ASX ANNOUNCEMENT
20 December 2023

Phase 3 Drilling Expands WinBin Discovery

HIGHLIGHTS:

- **Further assay results (6 holes) from follow-up drilling of WinBin discovery return:**
  - **20.0m @ 1.34% Li_2O from 45m, incl. 6.0m @ 2.21% Li_2O from 48m (CDD063)**
  - **12.0m @ 1.45% Li_2O from 131m (CDD066)**
  - **8.0m @ 1.87% Li_2O from 93m, incl. 4.0m @ 2.12% Li_2O from 96m (CDD061)**
  - **8.46m @ 1.36% Li_2O from 120.54m (CDD059)**
- **New results demonstrate that the mineralised feeder zone extends from WinBin through to an extension of Pegmatite C and is open at depth and to the south.**
- **Extends combined strike of cojoined WinBin/Pegmatite C Extension mineralisation to approx. 580 metres.**
- **Phase 3 diamond drill programme now complete with 44 holes drilled for approx. 5,100m drilled; assays remain pending for 10 holes.**
- **Phase 4 programme approved with 2,000m of diamond drilling set to commence in January 2024, targeting extension positions of WinBin further south, and following up high-grade intersections at Pegmatite E.**

Prospect Resources Limited (ASX: PSC) (**Prospect** or the **Company**) is pleased to announce further encouraging assay results from the now complete Phase 3 drilling programme at the Step Aside Lithium Project (**Step Aside**) (PSC 90%) in Zimbabwe.

Prospect Managing Director and CEO, Sam Hosack, commented:

"The WinBin discovery continues to deliver for us. This latest batch of Phase 3 assay results has significantly extended the strike extent of the broader discovery as well as increasing our understanding of the controlling geology in this zone. We look forward to the receipt of the remaining assay results from the Phase 3 programme during Q1 2024 to continue this momentum.

"We are straight back into it in the New Year with the scheduled Phase 4 drilling set to continue the drill-out of WinBin. This work will also test the area of high-grade intersections previously returned around Pegmatite E to the north.

"I would like to wish all shareholders a safe and happy festive period and look forward to reporting on our activities at Step Aside, and across the broader Prospect exploration portfolio, during 2024."

Extended Phase 3 programme concludes

Following the discovery of high-grade spodumene mineralised pegmatite at the WinBin target, Prospect accelerated its Phase 3 diamond drilling programme at Step Aside. The drill programme concluded with a total of 44 holes drilled for 5,105m.

The programme has demonstrated that the thickened, deep set, lithium mineralisation defined at the WinBin deposit inflects and cojoins an extension to Pegmatite C, that now forms a curved system striking over at least 580 metres and open at depth.

WinBin is hosted in a metasedimentary rock sequence, which effectively "refracts" or changes direction to the northwest at the contact with mafic sequences that form the main Colga Hill at Step Aside. By inference, the programme has shown that WinBin "feeds" the pegmatite swarm further north, defined during the earlier Phase 1 and 2 drill campaigns completed by Prospect.

Assay results have been returned for a further six holes from the Phase 3 programme including the following significant intercepts:

CDD063 **20.0m @ 1.34% Li_2O from 45m, incl. 6.0m @ 2.21% Li_2O from 48m**

CDD066 **12.0m @ 1.45% Li_2O from 131m**

CDD061 **8.0m @ 1.87% Li_2O from 93m, incl. 4.0m @ 2.12% Li_2O from 96m**

CDD059 **8.46m @ 1.36% Li_2O from 120.54m**

These recently returned results have further consolidated the Company's 3D interpretation of the WinBin ore target and have helped direct the next programme of planned drilling in areas open to the south and at depth.

Assay results are pending for a further 10 holes currently undergoing analysis at ALS Laboratories in Johannesburg, and are scheduled to be returned early in Q1 2024. The drill collar location map for all exploration completed to date at Step Aside is shown in Figure 1.

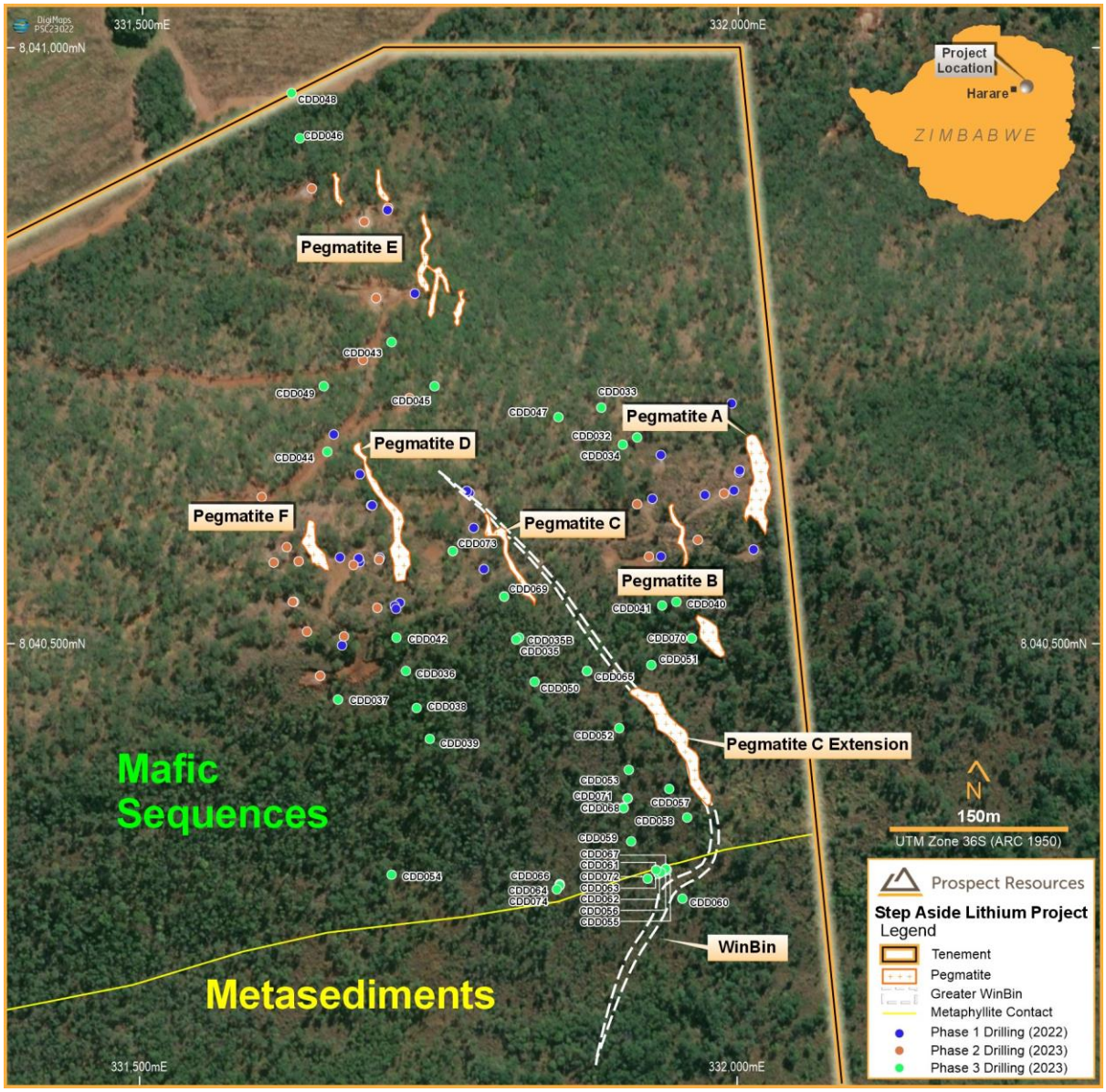

Figure 1: Plan view showing Phase 3 drilling at Step Aside and updated WinBin interpretation

A recent diamond drill hole CDD072 was designed to intersect WinBin obliquely to its interpreted strike, however, the drill trace passed directly along the pegmatite, resulting in an uninterrupted **160.39m** pegmatite intersection of the deposit that was variably zoned internally.

This drill hole (pending assays) has effectively derisked the proposed Phase 4 drilling of WinBin in that region, which is still open at depth to at least 320m from natural surface based on the previous intersection of WinBin in CDD054 (Prospect ASX Announcement 13 November 2023), although that intercept was only weakly mineralised in lithium.

An oblique 3D section through the combined WinBin-Pegmatite C Extension deposit looking to the northwest, is shown below in Figure 2 as a green wireframe with a substantial volume.

All mineralised traces through WinBin (proper) are shown as yellow drill intersections within the wireframe, including the very long CDD072 intercept described above.

The Phase 3 programme has proven very successful in extending WinBin to the north and south (and importantly at depth), with the geological interpretation now indicating that the mineralised pegmatite "bends" where the host rock changes composition. The current interpretation at Step Aside indicates that this feeder system has likely generated the narrower Pegmatite A, B, D and F swarm defined further north, with those deposits also open at depth.

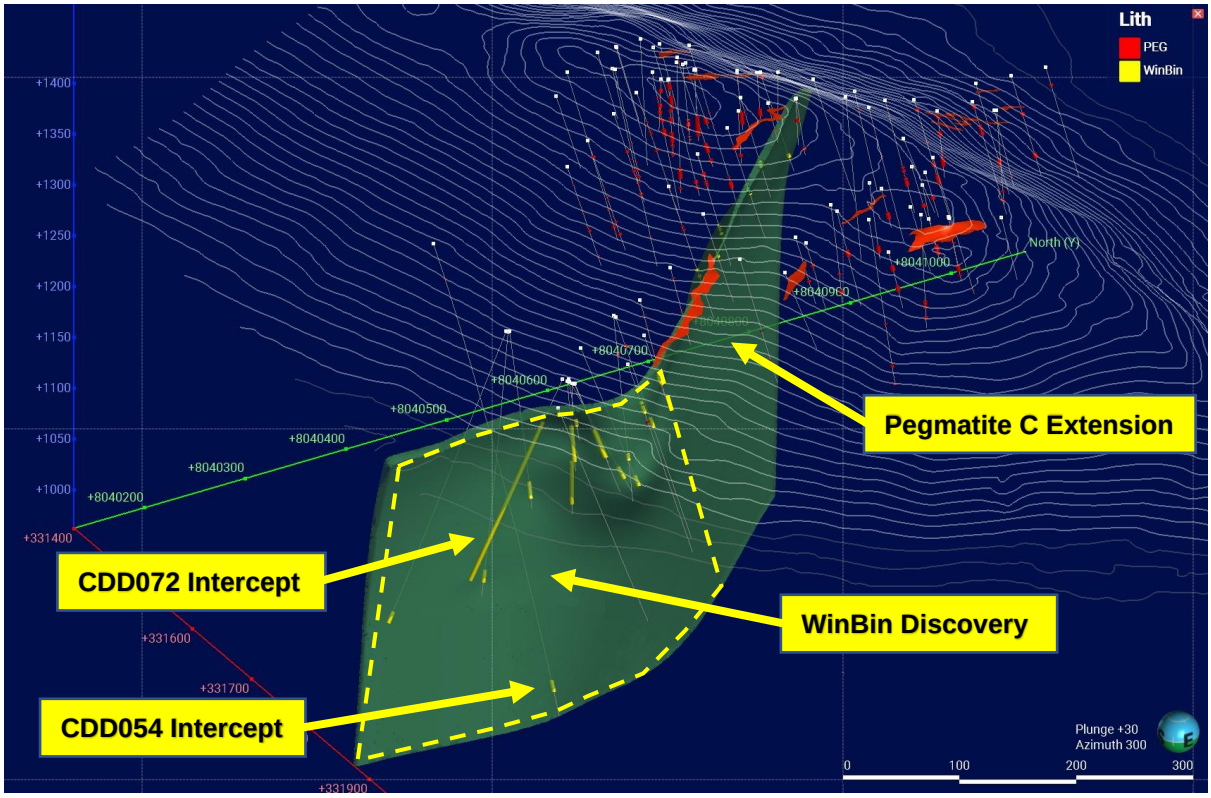

Figure 2: 3D oblique projection of combined WinBin/Pegmatite C extension looking northwest

Pegmatite E

Previous limited drilling completed on the Pegmatite E deposit (see Figure 3) at the northern end of the Step Aside licence produced interesting high-grade intersections of spodumene mineralisation, which have yet to be followed up at depth by Prospect (see Prospect ASX Announcements 20 October 2022 and 25 May 2023).

Better results included:

- 7.40m @ 1.28% Li_2O from 43.55m and 4.3m @ 1.15% Li_2O from 19.25m (CDD013)
- 6.28m @ 1.09% Li_2O from 67.52m (CDD031)
- 3.49m @ 1.59% Li_2O from 67.96m (CDD025)

The Phase 4 programme will include targeted drilling at depth beneath the Pegmatite E cluster, which is currently interpreted to strike over about 150m trending to the northwest.

Figure 3: Wide zone of high grade lithium mineralisation in CDD031 (Pegmatite E)

Phase 4 Diamond Drilling Programme

Following the substantial exploration success from the Phase 3 drilling programme, Prospect has approved a 2,000m Phase 4 diamond programme which will focus primarily on extending the WinBin discovery further south.

Additional exploration drilling will also target Pegmatite E, following up results of previously defined lithium mineralisation which produced high-grades at reasonable thickness. Prospect intends to commence Phase 4 drilling in late January 2024.

This release was authorised by Sam Hosack, CEO and Managing Director.

For further information, please contact:

Sam Hosack
Managing Director
shosack@prospectresources.com.au

Ian Goldberg
Chief Financial Officer
igoldberg@prospectresources.com.au

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 metals, 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 Statement

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 (CP) 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: Phase 3 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
CDD035B	DD	Pegmatite C	331815	8040505	1427	UTM_WGS84_36S (ARC 1950)	-60	85	100.00
CDD050	DD	Pegmatite C	331829	8040468	1413	UTM_WGS84_36S (ARC 1950)	-60	80	120.24*
CDD054	DD	WinBin	331709	8040306	1344	UTM_WGS84_36S (ARC 1950)	-60	80	419.73
CDD058	DD	Pegmatite C	331957	8040354	1334	UTM_WGS84_36S (ARC 1950)	-60	80	170.84*
CDD059	DD	Pegmatite C/WinBin	331910	8040334	1333	UTM_WGS84_36S (ARC 1950)	-60	70	134.84*
CDD061	DD	Pegmatite C/WinBin	331931	8040310	1319	UTM_WGS84_36S (ARC 1950)	-60	50	115.08
CDD062	DD	WinBin	331935	8040308	1319	UTM_WGS84_36S (ARC 1950)	-60	100	50.78
CDD063	DD	WinBin	331933	8040307	1319	UTM_WGS84_36S (ARC 1950)	-75	100	80.84
CDD064	DD	WinBin	331850	8040297	1329	UTM_WGS84_36S (ARC 1950)	-70	145	230.84
CDD065	DD	Pegmatite C	331873	8040477	1405	UTM_WGS84_36S (ARC 1950)	-60	80	80.08
CDD066	DD	WinBin	331850	8040298	1330	UTM_WGS84_36S (ARC 1950)	-60	110	152.78
CDD067	DD	WinBin	331939	8040311	1319	UTM_WGS84_36S (ARC 1950)	-60	70	75**
CDD068	DD	Pegmatite C	331907	8040370	1351	UTM_WGS84_36S (ARC 1950)	-60	80	200.84
CDD069	DD	Pegmatite C	331805	8040541	1438	UTM_WGS84_36S (ARC 1950)	-60	85	100.98
CDD070	DD	Pegmatite B	331962	8040506	1382	UTM_WGS84_36S (ARC 1950)	-60	70	71.84
CDD071	DD	Pegmatite C/WinBin	331905	8040364	1351	UTM_WGS84_36S (ARC 1950)	-55	110	160.00
CDD072	DD	WinBin	331925	8040305	1319	UTM_WGS84_36S (ARC 1950)	-65	195	203.84
CDD073	DD	Pegmatite C	331762	8040579	1435	UTM_WGS84_36S (ARC 1950)	-60	85	100.98
CDD074	DD	WinBin	331849	8040296	1330	UTM_WGS84_36S (ARC 1950)	-55	160	280.00

*** Re-entry**

**** Metallurgical Hole**

APPENDIX 2: Significant drill hole intersections for Phase 3 drilling at Step Aside

Hole ID	Deposit		From (m)	To (m)	Width (m)	Li2O_pct
CDD035B	Pegmatite C		*			
CDD050	Pegmatite C		*			
CDD058	Pegmatite C		*			
CDD059	Pegmatite C/WinBin		120.54	129.00	8.46	1.36
CDD061	Pegmatite C/WinBin		93.00	101.00	8.00	1.87
		incl.	96.00	100.00	4.00	2.12
CDD062	WinBin		34.30	35.94	1.64	0.91
CDD063	WinBin		45.00	65.00	20.00	1.34
			48.00	54.00	6.00	2.21
CDD064	WinBin		*			
CDD065	Pegmatite C		*			
CDD066	WinBin		131.00	143.00	12.00	1.45
CDD067	WinBin		*			
CDD068	Pegmatite C		*			
CDD069	Pegmatite C		*			
CDD070	Pegmatite B		*			
CDD071	Pegmatite C/WinBin		*			
CDD072	WinBin		*			
CDD073	Pegmatite C		*			
CDD074	WinBin		*			

*** Assays Pending**

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 492 samples (543 including QC inserts) were collected during Phase 3 of the project, all of which were diamond drill core samples. • A total of 44 diamond holes for 5,105.07 metres were completed in Phase 3, producing the 492 samples, which were collected over 481.02 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 (CRMs) produced by AMIS of Johannesburg, blanks and field duplicates were inserted into sample batches (with 4% of total submissions being CRMs, 3% blanks and 3% laboratory pulp duplicates). These insertions were completed post-preparation at the field camp, under the supervision of the Project Geologist. • The CRMs used were AMIS0342 (0.16% Li), AMIS0339 (2.27% Li), AMIS0684 (4454 ppm Li), and AMIS0683 (2023 ppm Li).
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core	• Diamond drilling was completed largely using a truck mounted KLR 700 Multipurpose rig, augmented for 6 weeks by a truck mounted

	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).	Geomech Africa (Atlas Copco) CS-1500 drill rig. The core diameter drilling size used in the majority of holes completed (43 of 44*) was HQ and NQ. HQ was drilled to an average depth of 28m before holes were cased [*In one instance, CDD067, which was a dedicated metallurgical hole, the hole was drilled in HQ down to an EOH of 75m, after PQ casing to 36m]. The sum of PQ metres, HQ metres, and NQ metres drilled in the Phase 3 programme totalled 5,105.07m.
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 bit, it 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 the relevant intersections logged.	• 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 5,105.07m, including all relevant pegmatite intersections.
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	• Core was split using an Almonte diamond cutter and a ¼ core section was sampled and bagged for preparation and analysis.

	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.	• Preparation involved samples being dried, weighed, crushed and milled >80% passing 75µm. • Of the total number (492) diamond core samples submitted for analyses in Phase 3, an additional fifty-one (51) QC inserts were included in dispatches, constituting a 10.4% insertion frequency. These QC inserts were comprised 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 Laboratories 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). • Of the total of 543 samples (492) excluding QC inserts) submitted during Phase 3 of the project, assays for 282 (252 excluding QC inserts) have been reported. The assay results of the diamond core samples were acceptable, as evidenced by evaluations of the thirty (30) QC inserts analysed. For the twenty-one (21) CRM control samples inserted to date, thirteen (13) have been reported. Of these, the three (3) high-grade CRM AMIS 339 inserts (2.27% Li) all reported well within 2 standard deviations (<5% variation) of the certified grade. Of the four (4) AMIS 683 standards (low-grade 2023 ppm Li) analysed, one (1) reported slightly below the lower 2 x S.D. threshold (10.3% variance), two (2) were within range, and one (1) reported slightly above the upper 2 x S.D. threshold (11.7% variance). Two (2) alternate low grade standards, AMIS 342

		(0.16% Li) were also included in the insertion sequence and have reported, of which one (1) was in range, and the other (1) reporting marginally above the upper 2 x S.D. boundary (12.9% variance). Additionally, four (4) midgrade standards, AMIS 0684 (4454 ppm Li), were inserted, with 3 reporting fractionally below the lower 2 x S.D. threshold (4.05%, 4.05% and 5.15% variance, respectively), and one (1) well within range. • A total of fifteen (15) blanks have been inserted to date, and of the ten (10) analysed and reported to date, all are within acceptable limits. • A sequence of fifteen (15) blind primary preparation pulp duplicate pairs have also been submitted for analysis, and of the seven (7) reported to date, all have reported <5% variance. • Additional to the XRD work conducted on the 26 samples of borehole CDD055 and reported on 13 November 2023, upon assay completion for Phase 3, the 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 will be processed for submission upon reporting of the final assay batches.
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 Exploration Manager, and 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 an EMS down-hole survey instrument, a Board Longyear TruShot tool, and latterly a Reflex EZTrac instrument. The tools were lowered down to take the measurements of the hole trace relative to magnetic north. Starting at the bottom of the hole the tools were raised to surface, and at 3m to 6m station intervals a reading was taken of both hole inclination and azimuth. These measurements were then converted from magnetic to UTM Zone 36 South (ARC1950) values. No significant hole deviations were evident in plan or section. • All planned collar positions were staked using a handheld Garmin GPS, with all final collar measurements being collected using a calibrated Differential GPS in UTM Zone 36 South (ARC 1950) values (see Appendix 1). After drill site rehabilitation, collar positions were marked with concrete beacons inscribed with all relevant borehole information.
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 targeting Pegmatites B,C,D and E were spaced approximately 30-50m apart along strike from north-north-west to south-southeast, and inclined east targeting subsurface continuations of the outcropping pegmatites. These drill holes targeted pegmatite intercepts at depths of between 30m to 80m vertically. Drill sites targeting WinBin were initially clustered around the discovery site, where a radiating fan of 7 holes were drilled at various orientations (from 050° through to 195°) to determine the strike of the body. Step-out drilling on WinBin was initially completed on an east-west

		orientation, with CDD054 located 220m west of the discovery cluster and drilling at an azimuth of 080°; and thereafter a fan of 3 holes oriented at 110°, 145° and 160° were drilled off a site positioned 80m west of the discovery cluster. These drill holes targeted intercepts of the WinBin pegmatite body at depths of between 25m to 320m vertically below surface topography.
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 targeting Pegmatites B, C, D, and E were sited north-south following the pegmatite's mapped strike direction, dipping generally eastwards approximately orthogonal to the interpreted dip direction of the targeted pegmatite bodies. The dip angle of these holes was planned to intersect the targeted pegmatites as near to perpendicular as possible. Drill sites targeting WinBin were sited east-west, dipping in a range of azimuths between east and south in order to determine the orientation of the body. Owing to a) the initially unknown strike, and b) the curving nature of the WinBin body subsequently defined, 2 intercepts were oblique to strike, however 9 holes successfully achieved orthogonal to sub-perpendicular intercepts.
Sample security	• The measures taken to ensure sample security.	• Minimal preparation was completed at site, with pegmatite intercepts and samples being stored and processed at the Company's new purpose-built Core Yard in Harare. Diamond core samples were placed in sealed bags to prevent contamination.
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 Q3 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 at Step Aside appears to be closely related to the regional Mashonganyika Fault. • There are seven outcropping and mapped pegmatite bodies occurring as a swarm at Step Aside, named Colga Pegmatites A to F, with an Extension to C having been

		identified in Phase 3. All the mapped pegmatites of the Colga Swarm have a general mapped north-northwest→south-southeast 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°. • The WinBin pegmatite body has no outcrop on surface to the south, and is currently interpreted as a feeder body to the Colga Swarm (and Pegmatite C in particular, the cojoining of which has been defined), and has a curved strike trending between north-west and south-southwest, and a general westerly dip of approximately 80°.
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 intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the 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').	• The drill holes were drilled with varying azimuths and dips intended to intersect the pegmatites perpendicularly to the mapped geological strike direction. Some variation to this was encountered when defining the orientation of WinBin specifically, owing to the absence of outcrop on this body. • 89% of holes intersected the pegmatites as planned, although the pegmatites do bifurcate and vary in thickness (and curve, as in the case of WinBin). • Borehole lines were drilled parallel to the north-northwest-south-southeast strike of the Colga Pegmatite Swarm; and in the case of WinBin, east-west diagonally to the subsequently defined strike of the body.
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.	• Relevant 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	• The Company believes that all results have been reported and comply with balanced reporting.

	grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
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 intercepts along strike to determine extent, width, and grade continuity of the defined pegmatites, particularly the newly discovered WinBin body and its cojoining with the Colga Swarm. The latter will necessitate opening up drilling access further south to ensure optimal orientation of new bore hole sites and may require re-entry and deepening of pre-existing holes to the north.