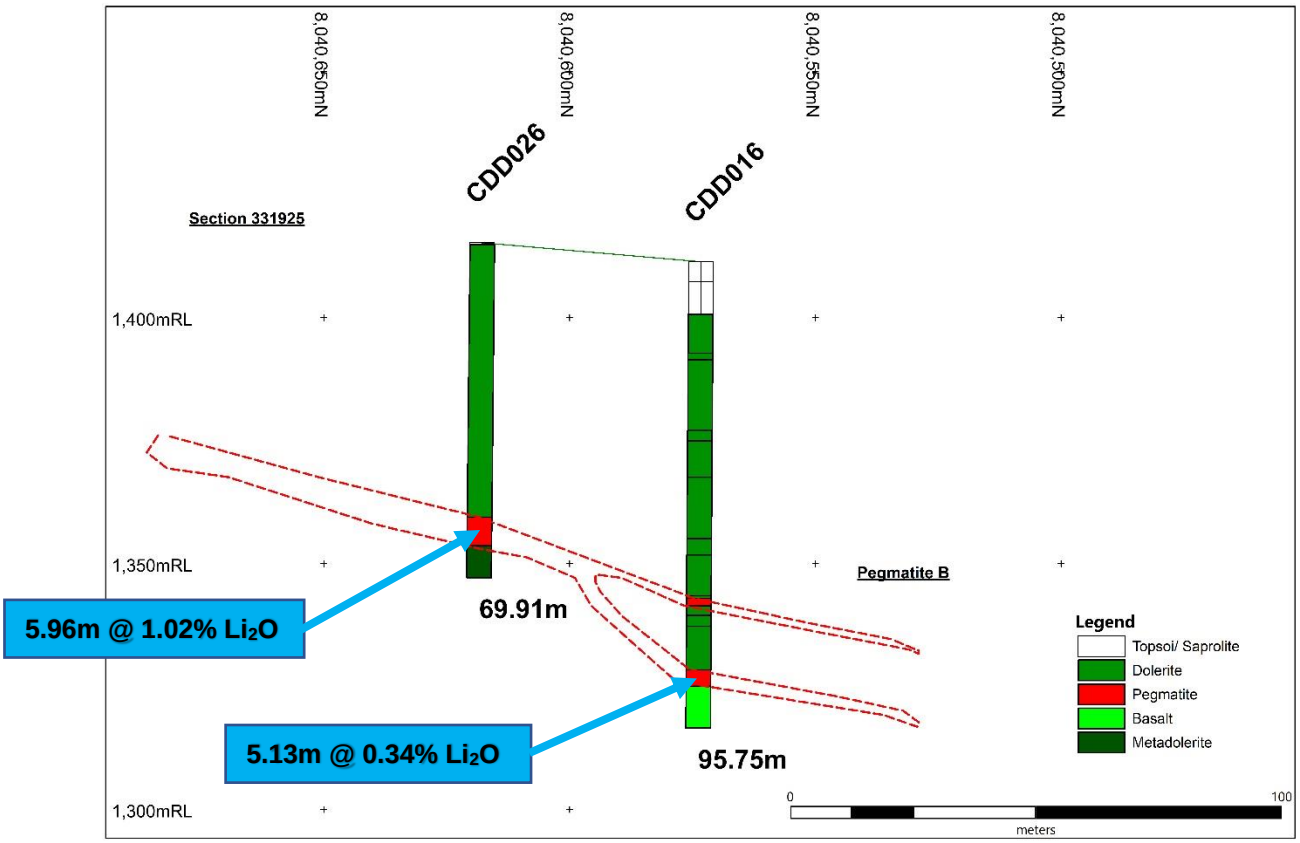

Figure 8: Drilling long section through the Pegmatite B deposit looking east

Pegmatite F

Nine holes in the Stage 2 programme targeted the Pegmatite F system, directly west of Pegmatite D, with four of these targeting both deposits.

Pegmatite F was not targeted during last year's Stage 1 drilling campaign.

Whilst the average lithium grade returned from the drilling of Pegmatite F has been in line with the other deposits evaluated at Step Aside, the intersections are narrower and the deposit appears to bifurcate to the north. The deposit is interpreted to remain open to the south.

Significant intersections returned from Pegmatite F included:

- 1.74m @ 1.42% Li_2O from 52.7m (CDD020);
- 2.00m @ 1.17% Li_2O from 33.0m (CDD022); and
- 0.87m @ 0.91% Li_2O from 34.2m and 1.11m @ 0.83% Li_2O from 38.28m (CDD030).

Pegmatite F is at the western extremity of the lithium-rich pegmatite swarm defined at Step Aside to date. However, lithium-in-soil geochemical sampling indicates that it may yet further develop and thicken to the south, perhaps even coalescing with Pegmatite D, based on current interpretations.

Geochemical Soil Sampling

Prospect is also pleased to report a full set of lithium assay results from its geochemical soil sampling programme undertaken across the Step Aside tenement. These results have strongly indicated the presence of additional lithium mineralisation to the south of the Pegmatite D and F outcrops, and potentially Pegmatite B, and north of Pegmatite E (see Figure 9).

A coherent, wide, lithium-in-soil anomaly of >200 ppm Li extends for at least another 200m south of the Pegmatite D and F outcrops and is interpreted to represent a "blind" mineralised extension of these deposits undercover.

Similarly, a relatively strong anomaly presents up to 150m south of Pegmatite B. The anomaly north of Pegmatite E appears to stretch to the northern limit of the current tenement holding.

All these areas represent excellent walk-up drilling targets for the next phase of exploratory work at Step Aside, based on the strength and extent of the lithium soil anomalies and the lack of any subsurface drill testing having taken place in those areas previously.

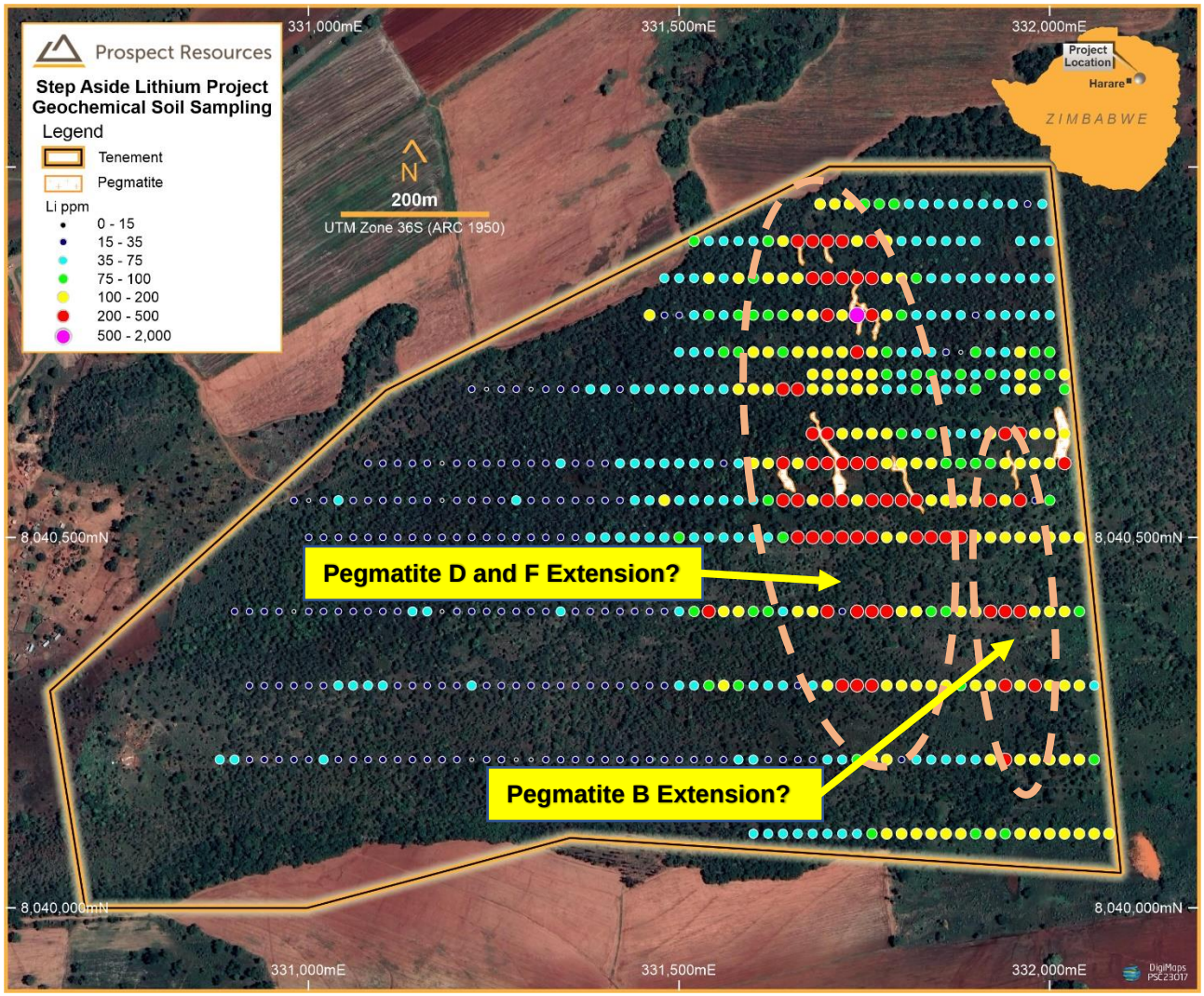

Figure 9: Geochemical Soil Sampling results for Step Aside showing area of Li prospectivity

Stage 3 drilling programme set to commence

The excellent diamond drilling results returned from the recent Stage 2 programme at Step Aside, in addition to the generation of potential southerly extensions to the deposits at Pegmatite B, D and F from the lithium-in-soil geochemical sampling work, indicates that spodumene mineralisation defined to date could extend much further both along strike and down dip.

A Stage 3 diamond drilling program for Step Aside is currently well advanced in design and expected to commence during the current quarter.

This release was authorised by Sam Hosack, Managing Director

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About Prospect Resources Limited (ASX: PSC, FRA:5E8)

Prospect Resources Limited (ASX: PSC, FRA:5E8) is an ASX listed company focused on the exploration and development of mining projects, specifically battery and electrification minerals, in Zimbabwe and the broader sub-Saharan African region.

About Lithium

Lithium is a soft silvery-white metal which is highly reactive and does not occur in nature in its elemental form. In nature it occurs as compounds within hard rock deposits and salt brines. Lithium and its chemical compounds have a wide range of industrial applications resulting in numerous chemical and technical uses. Lithium has the highest electrochemical potential of all metals, a key property in its role in lithium-ion batteries.

Competent Persons Statements

The information in this announcement that relates to Exploration Targets and 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 Chief 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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.

Prospect confirms it is not aware of any new information or data which materially affects the information included in the original market announcements. Prospect confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Caution Regarding Forward-Looking Information

This announcement may contain some references to forecasts, estimates, assumptions, and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars ($) and cents in this announcement are in United States currency, unless otherwise stated. Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

APPENDIX 1: Stage 2 Drill hole collar locations for Step Aside Lithium Project

Hole_ID	Drill Type	Deposit(s)	DH_East	DH_North	DH_RL	Datum	DH_Dip	DH_Azimuth	DH_Depth
CDD010B	DD	Pegmatite D, F	331669	8040506	1439	UTM_WGS84_36S (ARC 1950)	-68	85	176.73
CDD014	DD	Pegmatite D	331677	8040566	1431	UTM_WGS84_36S (ARC 1950)	-81	110	119.78
CDD015	DD	Pegmatite D	331697	8040530	1442	UTM_WGS84_36S (ARC 1950)	-75	75	125.68
CDD016	DD	Pegmatite B	331925	8040573	1411	UTM_WGS84_36S (ARC 1950)	-82	85	95.75
CDD017	DD	Pegmatite A	331988	8040626	1418	UTM_WGS84_36S (ARC 1950)	-85	90	107.68
CDD018	DD	Pegmatite A	331966	8040587	1413	UTM_WGS84_36S (ARC 1950)	-82	85	150.00
CDD019	DD	Pegmatite E	331724	8040706	1380	UTM_WGS84_36S (ARC 1950)	-80	90	150.00
CDD020	DD	Pegmatite F	331627	8040535	1431	UTM_WGS84_36S (ARC 1950)	-60	85	68.68
CDD020B	DD	Pegmatite F	331626	8040535	1431	UTM_WGS84_36S (ARC 1950)	-60	85	80.73
CDD021	DD	Pegmatite D, F	331600	8040623	1394	UTM_WGS84_36S (ARC 1950)	-60	85	150.00
CDD022	DD	Pegmatite F	331631	8040569	1422	UTM_WGS84_36S (ARC 1950)	-60	85	50.68
CDD023	DD	Pegmatite E	331685	8040738	1357	UTM_WGS84_36S (ARC 1950)	-68	85	89.88
CDD024	DD	Pegmatite F	331610	8040568	1421	UTM_WGS84_36S (ARC 1950)	-85	85	120.00
CDD025	DD	Pegmatite E	331696	8040790	1339	UTM_WGS84_36S (ARC 1950)	-60	85	119.78
CDD026	DD	Pegmatite B	331915	8040617	1415	UTM_WGS84_36S (ARC 1950)	-77	85	69.91
CDD027	DD	Pegmatite E	331686	8040854	1314	UTM_WGS84_36S (ARC 1950)	-60	85	101.00
CDD028	DD	Pegmatite F	331638	8040510	1438	UTM_WGS84_36S (ARC 1950)	-60	85	59.68
CDD029	DD	Pegmatite F, D	331649	8040473	1435	UTM_WGS84_36S (ARC 1950)	-60	85	150.68
CDD030	DD	Pegmatite F, D	331621	8040581	1418	UTM_WGS84_36S (ARC 1950)	-60	90	134.84
CDD031	DD	Pegmatite E	331642	8040882	1303	UTM_WGS84_36S (ARC 1950)	-60	85	100.00

APPENDIX 2: Significant drill hole intersections for Stage 2 drilling at Step Aside

Hole ID	Deposit		From (m)	To (m)	Width (m)	Li2O_pct
CDD010B	Pegmatite D		101.30	102.30	1.00	1.36
CDD014	Pegmatite D		100.27	106.23	5.96	1.08
CDD015	Pegmatite D		52.40	57.53	5.13	0.85
CDD020	Pegmatite F		52.70	54.44	1.74	1.42
CDD021	Pegmatite D		120.83	126.00	5.17	1.13
CDD022	Pegmatite F		33.00	35.00	2.00	1.17
CDD025	Pegmatite E		55.66	59.48	3.82	1.04
		and	65.42	66.47	1.05	0.81
		and	67.96	71.45	3.49	1.59
		and	71.78	72.40	0.62	1.19
		and	73.40	75.73	2.33	0.94
CDD026	Pegmatite B		57.27	63.23	5.96	1.02
CDD027	Pegmatite E		22.63	24.34	1.71	1.01
		and	24.90	25.72	0.82	1.34
		and	26.63	29.72	3.09	1.01
CDD029	Pegmatite D		138.00	139.41	1.41	1.46
CDD030	Pegmatite F		34.20	35.07	0.87	0.91
		and	38.28	39.39	1.11	0.83
	Pegmatite D		120.63	123.52	2.89	1.57
		and	125.30	126.30	1.00	1.17
CDD031	Pegmatite E		67.52	73.80	6.28	1.09
		incl.	70.55	71.69	1.14	2.63

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• A total of 130 samples were collected during this phase of the project, all of which were diamond drill core samples. • 20 diamond holes were completed (including one twin), which produced 130 samples, collected over 120.26 sampled metres. • Diamond samples were generally sampled at 1m intervals over the length of the pegmatite intersected, from the contacts with the country host rock. Sampling was completed within logged lithological contacts. • Diamond samples were trucked to Performance Laboratory (Ruwa, Zimbabwe) where they were crushed, pulverised and spit to produce a 100g analytical aliquot, which was then forwarded and analysed by 48 element four-acid ICP-MS at ALS Laboratories in Johannesburg (suite code ME-MS61). • Certified Reference Materials (produced by AMIS of Johannesburg), blanks and field duplicates were inserted into sample batches (with 4% of total submissions being CRMs, 4% blanks and 2% laboratory pulp duplicates). These insertions were done post-preparation at the field camp, under the supervision of the Project Geologist. • The AMIS CRMs used were AMIS 341 (0.504%) and AMIS 355 (7268 ppm Li). • In addition, the full 100ha of the licence area was covered by geochemical soil sampling. In this exercise 555 x 3kg geochemical soil samples were collected at 20m intervals along lines 50-100m apart from approximately 30cm deep holes. 15 lines were sampled, with

		closer spacing in areas proximal to outcrop, and on the strike of extensions of, the pegmatite bodies. • Geochemical soil samples were dried, pulverized and sieved in the field >80% passing 75µm to produce a 100g analytical aliquot that was then similarly trucked to Performance Laboratory (Ruwa, Zimbabwe) for lithium analysis by multi acid digest with AAS finish.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Diamond drilling was completed using a truck mounted KLR 700 Multipurpose rig, and a track mounted Hanjin DMB16 multipurpose rig. The core diameter drilling size used was HQ and NQ. HQ was drilled to an average depth of 18m before the hole was cased. The sum of HQ metres and NQ metres drilled totalled 2221.48 metres.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• During the diamond drilling process the recovered core was placed in a core tray. Metre marks were marked on the core. On the end of each 3m run, the total amount of metres recovered, and the expected metres were written on the core block. Any gain or loss was recorded on the core block. To ensure maximum recovery from the rig, RQD was completed on the core to determine the quality of rock core taken from a drill hole. • To ensure maximum recoveries, when the drilled core showed any signs of being crushed or broken by the drill bits, they would immediately be replaced. Rate of penetration was slowed at the start of the hole to reduce loss of weathered material thorough the circulating water flow.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of	• Drill core samples were geologically logged detailing texture, structures, alteration, mineralisation, lithology, and weathering, using standard Company logging templates refined during the previous Arcadia work programmes. • The total diamond core metres logged is 2221.48m, including all relevant pegmatite intersections.

	the relevant intersections logged.	
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality, and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core was split using a diamond cutter and a ¼ core section was sampled and bagged for preparation and analysis. • Preparation involved samples being dried, weighed, crushed and milled >80% passing 75µm. • 10% of the total number of assayed diamond core samples consisted of CRMs, blanks, and pulp duplicates inserted “blind” at the field camp under the supervision of the Project Geologist. In addition, ALS Laboratory analysed internal QC standards and undertook repeat analyses.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• All diamond core sample pre-preparation was completed at Performance Lab in Ruwa (Zimbabwe). During preparation samples underwent crushing and pulverising. Analysis was carried out by ALS Chemex in Johannesburg by means of 48 element four-acid ICP-MS (suite code ME-MS61). • QAQC results of the diamond core samples were acceptable. For six (6) CRM control samples inserted, the four (4) high grade CRM AMIS 355 inserts (7268 ppm Li) all reported well within 2 standard deviations (<5% variation) of the published grade. One (1) of the two AMIS 0341/2 standard (grade 5041 ppm Li) inserted, reported lower than the threshold (9.7% variance). • A total of six blanks were inserted and all reported within acceptable limits. A sequence of three blind laboratory pulp duplicate pairs were analysed, with two pairs reporting <5% variance, however, the third pair failed and re-analysis will be undertaken on the relevant sample sequence. • For the geochemical soil samples, the analytical process began with a

		multi-acid digest using HF (hydrofluoric acid) to complete dryness. The completely dry sample was then reconstituted with HCl (hydrochloric acid) to put in back into solution, before reading using an AA (Atomic Absorption Spectrophotometry) machine. QAQC results of the geochemical soil samples were acceptable. • Remnant pulps of diamond core samples assaying >1% Li_2O are to be sent to Geolabs for XRD analysis with the results to be back-calculated for comparison to the ALS derived ICP values. These samples are being processed for submission.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Site regularly inspected by Senior Geological staff, including CP & Chief Geologist (Roger Tyler). • Logging and assay data was recorded manually on hardcopy log sheets, and then captured digitally on a spreadsheet, with consistency between them rigorously checked internally. • Assay data were recorded digitally and electronically distributed in certified PDF copies along with transcribable format in an accompanying spreadsheet. • No Mineral Resource estimate has been carried out.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All drill holes were surveyed when completed with a down-hole survey instrument, an EZ-Core Reflex tool. It was lowered down to take the measurements of the hole trace relative to magnetic north. Starting at the bottom of the hole it was raised to surface, and at 3m to 6m station intervals a reading was taken of both hole inclination and azimuth. These measurements have then been converted from magnetic to UTM Zone 36 South (ARC1950) values. No significant hole deviation is evident in plan or section. • All collar positions were staked using a handheld GPS and marked with concrete beacons. All final collar measurements were collected using a calibrated Differential GPS in UTM

		Zone 36 South (ARC 1950) values (see Appendix 2). • Detailed soil geochemistry was undertaken along the strike extensions of all six outcropping pegmatite bodies.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill sites were spaced approximately 35-55m apart along strike from north-north-west to south-southeast, and inclined east targeting subsurface continuations of outcropping pegmatites. The drill holes targeted pegmatite intercepts at depths of between 50m to 125m vertically. • Soil geochemistry was undertaken on grids, targeting the strike extensions of the outcropping pegmatites. Lines were surveyed east west at 50-100m intervals, with samples collected every 20m.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drill sites were sited north-south following the pegmatite's strike direction, dipping east approximately orthogonal to the dip direction of the targeted pegmatite bodies, that dip to the west. The dip angle was planned to intersect the targeted pegmatite as near to perpendicular as possible.
Sample security	• The measures taken to ensure sample security.	• Diamond core samples were placed in sealed bags to prevent contamination. Minimal preparation was completed at site. • Geochemical soil sample analytical aliquots were packaged at site in sealed, labelled envelopes immediately after sieving. Thereafter, sample envelopes were packaged in sealed bags that were stored in the despatch facility, pending regular receipted delivery to the analytical laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Not applicable

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• BM claim block Step Aside 19948 (100 hectares). • The environmental impact assessment has been granted and Q1 quarterly review conducted. • Rural farmland – fallow.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• No detailed records of any historical exploration exist, but the area was mapped in some detail by the Zimbabwean Geological Survey in 1990. (Bulletin No. 94) The small Colga pegmatite was mapped, but no sampling was recorded. • An historical geochemical soil sampling programme was conducted on survey lines in the surrounding farm areas and partially covered the Step Aside Project. Those soil samples were collected at 20m intervals with 100m spacing. • The soil lines were approximately perpendicular to the strike of the pegmatites, geologically mapped earlier in the region. The area surrounding Colga Hill - adjacent to Step Aside - was determined as being broadly anomalous in lithium (>200ppm lithium).
Geology	• Deposit type, geological setting, and style of mineralisation.	• Moderate to steeply dipping Li-Cs-Ta pegmatites, with spodumene, lepidolite, and petalite present. • The occurrence of the pegmatites appears to be closely related to the regional Mashonganyika Fault. • There are six pegmatite bodies which were named Colga Pegmatites A to F. All the pegmatites have a general north-south strike. Pegmatite A has a dip of 70° and a surface thickness of 10m. Pegmatite B has a dip of 72° and a surface thickness of 5m. Pegmatite C has a dip of 73° and surface thickness of 3m.

		Pegmatite D has a dip of 75° and a surface thickness of 8m. Pegmatite E has a surface thickness of 7m with a dip of 80°. Pegmatite F has surface thickness of 6m with a dip of 72°.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• See Appendices 1 and 2.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Borehole intersections were reported using downhole length weighted averaging methods. No maximum or minimum grade truncations were used. The mineralisation is constrained to within the pegmatites.
Relationship between mineralisation widths and	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the	• The drill holes were drilled with varying azimuths and dips intended to intersect the pegmatites perpendicularly.

intercept lengths	mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Virtually all holes intersected the pegmatites as planned, though the pegmatites do bifurcate and vary in thickness. • Borehole lines were drilled parallel to the north-northwest-south-southeast strike of the pegmatite bodies.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Maps and sections are attached in the body of the report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The Company believes that all results have been reported and comply with balanced reporting.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No known previous exploration work for lithium conducted on the tenement historically, prior to the present programmes being undertaken by Prospect Resources.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Given the encouraging lithium drilling intersections and associated assay results, there is need to follow up on the existing holes with more holes along strike to determine extent, width, and grade continuity of the defined pegmatites.