



QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2024

Prospect Resources Ltd (ASX: PSC, FRA:5E8) (**Prospect** or **the Company**) is pleased to report on its activities undertaken during the March 2024 quarter.

Highlights

Mumbezhi Copper-Cobalt Project, Zambia

- Two concurrent agreements executed for the acquisition of an 85% interest in the Mumbezhi Copper-Cobalt Project located in the highly prospective Zambian Copperbelt.
- Successfully unlocked this disputed and potentially world-class copper-cobalt asset by securing binding agreements with the parties involved and releasing its latent prospectivity.
- Subject to satisfaction of conditions precedent, Prospect has agreed to:
 - Acquire an 85% interest in Mumbezhi from current owner GDC for approx. US\$5.5 million in cash and US\$1m Prospect scrip (priced at a 20% premium to 5-day VWAP upon all CPs being satisfied).
 - Pay approx. US\$1 million in Prospect scrip plus options to ORP as reimbursement of select exploration costs on Mumbezhi, with ORP agreeing to withdraw all legal claims to the EL and share all historical geological and mining data pertaining to the Project.
- Significant exploration drilling conducted at Mumbezhi tenure by ORP over a period of 10 years, with a reported 50 RC and diamond drill holes undertaken for approx. 9,330 metres.
- Numerous economic and near-surface drilling intercepts have been returned from the Nyungu deposits, demonstrating the potential for a low-cost, large-scale open pit mine development at this asset (see Prospect Resources ASX Announcement 9 April 2024).
- The Project is surrounded by several world-class copper mines including Sentinel and Kansanshi, operated by First Quantum Minerals, and Lumwana, owned by Barrick Gold.

Step Aside Lithium Project, Zimbabwe

- Phase 4 programme consisting of 2,000m diamond drilling commenced, targeting extensions at WinBin further south and following up high-grade intersections at Pegmatite E.
- Remaining assay results were reported from the Phase 3 programme, with significant intercepts of:
 - **63.1m @ 1.17% Li₂O from 74.9m, incl. 41.0m @ 1.49% Li₂O from 97.0m (CDD072) – WinBin**
 - **17.0m @ 1.54% Li₂O from 52.0m, incl. 9.0m @ 2.13% Li₂O from 56.0m (CDD067) – WinBin**
 - **9.0m @ 1.12% Li₂O from 90.0m (CDD068) – WinBin**
 - **1.5m @ 1.38% Li₂O from 17.6m (CDD035B) – Pegmatite C**

— **2.2m @ 0.91% Li₂O from 37.5m (CDD065) – Pegmatite C**

- Final Phase 3 results confirmed that the high-grade mineralised zone at WinBin extends for considerable depth and strike from the initial discovery cluster and remains open to the south.
- Drill holes targeting Pegmatite C also confirmed that a broader mineralised zone continues further north-west through the co-joined WinBin/Pegmatite C Extension.

Omaruru Lithium Project, Namibia

- Phase 2 drilling programme commenced, targeting prospective geochemical anomalies identified at Karlsbrunn SE, Karlsbrunn NE, and Bergers Central.
- 70 mixed RAB and RC drill holes planned, consisting of approximately 4,250m of drilling.
- Assay results anticipated for release in late April 2024 will inform a more detailed RC drill programme later in CY2024.
- Prospect achieved 100% ownership stake of Omaruru, following successful execution of an agreement with Osino Resources to acquire the residual 60% interest for US\$75,000 cash.

Corporate

- At 31 March 2024, Prospect held A\$19.2 million cash and zero debt.

Prospect Managing Director and CEO, Sam Hosack, commented:

“The successful culmination of our transactional strategy for the world-class Mumbeszi Copper-Cobalt Project was an excellent way to round out a productive Q1 and lead into an exciting June quarter. This large-scale asset, hosted in the Zambian Copperbelt, significantly expands and diversifies our battery and electrification metals portfolio. Pending targeted future exploration success, it has the strong potential to advance into a low-cost, open pit mine development in the long term. We are excited to see where initial exploration and resource drilling takes us with this well-positioned, large scale critical mineral project.”

“At Step Aside, final results from our Phase 3 programme have produced further intercepts of robust lithium mineralisation, highlighting additional extensions to WinBin at depth and along strike, while also remaining open to the south. We now know that the broader mineralisation zone continues further northwest, through the cojoined WinBin/Pegmatite C extension. We are extremely pleased with the results to date from Step Aside, and with Phase 4 underway, we will continue our exploration agenda targeting further extensions to the current mineralised zone and further delineation of the footprint of this high-grade lithium deposit.”

Project Development

Mumbeszi Copper-Cobalt Project (Zambia); 85% PSC

Subsequent to the end of the March 2024 Quarter, two separate Sale and Purchase Agreements were executed for the acquisition of the Mumbeszi Copper Project (Mumbeszi or the Project), located in the Zambian Copperbelt in north-western Zambia (see Figure 1).

The area is prospective for large tonnage, low-to-medium grade copper-cobalt deposits. There are several major mines proximate to Mumbeszi, which are hosted in similar geological settings.

Project Overview

The Project is situated in the world-class Central African Copperbelt region of north-western Zambia and located on a single Large Scale Exploration Licence (30426-HQ-LEL) (Licence), covering an area of approximately 356km².

The Licence is 100%-owned by Global Development Cooperation (GDC) Consulting Zambia Limited (GDC) and was granted for four years on 2 December 2021. The licence is set to expire on 1 December 2025 but can be renewed for a further three years to 2028. However, this will require a reduction in size by 50% at the end of the initial four-year grant period. Alternatively, the entire licence can be converted into contiguous mining licences with no reduction in size based on new applications, which must comply with certain criteria under the Zambian Mines Act.



Figure 1. Location Map for Mumbezhi Copper Project in Zambia

Mumbezhi is located approximately 30 km south-west of the Lumwana Copper Mine, operated by Barrick Gold Corporation. This positions it in one of the most prolific, historic and prospective copper mining regions globally.

The mining operation at Lumwana is via a conventional open pit (truck and shovel) operation with reported Mineral Resources of **1.92 billion tonnes grading 0.52% Cu for 10 million tonnes of contained Cu**. Defined Ore Reserves at Lumwana are 480 million tonnes @ 0.58% Cu containing 2.8 million tonnes of contained Cu for a current 36-year life of mine.

(Source: Barrick Gold Corporation website www.barrick.com/English/home/default.aspx. Barrick Gold Corporation News Release, October 4, 2023. Barrick Strengthens Zambia Partnership, Invests in Major expansion of Lumwana Mine).

Several other world-class copper mines are located in this region, including Sentinel to the west and Kansanshi to the east, both operated by TSX-listed, First Quantum Minerals. Barrick Gold's nearby Lumwana Mine contains predominantly fresh copper sulphide mineralisation and is successfully treated through a conventional sulphide flotation plant to produce a saleable copper concentrate.

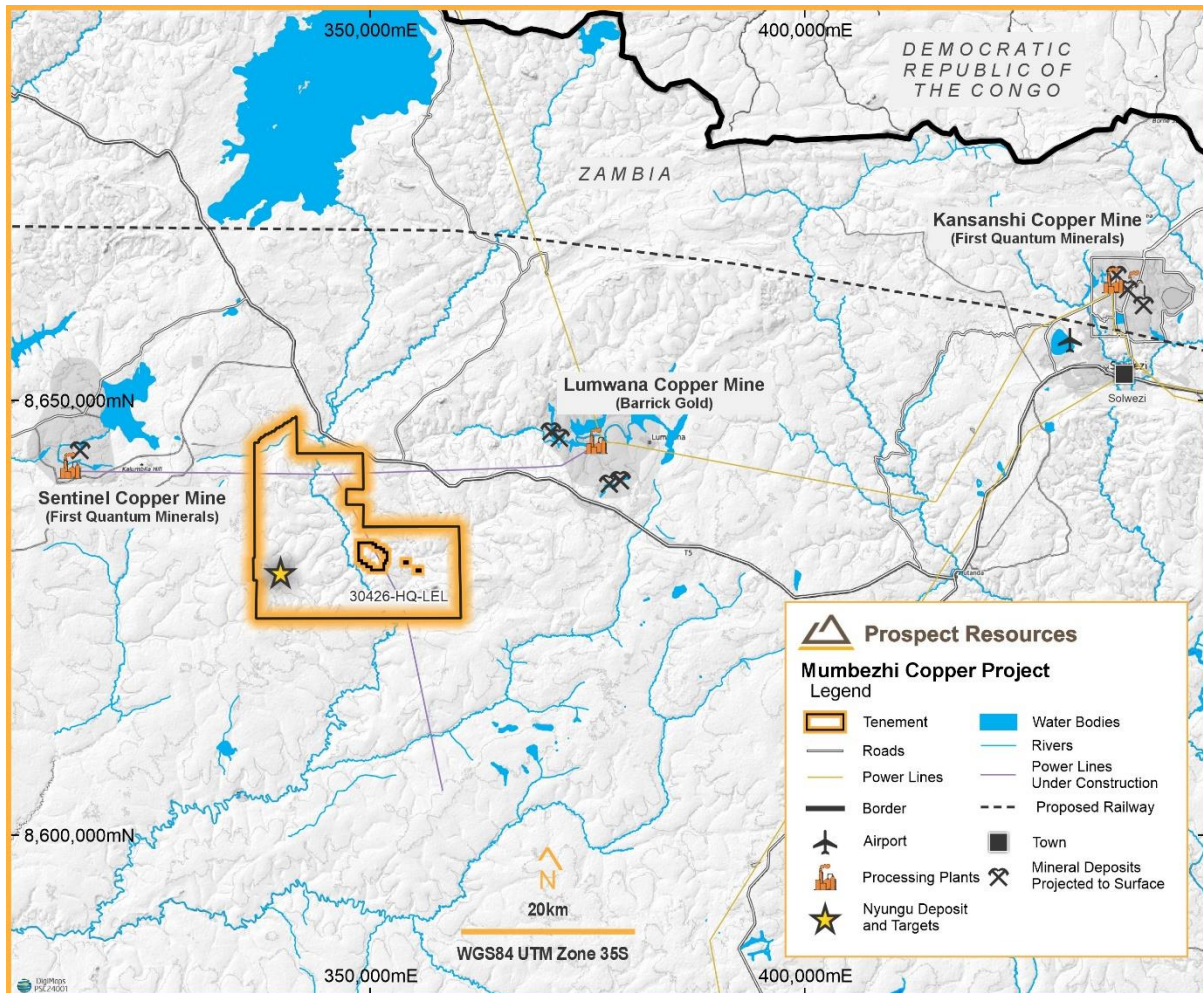


Figure 2. Mumbeszi Copper and Cobalt Project in Zambia

Acquisition of 85% interest in Mumbeszi

In exchange for an 85% interest in Mumbeszi (via the transfer of the Licence into a special purpose vehicle (Project Co) held 85% by Prospect and 15% by GDC), Prospect agreed to pay GDC:

- US\$5,500,000 cash (of which US\$150,000 will have been paid shortly following execution of the agreement); and
- Prospect shares to the value of US\$1,000,000 calculated based on a 20% premium to the VWAP Price during the 5 consecutive trading days prior to date on which the last Condition Precedent is satisfied or waived.

In connection with the Mumbeszi acquisition, Prospect has entered into a consultancy agreement with Mr Valentine Chitalu (Mr Chitalu). Mr Chitalu will assist Prospect with the completion of the

Mumbezhi acquisition and to advise Prospect in relation to its broader operations and investments in Zambia.

The consultancy agreement with Mr Chitalu is for a term of three years, which can be extended by agreement. The consulting fee payable to Mr Chitalu will be by a combination of cash and Prospect shares. Mr Chitalu will also be entitled to participate in Prospect's long-term incentive plan.

If the Mumbezhi acquisition completes and Prospect acquires the 85% interest in Mumbezhi, Prospect has agreed to grant Mr Chitalu an option to acquire up to a 5% ownership interest in Project Co which holds Mumbezhi, for US\$2.5 million (pro-rated if acquiring for less than 5%), subject to conditions and the terms of the shareholders agreement in relation to Project Co. The option is valid for 18 months after completion of the Mumbezhi acquisition.

In addition, Prospect also announced the appointment of Mr Mwelwa Manda, an experienced Mining Executive, in the role of Country Manager – Zambia.

Access to mining and geological data acquisition

Prospect agreed to reimburse ORP for some of their exploration costs conditional on ORP withdrawing all legal claims to the pre-existing exploration licence and sharing all historical geological and mining data. This included all technical and metallurgical testing information in relation to the licence and all physical drill core and samples, much of which has not yet been released to the ASX.

The commercial terms are as follows:

- Prospect issues \$1 million worth of Prospect shares priced at the 5 day VWAP on the date the Condition Precedent is satisfied and the number of options that is in the ratio of 0.75 options to each share issued, with a strike price of \$0.15 and a 3 year term, to ORP at completion.
- A contingent milestone payment to ORP of \$2,500,000 cash based on Prospect achieving a JORC-reportable Mineral Resource of 500,000 tonnes of contained copper, at a copper cut-off grade of 0.5% Cu from the Project.
- ORP agrees to cease and withdraw its appeal application to the Mining Appeals Tribunal of Zambia in relation to the cancellation of its pre-existing licence.

Subject to Prospect obtaining such data, it intends to evaluate it and conduct further exploration work to update the exploration results previously reported by ORP.

Previous geological data

On 10 June 2021, ORP released an Investor Update to the ASX which provided a summary of its Lumwana West Copper-Cobalt Project, indicating it was a Tier 1 copper exploration asset. Mumbezhi covers substantially the same area that was previously named the Lumwana West Copper-Cobalt Project.

At that time, ORP had completed approx. 50 holes at the Nyungu deposits, summarised below:

Nyungu Central: The deposit was previously defined by ORP by approx. 40 drill holes and is a significant mineralised copper deposit with strong potential for extensions. The demonstrated strike length is 1,700 metres (see ORP ASX Announcement 9 April 2013).

Nyungu South: The mineralised body was intercepted by approx. 10 drill holes in previous ORP drilling (see ORP ASX Announcement 9 April 2013). It covers a vast, undrilled IP (induced polarisation) geophysical anomaly that warrants significant further testing.

Nyungu North and East: As far as Prospect is aware, drilling reported to date has not explained geochemical anomalies at these prospects and further sub-surface testing is warranted for both.

Copper-cobalt mineralisation was described as being extensive and located near to natural surface and requiring further targeted drilling. ORP indicated strong potential for extensional drilling success at Nyungu.

Preliminary metallurgical test work was underway, with encouraging initial results that had produced a **copper concentrate grading 25.6% Cu at 87% recovery** from conventional flotation test work on fresh sulphide ore composites (see ORP ASX Announcement 10 June 2021).

Drilling re-commenced in August 2021 and the newly defined Nyungu East copper soil anomaly was targeted in November 2021 by ORP (see ORP ASX announcements 28 October 2021 and 30 November 2021).

ORP's 2021 programme involved the completion of 13 deep diamond drill holes for 3,102 metres targeting Nyungu Central and seven (7) shallow RC holes at Nyungu East, targeting near-surface copper oxide mineralisation.

As a result of the cancellation of its licence in October 2021, ORP never reported the results from these 2021 drilling programmes, which included the first 10 diamond holes at Nyungu Central. Pulp samples for the remaining three (3) diamond drill holes and 4m downhole composite samples from the seven (7) RC drill holes completed at Nyungu East have been located in Perth (WA) and all results will be reported in due course, pending all QAQC checks. As far as Prospect is aware, no substantive or additional exploration work has been undertaken for the Project by GDC since 2021.¹

- (1) The information in this announcement that relates to the history of Mumbeszi and previous exploration programmes is extracted from various public reports or market announcements not released by Prospect. Prospect has not yet independently validated this information and is not to be regarded as reporting, adopting or endorsing this information.

Hole	From (m)	To (m)	Interval (m)	Cu (%)
NYU11RD001	63	90	27	0.51
and	184	245	61	0.42
and	209	222	13	0.80
and	274	284	10	0.81
NYU11RD002	94	135	41	0.37
including	142	151	9	0.48
NYU11RD004	121	141	20	0.53
including	127	137	10	0.74
NYU11RD005	61	85	24	0.54
including	61	68	7	0.92
NYU11RD006	107	113	6	1.05
NYU11RD008	104	111	7	0.75
NYU11RD009	24	35	11	0.44
NYU11RD010	51	227	176	0.55
including	66	75	9	0.98
and	96.85	112	15.15	0.79
and	166	199	33	1.04
NYU11RD021	49	58	9	0.50
and	70	77	7	0.76
and	91	94	3	1.69
and	115	121	6	0.53
and	147	161	14	0.65
and	173	204	31	1.57
including	174	191	17	2.44
including	174	180	6	5.51
NYU11RD022	12	102	90	0.46
including	64	98	34	0.67
NYU11RD023	8	67	59	0.49
and	20	67	47	0.57
NYRD030	143	164.82	21.82	0.51

Hole	From (m)	To (m)	Interval (m)	Cu (%)
NYRD031	26	58	32	0.46
including	40	55	15	0.71
	77.00	83.10	6.10	0.66
and	157	162.35	5.35	0.82
and	216.90	295	78.10	0.59
NYRD038	246	295	49	0.40
including	258	289	31	0.54
including	259	267	8	0.95
NYRD039	107	124	17	0.40
NYRD040	27	56	29	0.54
including	47	54	7	1.24
NYRD043	38.65	47.65	9	0.61
NYRD045	29.55	101.00	71.45	0.61
including	63.55	84.79	21.24	1.03
	125.66	161.00	35.34	0.54
including	145.31	156.00	10.69	1.00
	220.55	285.25	64.70	0.49
including	258.25	269.25	11.00	1.02
NYRD046	69.25	126.75	57.50	0.44
	132.75	166.00	33.25	0.44
	172	264.88	92.88	0.66
including	183.38	221.50	38.12	1.04
MM296	92	109	17	0.73
	227	253	26	0.63
including	227	230	3	1.39
and	240	247	7	0.83
	389	403	14	0.73
including	394	402	8	1.16

Exploration results previously announced to the ASX:

- Significant copper intersections at Lumwana West, Zambia – 26 March 2012
- Further broad copper intercepts at Nyungu Central - 12 February 2013

Table 1. Significant Cu drilling intercepts for Mumbeszi area

Hole	From (m)	Interval (m)	Co (%)	Cu (%)
NYU11RD001	37	120.0	0.06	0.34
including	104	26.0	0.13	0.28
NYU11RD010	155	72.0	0.08	0.61
including	167	38.0	0.10	0.91
NYU11RD013	31	1.0	0.56	0.57
NYU11RD022	12	88.2	0.07	0.47
including	42	10.0	0.19	0.61
NYRDO31	236	59.9	0.07	0.50
including	237	22.0	0.13	0.58
NYRDO38	258	29.0	0.12	0.55
including	259	21.0	0.16	0.57
NYRDO44	181.5	12.2	0.10	0.18
including	186.8	6.0	0.16	0.24
NYRDO45	38.5	69.0	0.06	0.58
including	93	8.0	0.11	0.29
NYRDO46	183.4	81.5	0.12	0.71
including	218.5	23.0	0.21	0.51
MM296	88	53.0	0.05	0.30
including	90	12.0	0.13	0.50

Table 2. Significant Co drilling intercepts for Mumbesghi area

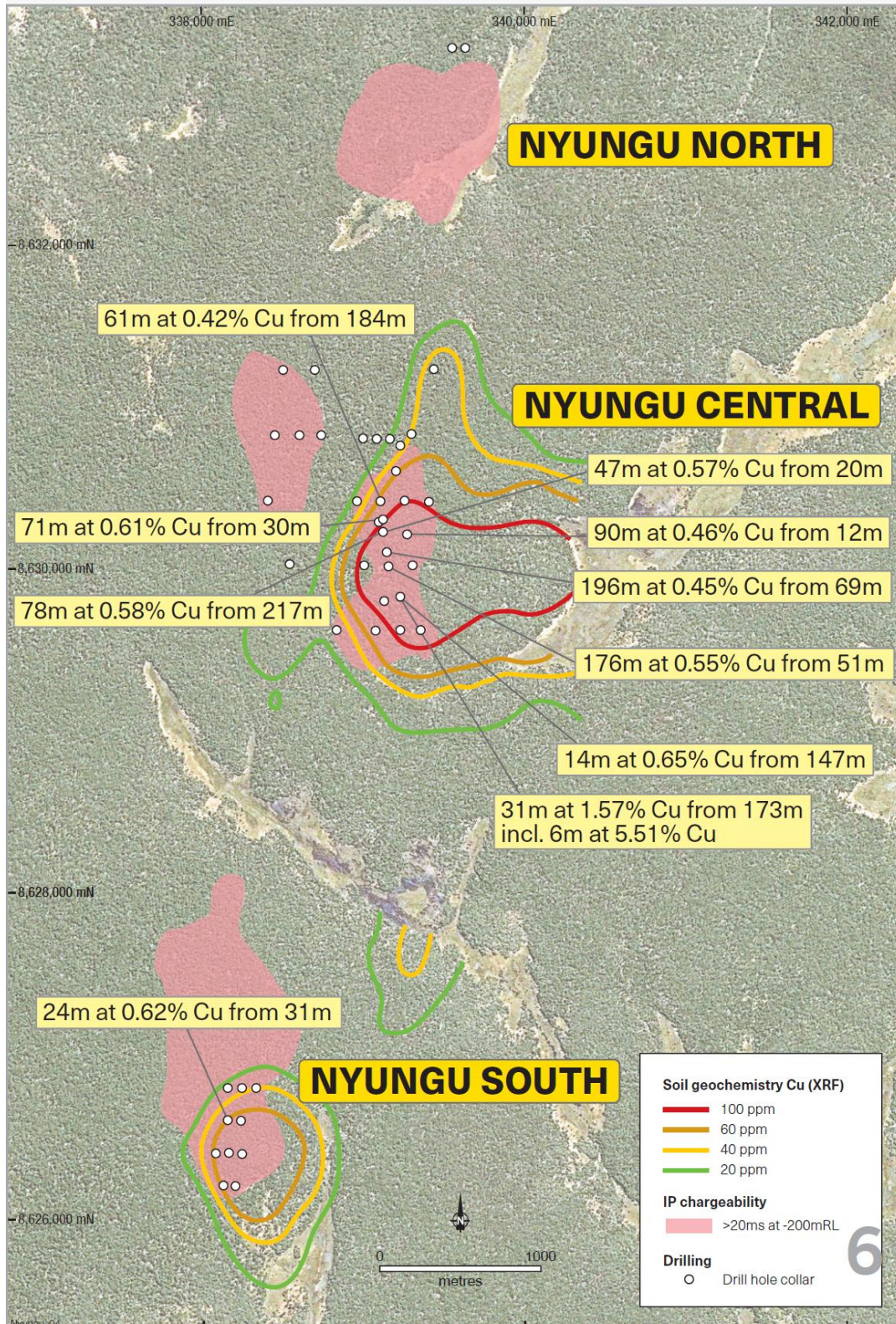


Figure 3: Nyungu Copper-Cobalt deposits and surrounding targets

(Source: Orpheus Uranium Limited, ASX Announcement dated 10 June 2021)

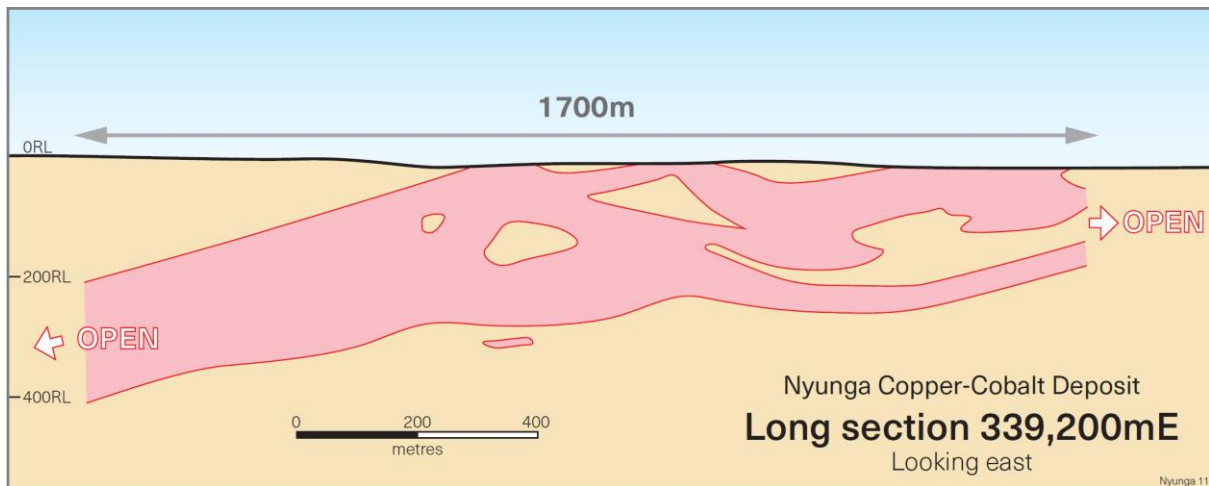


Figure 4: Nyungu Central Copper-Cobalt deposit outline

(Source: Argonaut Resources NL, ASX Announcement dated 10 June 2021)

Nyungu Copper-Cobalt Project

Exploration Targets for copper and cobalt have been defined by ORP to JORC-reportable standards.

Commodity	Tonnage Range	Grade Range	Contained Metal Range
	(Mt)	(%)	(kt)
Copper*	130 to 180	0.45 to 0.65	580 to 1,150
Cobalt^	15 to 20	0.08 to 0.12	12 to 24

* Copper Exploration Target announced to the ASX by PSC on 9 April 2024.

^ Cobalt Exploration Target announced to the ASX by PSC on 9 April 2024.

Exploration Targets have been independently estimated to JORC (2012) reporting standards.

The Exploration Target potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a Mineral Resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the "Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Next Steps

- Complete full analysis of the 2021 ORP drilling programmes.
- Review and collate all existing data and re-interpret for resource infill and extension drilling, including technical programmes to support further metallurgical test work.
- Review all existing metallurgical testing and determine proposed optimal processing flow sheets and plant design.
- Satisfaction of all Conditions Precedent for both purchase agreements.

Step Aside Lithium Project (Zimbabwe); 90% PSC

Prospect's 90%-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 5). Step Aside is 8 km north of the Arcadia Lithium Project, which was discovered by the same Prospect exploration team, and holds a Mineral Resource estimate of 72.7 million tonnes grading 1.02% Li₂O. The Arcadia asset was sold to Huayou Cobalt by Prospect in mid-2022 for approximately US\$422 million cash and is currently in operation utilising the technical output developed by the prospect technical team.

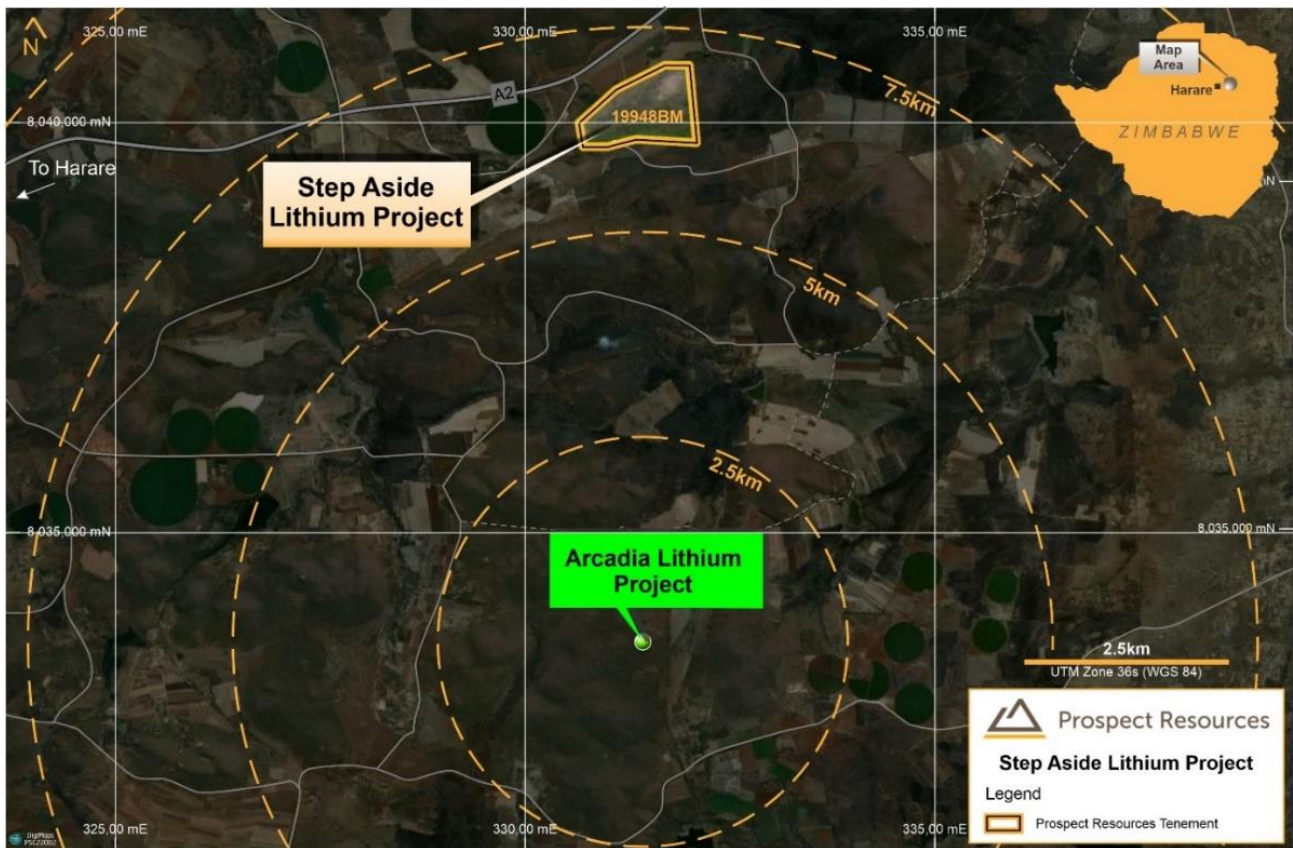


Figure 5: Locality Map of Step Aside Lithium Project, within 8km north of Arcadia

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.

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.

In October 2023, scout drilling in the area south of the Pegmatite B and C deposits led to the identification of a significant new lithium mineralised pegmatite body, which Prospect subsequently named "WinBin" after Prospect team members James Winch and Enias Binala.

Following these results, the initial Phase 3 diamond drilling programme was extended to further target this new discovery. The programme was subsequently completed in December 2023.

Final Phase 3 drilling programme results

The final results from the Phase 3 diamond drilling programme at Step Aside were received in late January 2024 (as reported in Prospect Resources ASX announcement dated 31 January 2024). This includes assays for the large diameter metallurgical drill hole CDD067, which effectively twinned the discovery hole CDD055 (see Figure 6).

A very promising result was returned from drill hole CDD072, which was initially designed to intersect the WinBin pegmatite obliquely to its interpreted strike, however, the drill trace passed directly along the intrusion, resulting in an uninterrupted 160.39m pegmatite intersection of the deposit that was variably zoned internally (Prospect ASX Announcement 20 December 2023).

The central section of this long intersection (interpreted as the zoned core) was strongly mineralised with lithium, returning a **63.1m** intercept grading **1.17% Li₂O** from 74.9m down hole, and including an impressive **41.0m @ 1.49% Li₂O** section from 97.0m (see Figure 6).

This result effectively derisked proposed Phase 4 drilling of the WinBin deposit further south of the original discovery hole cluster, confirming that high lithium grades and spodumene mineralisation exists both at depth, to at least 110m vertically from natural surface, and approximately 100m along strike from the CDD055-056 intersections.

Completion of the Phase 3 programme and the return of all assays has further demonstrated that the thickened, deep set, lithium mineralisation defined at the WinBin deposit inflects and cojoins an extension to Pegmatite C and forms an arcuate system striking over at least 580 metres, which is open at depth.

Assay results were also returned from a number of holes (including re-entries) targeting Pegmatite C, northwest of WinBin. Whilst the results showed narrower intersections than the feeder system, they indicate that Step Aside continues to return high lithium grades close to surface.

Significant intercepts returned for the Pegmatite C drilling included:

CDD035B 1.50m @ 1.38% Li₂O from 17.56m

CDD065 2.22m @ 0.91% Li₂O from 37.52m

CDD050 1.23m @ 1.06% Li₂O from 74.77m

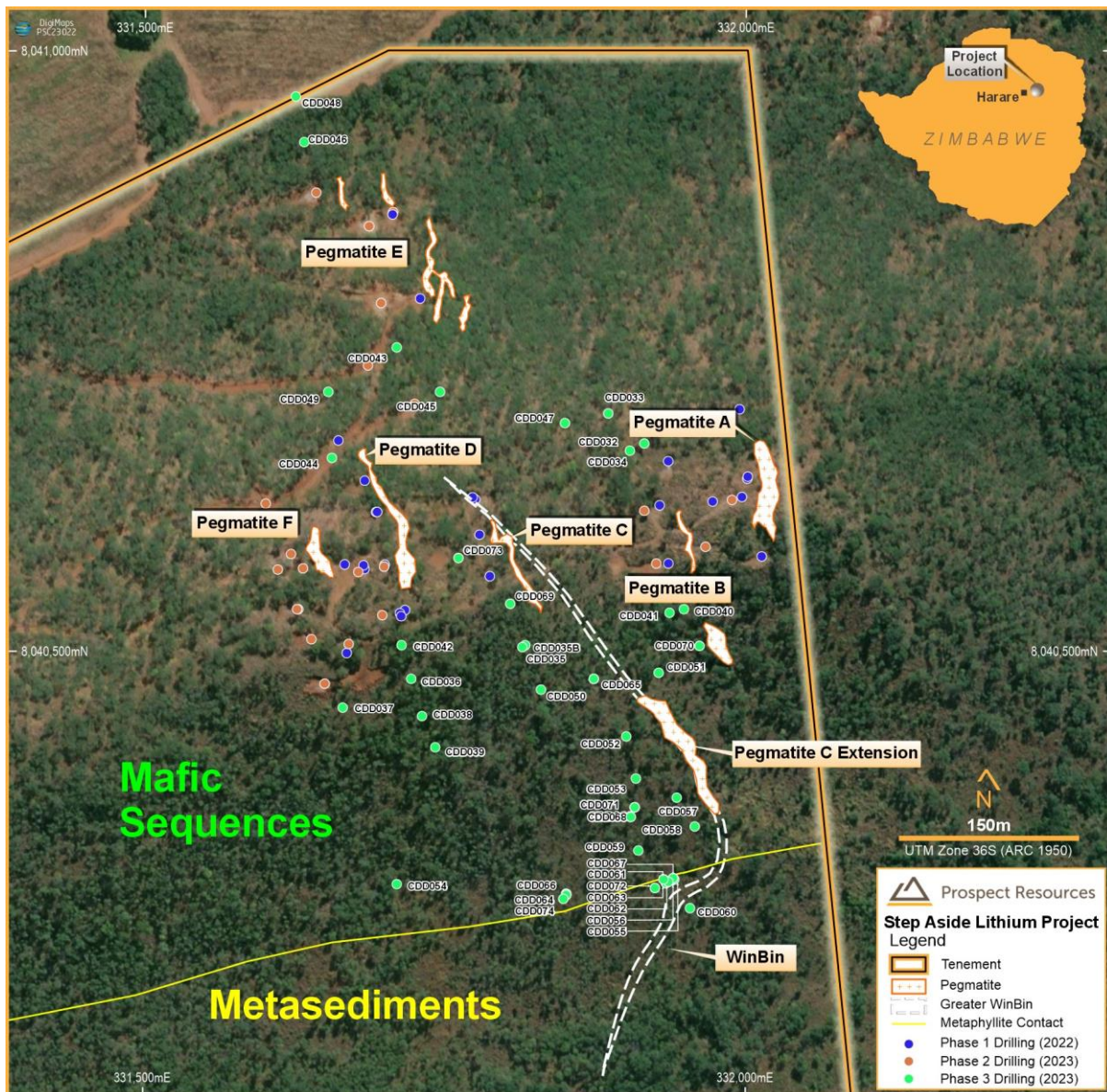


Figure 6: Plan view showing Phase 3 diamond drilling at Step Aside and WinBin interpretation

The extended Phase 3 programme proved 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.

Importantly, the drill intersections and assays returned from CDD072 showed that WinBin is variably zoned internally, with a higher-grade core holding coarse spodumene mineralisation that extends to considerable depth and strike, from the initial discovery hole cluster where the system bends towards the northwest (see Figure 6 above).

The newly returned results have consolidated the Company’s 3D interpretation of the WinBin mineralisation and have helped to refine the Phase 4 diamond drilling programme, which is currently underway.

Preliminary metallurgical test work studies are also currently underway for Step Aside.

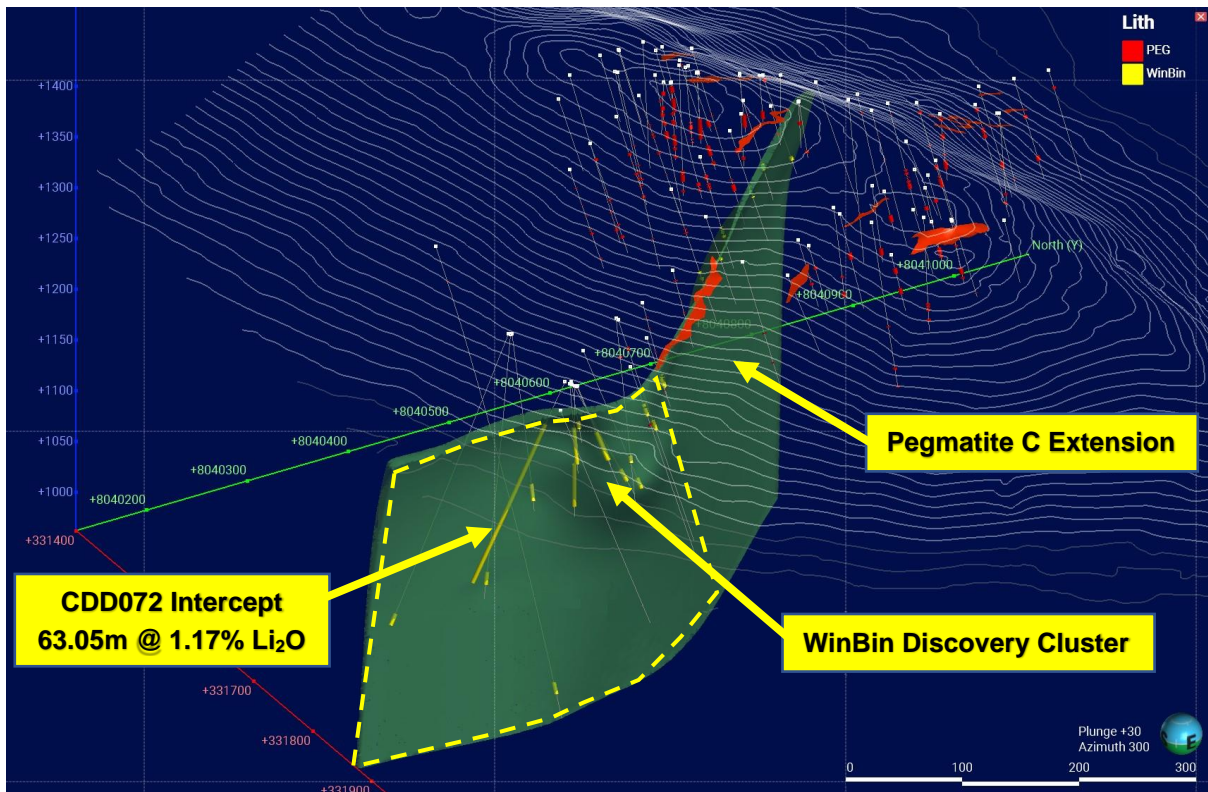


Figure 7: 3D oblique projection of combined WinBin/Pegmatite C extension looking northwest

Phase 4 Diamond Drilling Programme

Following the substantial exploration success from the Phase 3 drilling programme, Prospect commenced a 2,000m Phase 4 diamond programme in late January 2024.

The programme focuses primarily on extending the WinBin discovery further south, along with additional exploration drilling at Pegmatite E.

This additional drilling targeting Pegmatite E follows on from previous results of previously defined lithium mineralisation which produced high grades at reasonable thickness (see Prospect ASX Announcement 20 December 2023).

The Phase 4 programme is expected to be completed with all assays received by the end of Q2 2024.

Omaruru Lithium Project (Namibia); 100% PSC

The Omaruru Lithium Project, comprising the EPL 5533 tenement, is centred on the village of Wilhelmstal, east of Karibib in Namibia and covers 132 square kilometres (see Figure 8). The tenement is located near a number of advanced mining projects, including Osino Resources' Twin Hills Gold Project (recently acquired by Yantai Gold and Lepidico's Karibib Lithium Project).

EPL 5533 contains 60 visible outcropping LCT pegmatites, with historical artisanal workings for gemstones common throughout the tenement and considerable prospectivity for the identification of further lithium-enriched deposits occurring below cover in the region.

Exploratory soil geochemical sample survey programmes completed by Prospect in 2023 have outlined coherent anomalies of LCT pathfinder elements that, after drilling, have outlined highly encouraging intersections of lithium (e.g. >1% Li₂O at Bergers) within concealed, "blind" pegmatites.

Omaruru offers excellent potential for Prospect to delineate a maiden JORC-reportable lithium Mineral Resource and identify new deposits, as well as establishing a strategic position in Namibia, providing an attractive growth pipeline in the battery minerals sector and continued investment in a desirable jurisdiction of sub-Saharan Africa.

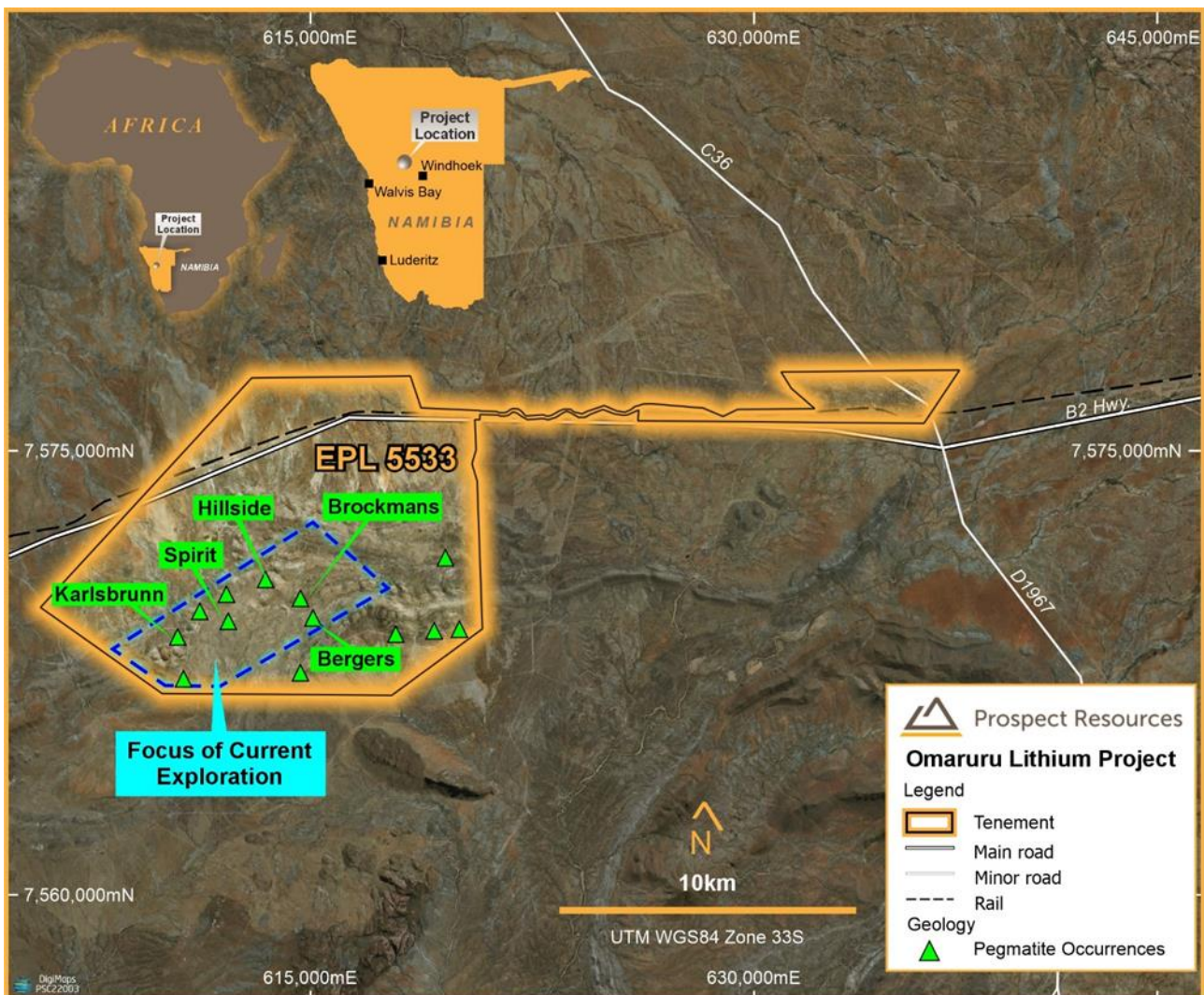


Figure 8: Location of the Omaruru Lithium Project tenement in Namibia

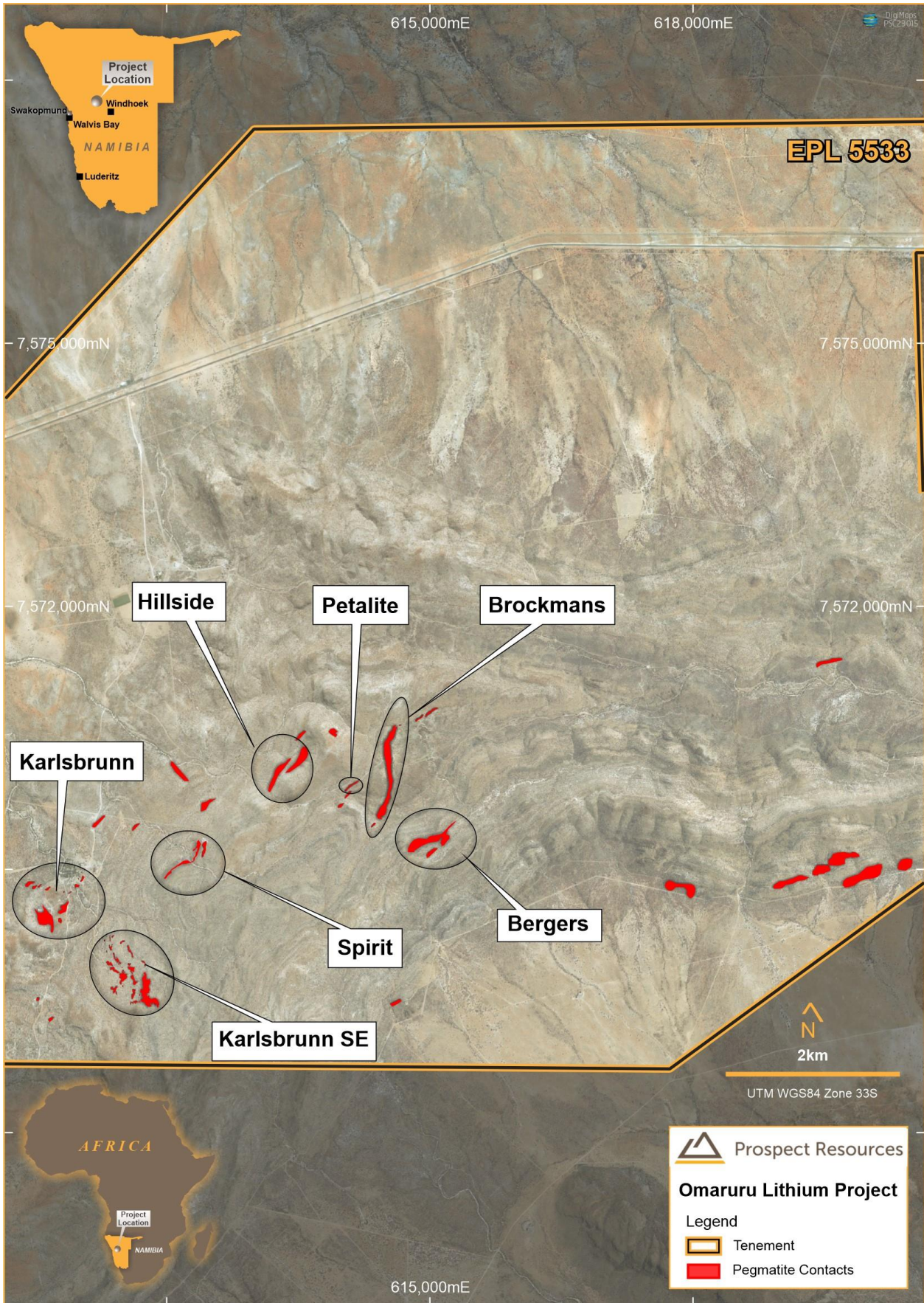


Figure 9: Detailed map showing location of mapped pegmatite occurrences at Omaruru

Phase 2 Programme

In January 2024, Prospect commenced Phase 2 drilling at Omaruru. The programme was designed to target prospective geochemical anomalies at Karlsbrunn SE, Karlsbrunn NE and Bergers Central, which were identified in field programmes conducted through CY2023 (refer Prospect Resources ASX release dated 15 November 2023).

The initial Phase 2 drilling plan consisted of a combination of approximately 70 RAB and RC drill holes for a total of approximately 4,250 metres drilled. The RAB drilling programme will test the full extent of the anomalous soil geochemistry and mapped surface and inferred subsurface extents of the LCT pegmatite deposits.

The programme also included further targeting of the root zone feeder system identified on the southeast flank of Karlsbrunn Main, which previously returned 35m @ 0.85% Li₂O from surface (refer Prospect Resources ASX Announcement dated 30 August 2023).

All assays are expected to be returned by late-April 2024. Results from this programme are expected to further define the geometry, depth and strike extent of key lithium-mineralised pegmatites. The outcomes are also expected to inform the generation of a more detailed and deeper RC drilling programme, which is targeted at a potential JORC-reportable lithium Mineral Resource estimate during CY2024.

Acquisition of remaining 60% stake in Omaruru

On 21 March 2024, Prospect advised it had executed the agreement with Osino Resources to acquire the residual 60% ownership interest in Richwing Exploration (Pty) Ltd (Richwing), the 100% owner of the Omaruru Lithium Project.

The agreed consideration for the purchase was a nominal US\$75,000 cash. After completion, Prospect will hold a 100% interest in Richwing (and thus Omaruru). Key conditions precedent to completion are administrative in nature and not material to completion.

The agreement for Prospect to purchase Osino's residual interest in Omaruru has been precipitated by the recently announced combination transaction between Osino and Yantai Gold, which is focused on Osino's flagship Twin Hills Gold Project in Namibia.

Kesya Rare Earths Project (Zambia); right to earn up to 51% PSC

The Kesya Rare Earths Project (**Kesya REE Project, Kesya** or the **Project**) comprised a single Large-Scale Exploration Licence (**LEL**) application covering just over 1,053 hectares. It is located near the town of Kafue in southern Zambia, which is approximately 90 km via a sealed road from the Zambian capital, Lusaka.

In May 2023, Prospect executed an Option Agreement with Antler Exploration Zambia Limited (AEZL), a Zambian-based subsidiary of TSX-listed Antler Gold Inc., pursuant to which, subject to satisfaction of conditions precedent, Prospect would have held the right to earn a 51% interest in the Project.

Project Future

Following an extensive review of its forward strategy, Prospect has elected not to exercise the option with Antler, as the conditions precedent were not satisfied within the stipulated nine (9) month period.

Prospect will continue ongoing business development activities pertaining to the acquisition of advanced battery and electrification mineral project opportunities in sub-Saharan Africa. The Company is placing a particular focus on identifying suitable high quality and prospective copper and rare earth mineral assets that align with its ongoing strategy to become a developer and producer of these commodities.

Corporate

Cash Balance

Prospect finished the quarter with a cash balance of approximately A\$19.2 million and zero debt (excluding typical trade creditors).

Issued Capital

The Company confirms it currently has 463,331,962 ordinary shares on issue and 26,516,333 non-listed options and 5,072,115 performance rights on issue.

Appendix 5B – Related Party Payments

During the Quarter, the Company made payments of A\$0.109 million to related parties and their associates.

This release was authorised by Sam Hosack, Managing Director of Prospect Resources Ltd.

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 focussed on the exploration and development of mining projects, specifically battery and electrification minerals, in Zimbabwe and the broader sub-Saharan African region.

Information in relation to previous exploration

The information in this announcement that relates to the history of Mumbeszi and previous exploration programmes is extracted from various public reports or market announcements not released by Prospect. Prospect has not yet independently validated this information and is not to be regarded as reporting, adopting or endorsing this information.

Competent Persons Statement

The information in this announcement that relates to Exploration Targets and Exploration Results is extracted from various ASX announcements released by Orpheus Uranium Limited. 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, states that the Exploration Targets and Exploration Results in this announcement are an accurate representation of the available data and studies for the Project. 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".

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 A: PROSPECT TENEMENT SCHEDULE

As at 31 March 2024, Prospect Resources Limited has interests in tenements via the following companies:

Eagle Lithium Resources (Private) Ltd – Step Aside Project

Richwing Exploration (Pty) Limited – Omaruru Project

Tenement Type & Number	Tenement Name	Country	Project	Registered Company Name	% Held at End of Quarter	% Acquired During Quarter	% Disposed During Quarter
ME19948BM	Step Aside	Zimbabwe	Step Aside	Eagle Lithium	90%	0%	0%
EPL 5533	Omaruru	Namibia	Omaruru	Richwing Exploration	40%	0%	0%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PROSPECT RESOURCES LIMITED

ABN

30 124 354 329

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	0	0
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(333)	(1,454)
(b) development	0	0
(c) production	0	0
(d) staff costs	(711)	(2,183)
(e) administration and corporate costs	(423)	(1,176)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	230	689
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	0	0
1.9 Net cash from / (used in) operating activities	(1,237)	(4,124)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) tenements	0	0
(c) property, plant and equipment	(22)	(269)
(d) exploration & evaluation (if capitalised)	(372)	(1,787)
development expenditure	0	0
(e) investments	(327)	(801)
(f) other non-current assets	0	0

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
	Net proceeds from assets held for sale		
	Cash flows for loans to minority interest		
	Interest received		
2.6	Net cash from / (used in) investing activities	(721)	(2,857)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (return of capital)	0	0
3.10	Net cash from / (used in) financing activities	0	0

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,165	26,190
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,237)	(4,124)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(721)	(2,857)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	16	14
4.6	Cash and cash equivalents at end of period	19,223	19,223

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	372	2,293
5.2	Call deposits	18,038	18,382
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
	US dollars at bank	729	451
	Zimbabwe dollars at bank	0	0
	Petty cash	84	39
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	19,223	21,165

6. Payments to related parties of the entity and their associates

- | | Current quarter
\$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | (109) |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | 0 |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Director fees

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0
7.5 Unused financing facilities available at quarter end		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,237)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(372)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,609)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	19,223
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	19,223
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	12.0
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/a
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/a
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: Sam Hosack
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.