



## QUARTERLY ACTIVITIES REPORT

### FOR THE QUARTER ENDED 31 DECEMBER 2024

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

### Highlights

#### Mumbezhi Copper Project, Zambia

- Phase 1 diamond drilling programme completed for 9,516 metres, with initial results producing wide, high-tenor intersections of significant copper mineralisation at the key Nyungu Central deposit.
- Notable intersections include:
  - **36.1m @ 0.95% Cu** from 381.0m and **17.0m @ 0.88% Cu** from 59.0m (NCRD004R)
  - **35.0m @ 0.84% Cu** from 60.0m (NCRD006)
  - **31.2m @ 0.60% Cu** from 177.0m and **23.0m @ 0.78% Cu** from 71.0m (NCRD007)
  - **26.0m @ 0.53% Cu** from 177.0m (NCRD005)
  - **47.3m @ 0.63% Cu** from 232.3m and **10.0m @ 0.76% Cu** from 87.0m (NCDD007)
  - **13.4m @ 0.53% Cu** from 81.3m (NCDD005)
- Assays from 14 holes at Nyungu Central and five holes from Kabikupa were outstanding at the end of the Quarter.
- Results demonstrate down dip extensions to sulphide mineralisation at Nyungu Central and increase the deposit's strike length to 1.4km, plunging north.
- Widths and copper grades from Phase 1 drilling have strongly validated and substantially extended the historical Mumbezhi data sets, increasing confidence in overall prospectivity to significantly grow the Nyungu deposits.
- Geophysical Induced Polarisation (**IP**) surveys completed over five prospective regional targets.
- IP surveys at the Nyungu North, West Mwombezhi and Kabikupa prospects defined significant chargeable anomalies that extend the potential footprint of copper mineralisation for the Mumbezhi Copper Project, with visual confirmation of sulphides at Kabikupa within the five recently drilled boreholes. (pending assays) Three coherent anomalies were delineated at Nyungu North and strike over 5km, within a prospective geological corridor north of the flagship Nyungu Central deposit:
  - Includes a 550m-long anomaly immediately north of the current Phase 1 drilling, delivering a walk-up step-out drilling target for Nyungu Central.
  - Two other anomalies located further north and striking over 1km each; represent significant opportunities to grow the copper endowment outside of Nyungu Central.
  - This structural corridor extends for some 16km from the partially drilled Nyungu South deposit close to the southern edge of the licence to the West Mwombezhi prospect in the north. The latter hosts an impressive, but as yet un-drilled IP anomaly.

- High-potential Nyungu North and Nyungu Central targets are set to be tested as part of a growth-focused Phase 2 drilling programme at Mumbhezhi, scheduled to commence in H1 CY2025.
- Two Large Scale Mining Licence applications over the Mumbhezhi Project were submitted in late December, covering the entirety of Prospect's underlying Large Scale Exploration Licence and have been validated, pending approval
- Targeted declaration of a maiden JORC-reportable Copper Mineral Resource estimate (**MRE**) for Mumbhezhi Project during Q1 CY2025, informed by 25,000 metres of drilling to date.
- The Company has instigated a process to sell the Step Aside Lithium Project and compiled a comprehensive technical Data Room for this purpose, with several parties now showing interest.

## Corporate

- Retirement of Non-Executive Director Mr Zed Rusike from the Prospect Board.
- At 31 December 2024, Prospect held A\$8.5 million cash and zero debt.

## Prospect Managing Director and CEO, Sam Hosack, commented:

*"Recent assay results, combined with our validated historical data, have expanded the mineralised footprint of Nyungu Central, revealing additional strike, dip, and plunge extensions to the north. This strengthens our conviction that the Mumbhezhi Project is a highly prospective copper asset. With drilling now complete, we expect to receive and release the remaining Phase 1 assay results in early Q1 CY2025. These will contribute to the forthcoming maiden JORC-reportable Mineral Resource estimate for both Nyungu Central and Kabikupa, which is on track for completion within the current Quarter."*

*"In addition to ongoing drilling, we have successfully completed geophysical Induced Polarisation (IP) surveys at Mumbhezhi. These have revealed several new chargeable targets, including three anomalies along a minimum 5km strike within the mineralised Nyungu Corridor. This structural corridor stretches for 16km from the partially drilled Nyungu South, to the West Mwombhezhi prospect in the north. Among these IP anomalies, a 550m-long high-priority step-out target immediately north of Phase 1 drilling stands out, along with two other anomalies, each over 1km in strike length. IP results from the emerging Kabikupa prospect have also highlighted significant regional growth potential, based on the strength of the IP anomaly, termite hill geochemical anomalies and the mineralised intercepts observed in the five holes drilled there. The significant mineralisation vindicates the use of IP and termite hill geochemical sampling."*

*"These promising geophysical anomalies at West Mwombhezhi, the Nyungu Corridor and Kabikupa represent high-priority targets for further drilling in the planned Phase 2 programme, set to begin later in H1 2025. The whole corridor is now deemed prospective, warranting further focused IP and termite hill sampling to identify highest priority drill targets."*

*"Another important milestone for us is the successful application for two Mining Licences covering the entire Mumbhezhi Project. This achievement further solidifies our position within the Zambian Copper Belt."*

*"The growth strategy we've built for Mumbhezhi aligns perfectly with the projected demand-driven dynamics in global copper markets for CY2025. As a critical metal for battery technology and electrification, copper is essential to the green energy transition and emerging AI technologies. These long-term market tailwinds are further supported by Zambia's national copper growth strategy, which aims for 3 million metric tonnes of annual copper production by 2031. As a stable and supportive mining jurisdiction with world-class copper potential, this target also opens up several exciting investment opportunities for Prospect in the short- and medium-term."*

*"With a strong financial position and a clear exploration strategy operated by our well credentialed team, we are well-equipped to advance our activities at Mumbhezhi throughout CY2025. Stay tuned for what promises to be an exciting year ahead for Prospect and its shareholders."*

**Mumbezhi Copper-Cobalt Project (Zambia); 85% PSC**

Prospect's Phase 1 drilling programme commenced at Mumbezhi in July 2024. The programme was primarily focused on Mineral Resource definition drilling and extensional opportunities at Nyungu Central where historical drill hole intersections previously produced impressive results. The programme also encompassed some scout exploratory drilling at the Kabikupa Prospect, 11km northeast of Nyungu Central where historical drilling by the previous operators had returned high-grade copper intersections near surface.

Phase 1 drilling was subsequently completed, prior to the commencement of the wet season in Zambia. In total, the programme consisted of 47 mixed RC and diamond drill holes for a total of 9,516 metres (Figure 1).

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**Figure 1. Nyungu Central drill hole collar plan showing Phase 1 drill holes (green), historical holes (yellow) and drilling sections described in this release (dashed blue lines)**



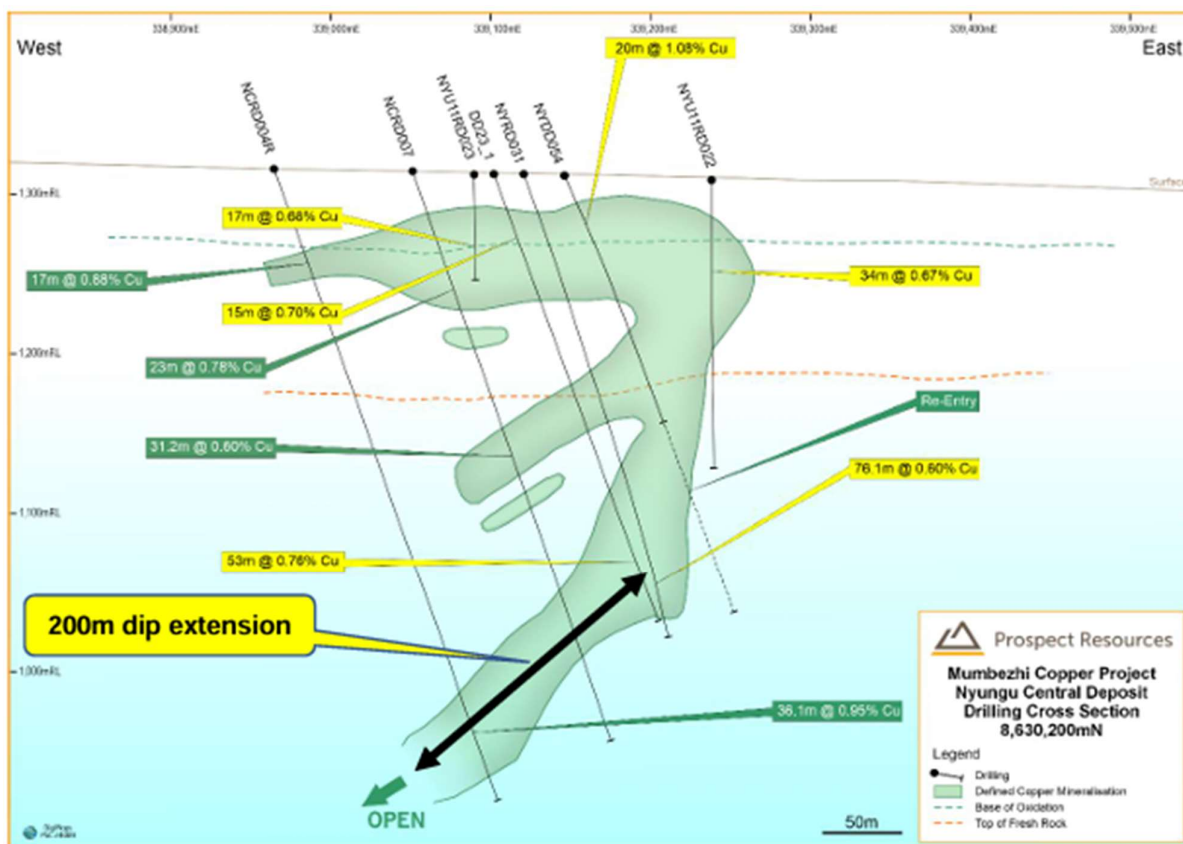
### ***Strong intercepts returned from drilling at Nyungu Central***

#### Nyungu Central

Drill holes NCRD004R and NCRD007 on cross section 8630200mN returned exceptional intersections at depth and extended the copper sulphide mineralisation down dip and importantly, extended the strike beyond 250m on the lower zone opening up the northern corridor in this part of the deposit to potentially delineate substantial new resource volumes (see Figures 2 and 3).

These intercepts produced results of:

- **36.1m @ 0.95% Cu from 381.0m (NCRD004R)**
- **31.2m @ 0.60% Cu from 177.0m and 23m @ 0.78% Cu from 71.0m (NCRD007)**



**Figure 2. Drilling cross section at 8630200mN**

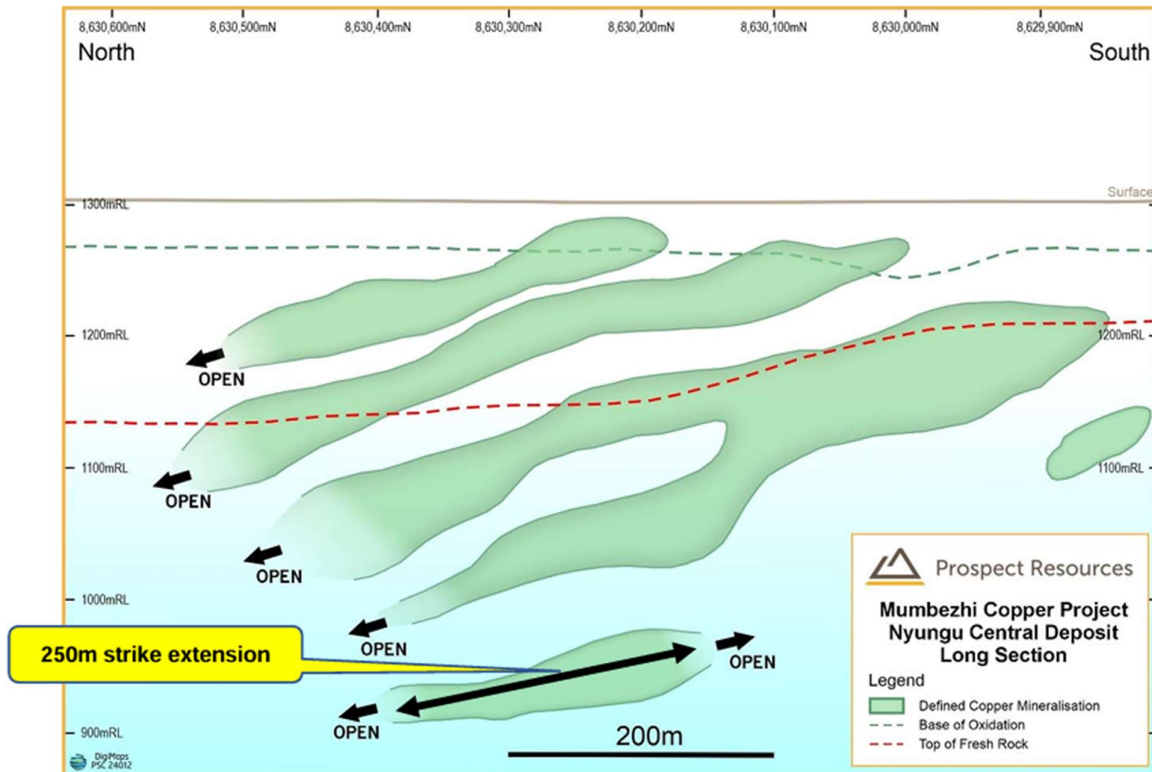
What emerged over the course of drilling at Nyungu Central was a geological model less influenced by structural folding, towards one describing more thickened tabular thrust sheets of repeatable copper-bearing horizons with significant extent down plunge and trending shallowly to the northeast (see long section in Figure 3).

The model led to a re-evaluation of historical drilling, which previously relied on interpreted fold closures up dip to the east and did not test continuity of the thrust sheets now being more predictively observed to the west.

As a result, Prospect re-entered a number of historical drill holes completed in 2021, to capture the interpreted position of the defined copper mineralisation up dip.

Expanded drilling at Mumbezhi also evidenced that copper mineralisation was more prevalent at Nyungu Central than originally modelled for the oxidised and transitional materials, allowing the zones to be domained far more accurately for the upcoming maiden Mineral Resource estimates.

This is thought to be due to supergene processes of formation, with **17.0m @ 0.88% Cu** from 59.0m being returned from the RC pre-collar for **NCRD004R**, extending the horizontal interpretation of that mineralisation an additional 130m laterally to the west.



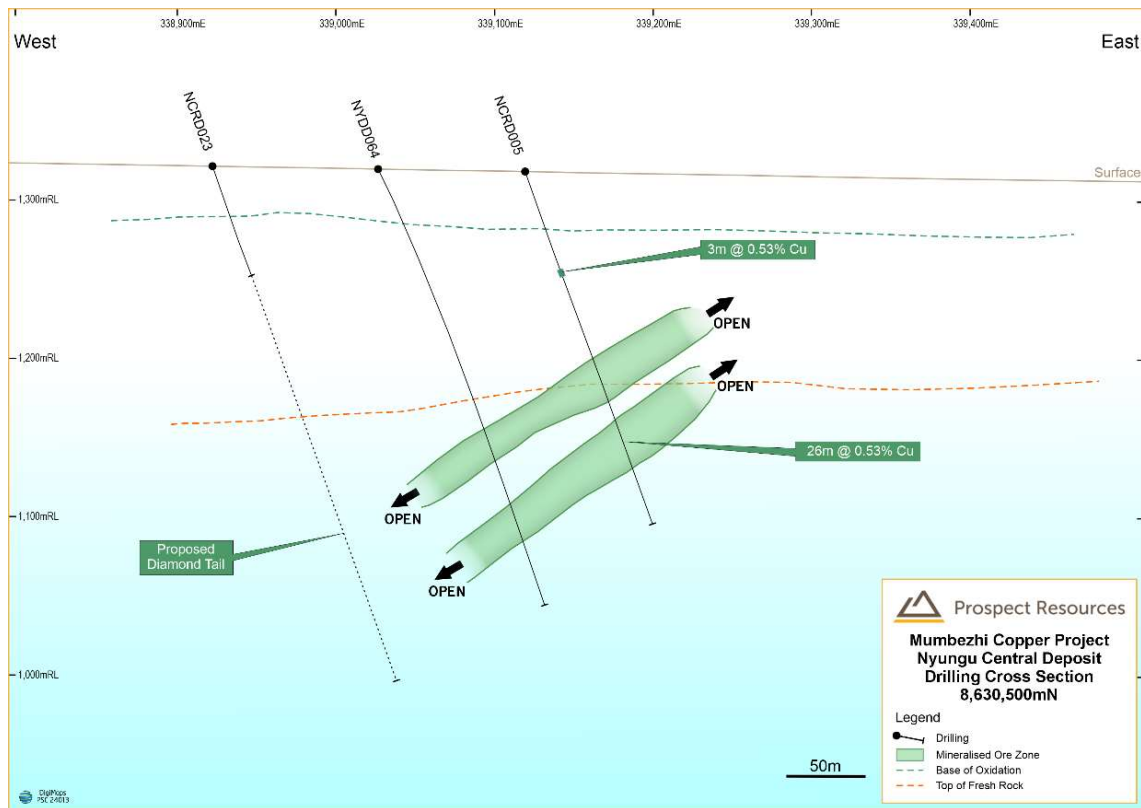
**Figure 3. Long Sectional Projection for Nyungu Central looking East**

Drill hole **NCRD005** was completed on drilling section 8630500mN, which is the northernmost position targeted by Prospect at Nyungu Central to date. Results were impressive with **26m @ 0.53% Cu** being returned from 177m downhole and opening the deposit position up dip to the east, based on the new geological interpretation of flat-lying and extensive thrust sheeting as the main structural mechanism controlling emplacement of mineralisation, rather than folding (see Figure 4).

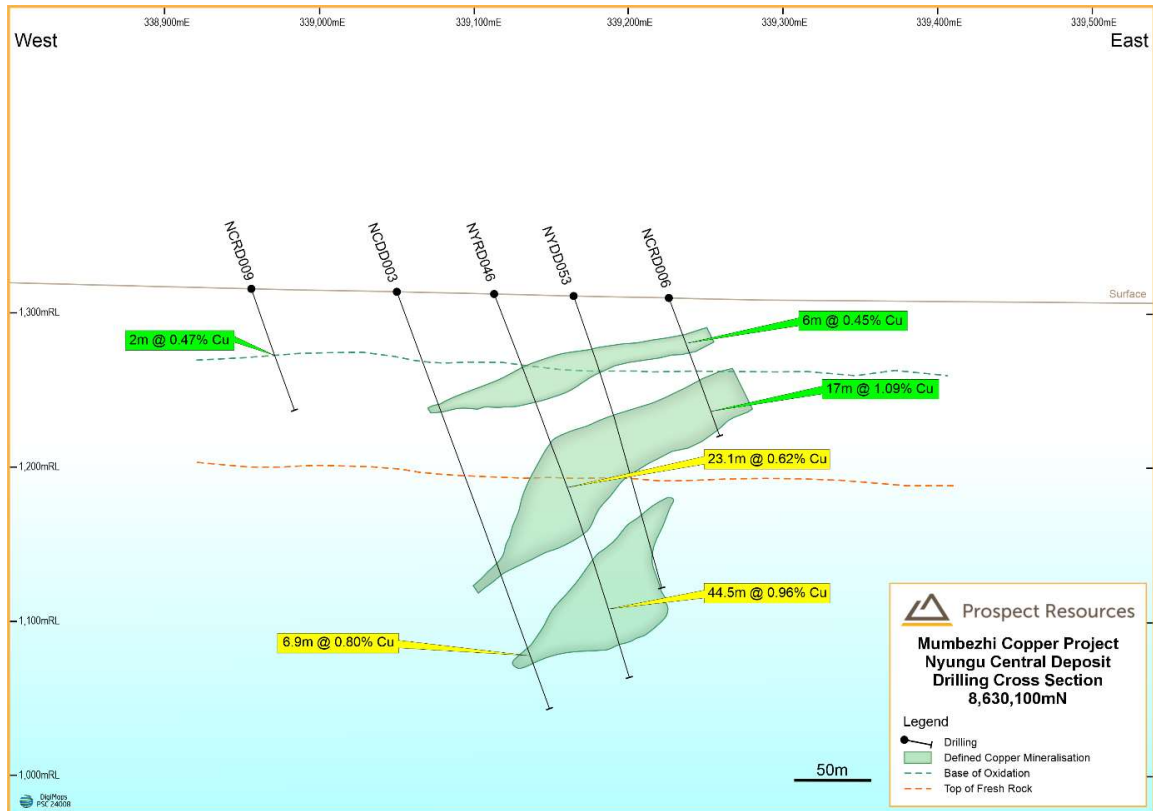
RC pre-collar drill hole **NCRD006** (Figure 5 below), targeted up dip positions of the historical hole **NYRD046** (see Prospect ASX Announcement 17 June 2024), and returned:

- **35.0m @ 0.84% Cu** from 60.0m; and
- **11.0m @ 0.43% Cu** from 31.0m

These intersections are contained within the oxide and transitional zones and have extended the copper mineralisation near surface and support the geological model of a thrust sheet emplacement, rather than a fold closure in that region of the deposit.



**Figure 4. Drilling cross section at 8630500mN**



**Figure 5. Drilling cross section at 8630100mN**

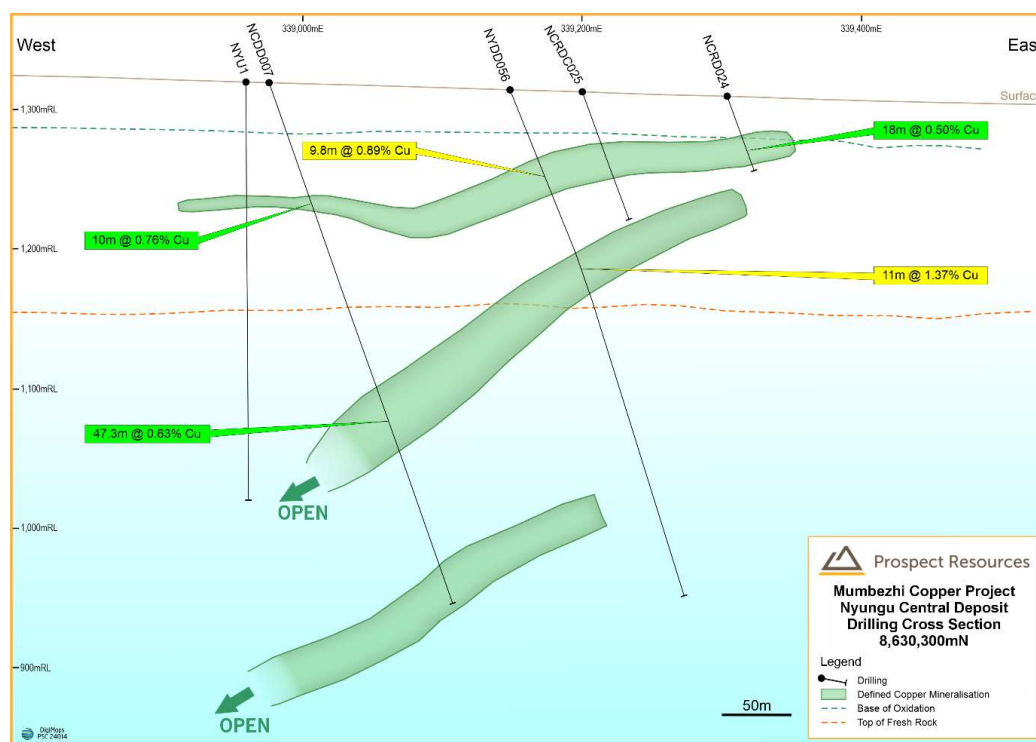
### Additional results extend copper mineralisation

Drill hole **NCDD007** on drilling cross section 8630300mN returned two exceptional intersections and extended the copper sulphide mineralisation down dip and developed the strike by an additional 100m north from drill hole **NCRD004R**.

In addition, a wide, westerly horizontal extension to the transitional mineralised zone was recorded higher up in this same drill hole **NCDD007** (see Figure 6).

The drilling intercepts returned include:

- **47.3m @ 0.63% Cu** from 232.3m; and
- **10.0m @ 0.76% Cu** from 87.0m



**Figure 6. Drilling cross section at 8630300mN**

An extension to historical drill hole **NYDD056** (from 246.0m to 383.0m) was unsuccessful in extending the lower mineralised zone up dip and intersected unmineralised amphibolite. However, the lower ore zone remains open at depth to the west and along strike/plunge to the north (Figure 6).

The termination of the lower mineralised zone intersected within the **NYDD056** re-entry is interpreted as being caused by block faulting (east side up) or intrusion, which emplaced unmineralised amphibolite in this area of the Nyungu Central deposit.

At the far southern end of the deposit (8629600mN), Prospect drilled two diamond holes (NCDD005-006) to test the continuity of near-surface oxide and transitional copper mineralisation (and sulphide zones), with **NCDD006** reporting narrow intervals of:

- 2.1m @ 0.30% Cu from 27.0m – oxide
- 1.5m @ 0.44% Cu from 33.6m – oxide; and
- 2.2m @ 1.89% Cu from 128.8m - fresh



**NCDD005** was drilled ~100m west of **NCDD006** and returned **13.4m @ 0.53% Cu** (from 81.3m) at the transitional-fresh rock boundary, representing a 70m down-dip western continuity to a similar **13m @ 0.49% Cu** (from 22.0m) oxide intersection returned from the RC pre collar **NCRD018**, previously reported by Prospect on 4 November 2024.

This mineralised zone remains open at depth and further exemplifies the extensive copper endowment of the Nyungu Central deposit, with this drilling section being located 900m south of the northernmost cross section completed by Prospect to date at 8630500mN, where strong copper mineralisation was intersected.

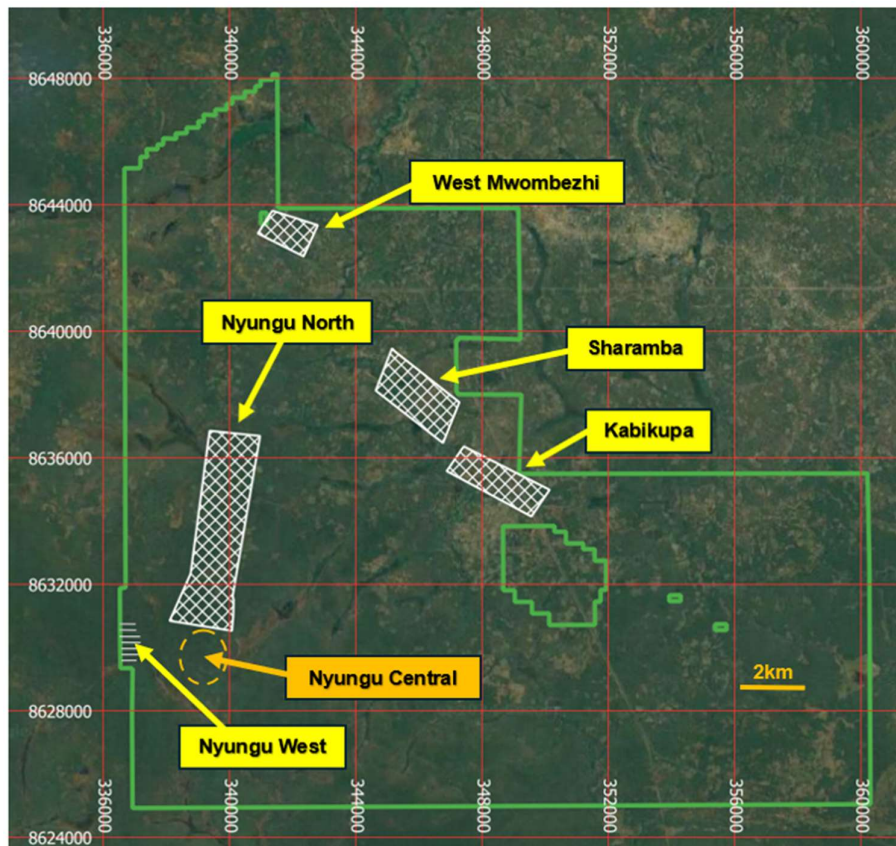
### Geophysical IP surveys complete

Besides the drilling at Nyungu Central, ground-based Induced Polarisation (**IP**) geophysical surveys were completed during the Quarter at five regional prospect areas outside the main Nyungu series of deposits (refer Figure 7) – including the Kabikupa Prospect.

The surveys were conducted in prospective regions of the licence over a number of historical areas, which were drilled lightly by previous operators in the mid-2010s as exploration targets. The surveys were conducted by the well regarded Geofocus Consulting Services, some of whose team were involved in the initial, successful Anglo American IP surveys at Nyungu Central in 2000-01.

Some of the stronger electrically chargeable IP anomalies interpreted from the geophysical data collected were recorded from the Nyungu North and Kabikupa IP grids. These stronger sub-surface geophysical anomalies were followed up by surface termite hill geochemical sampling

By December 2024, Prospect received and collated all data and results from this geophysical and geochemical work, highlighting significant additional copper prospectivity (often over hundreds of metres), in regions where no, or very little, effective exploration drilling has ever taken place.



**Figure 7. Mumbezhi exploration licence showing grid locations of IP surveys in relation to the Nyungu Central copper deposit (orange ellipse)**

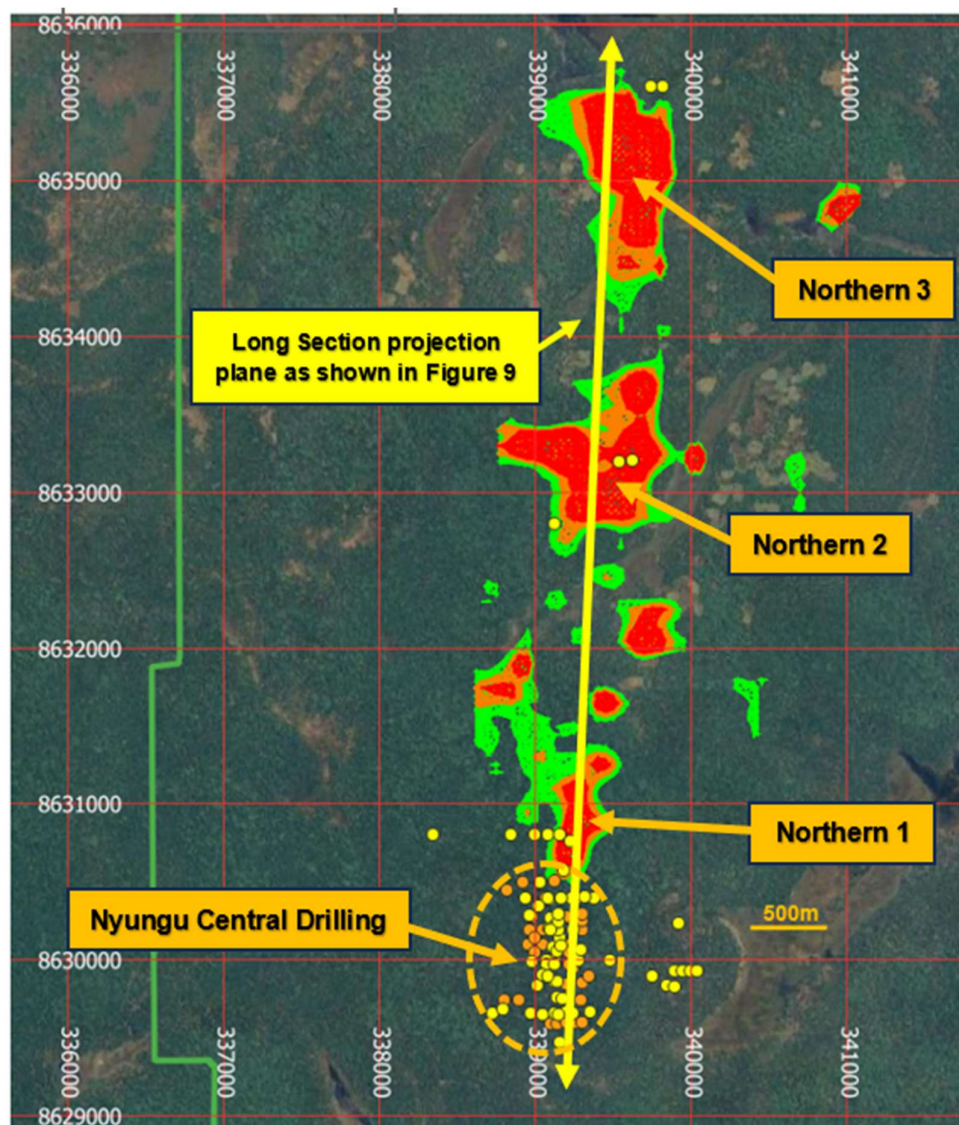


### ***Nyungu North Prospect***

This large geophysical IP survey was conducted over a 6 km long prospective zone denoted Nyungu North, and lies within the Nyungu “Corridor”, covering an area directly on strike to the north northeast of the Nyungu Central deposit, adjacent to the northern end of Phase 1 drilling. This corridor follows the extension of the thrust sheets, interpreted from the high-quality airborne magnetic data acquired through a UTS survey in 2012. These thrust sheets are the host to the main Nyungu Central copper mineralisation.

The chargeable IP anomalies interpreted in Figure 8 below show different time domains for retention of electrical charge in the sub-surface during surveying, with those shown in red having retained charge longer and hence, potentially containing accumulations of conductive metallic minerals like copper sulphides.

The interpreted results from the IP survey data captured are considered very encouraging with three large separate highly chargeable anomalies located over 5 km of strike, north of Nyungu Central (see Figure 9).



**Figure 8. Nyungu North IP Survey Chargeability Anomalies shown against historical drilling (yellow dots) and current Nyungu Central drilling (orange dots)**

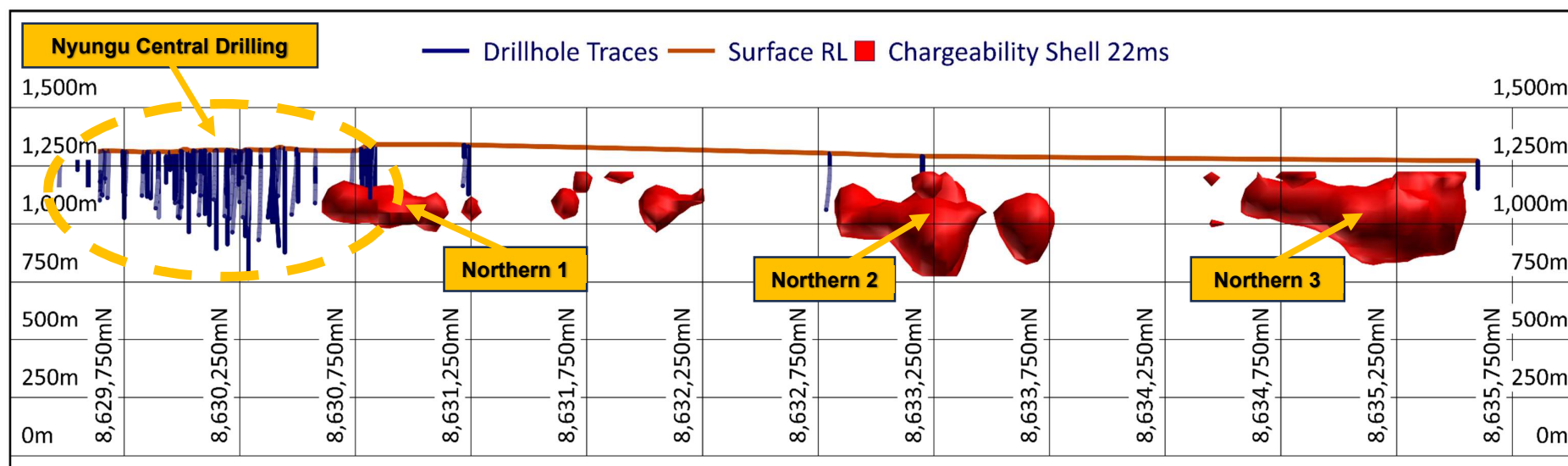


Figure 9. Nyungu North IP Survey High Chargeability Anomalies shown in Long Section against the existing Nyungu Central Drilling

### Northern 1 Anomaly

This impressive chargeable anomaly forms at about 200m depth over about 550m of strike from 8630600mN to 8631150mN, and is located directly north-northeast and adjoining the Company's current Phase 1 drilling underway at the Nyungu Central.

The most encouraging aspect of this chargeable IP anomaly is that it shows a coherent extension to the existing drilling defining the Nyungu Central deposit, which has already been targeted over a strike length of 1.3 kilometres to date.

Volumetrically the anomaly is ~200m wide, 200m in height and 550m long and hence, has the potential to add significant tonnage to the deposit, if consistently mineralised with copper.

Little modern drilling has been completed within the Northern 1 Anomaly, although NYRD038, NYRD043 and NYRD044 have been previously reported by Prospect (see ASX Announcement 17 June 2024).

The strength of this chargeable IP anomaly directly on strike and plunge of the existing copper mineralisation delineated at Nyungu Central; backed by the historical drilling intersections, make it a compelling drill target to potentially define additional copper sulphide zones at Mumbezhi in 2025.

### Northern 2 Anomaly

This large chargeable IP anomaly is centred about 2.4 km north-northeast of the Northern 1 Anomaly and forms up at about 200m depth, striking over nearly a kilometre, centred at about 8633250mN (Figure 9).

Only three historical holes are recorded in close proximity to the Northern 2 Anomaly – NYDD048, NYRC036 and NYRC037 (see Argonaut Resources NL ASX Announcement dated 28 February 2017).

All three holes are recorded as having no significant copper interval by Argonaut, however, the RC holes were only drilled to 91m and hence, were terminated some 100m above the IP anomaly at the relevant northing (~8633200mN).

Diamond hole NYDD048 was not sampled by Argonaut, but does pass into the top of the IP anomaly on drill section ~8632800mN and will therefore be geologically re-logged and potentially sampled for assaying in the coming months.

Prospect holds both the physical drill core for NYDD048, and the photos of the core taken by Argonaut in July 2014, which it purchased from Orpheus Uranium Ltd last year (Prospect ASX Announcement 7 May 2024).

Termite hill geochemical sampling is currently underway in proximity to the Northern 2 Anomaly.

The large footprint of the Northern 2 chargeable IP anomaly recorded during recent geophysical surveys requires immediate follow up work by Prospect, commencing with an examination of the only deep drillhole completed in the area (NYDD048), more than a decade ago.

### Northern 3 Anomaly

The northernmost of the three chargeable IP anomalies interpreted from the Nyungu North survey forms up at about 100m depth and also recorded a high resistivity signature, implying it may be closer to the gneissic basement rocks at Mumbezhi.

The defined anomaly may also have potential for sulphide mineralisation at or within the geological contact with the overlying meta-quartzite rock sequences and appears to be a compelling drilling target, south of a major WNW-ESE trending fault previously interpreted around 8636000mN.



Only two historical holes (NYRC034-035) were reportedly drilled in the vicinity of this Northern 3 IP anomaly, with both sited slightly north of it (on cross section ~8635600mN), as depicted by the historical drill hole locations near the top of Figure 8, which effectively targeted outside the anomaly.

Prospect has verified the locations of the four above-mentioned drill holes (NYRC034-037), which were reported by Argonaut Resources NL in an ASX Announcement dated 28 February 2017 for direct reference.

The Northern 3 IP anomaly is defined over nearly 1km and represents an intriguing exploration target for Prospect.

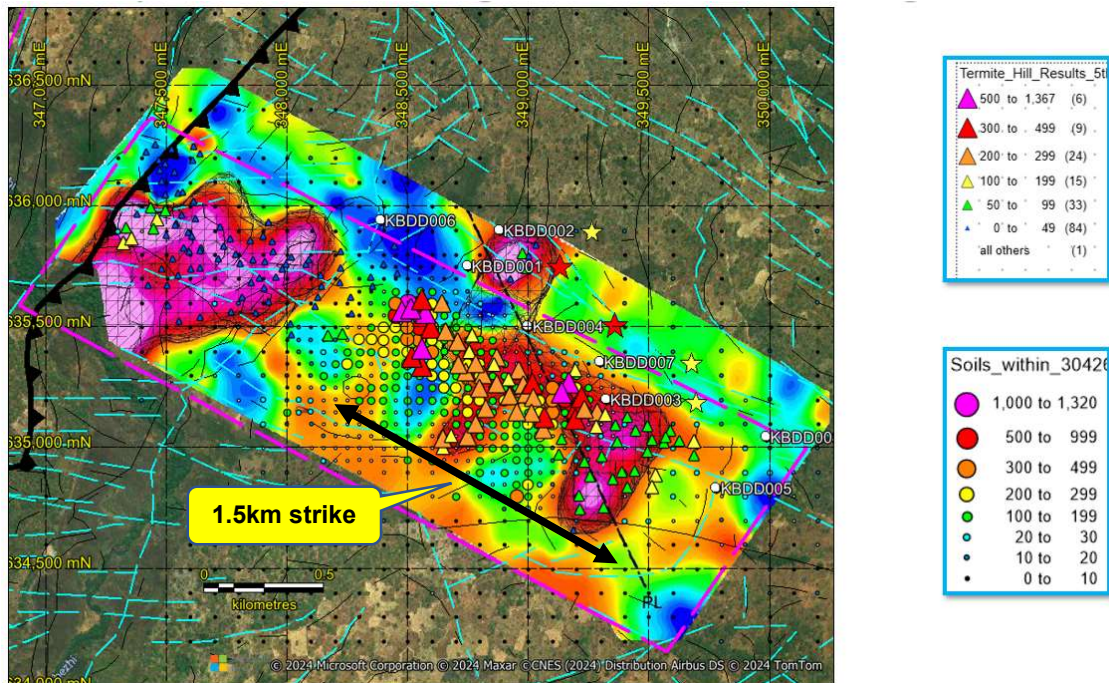
### **Kabikupa Prospect**

Initial IP results and follow up geochemical work for the historical Kabikupa prospect were reported by Prospect in its ASX release dated 4 November 2024, and were very encouraging, outlining two strong chargeable anomalies trending from northwest to southeast. The southeastern anomaly is 1.5 km long and recorded as being relatively close to the natural surface.

As Kabikupa had already recorded highly anomalous copper drilling intersections from work conducted in 2014-15 (refer Argonaut Resources NL ASX release dated 19 December 2014), Prospect rapidly designed and recently drilled five (5) relatively shallow diamond drill holes for 1,103.7 metres, with all assays currently pending.

Observations of the drill core completed at Kabikupa indicates the presence of widespread disseminated copper mineralisation hosted by a banded biotite-rich feldspathic gneiss. This validates descriptions of the historical core drilled by Argonaut Resources NL, which is now owned by PSC. The mineralisation correlates very well with the strong underlying IP anomaly recorded by Prospect.

Given the strength of this southeastern IP anomaly and its significant strike length, follow up drilling is anticipated for 2025, pending assay results from the recent Phase 1 drilling.



**Figure 10. Strong Chargeable IP anomaly at Kabikupa supported by surface geochemistry**



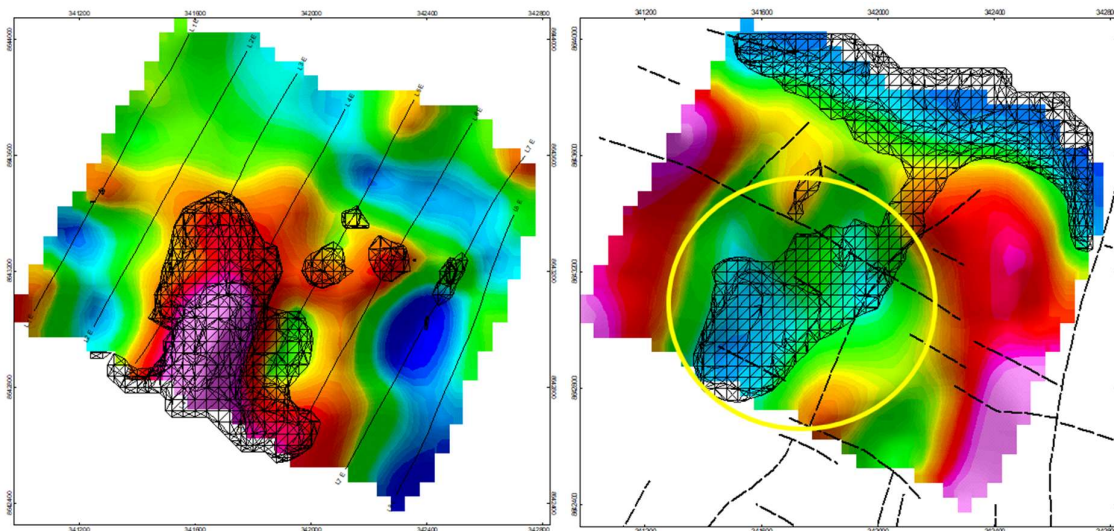
### **West Mwombezhi IP Survey**

The relatively small IP survey covered an historical geochemical anomaly and structurally interesting geological feature ~13 km north-northeast of the Nyungu Central deposit, at the far end of the Nyungu “Corridor”.

Four (4) historical diamond holes (WMDD001-003; WMDD006) were completed by Argonaut Resources NL in the general area of the survey in 2014 (see Argonaut ASX Announcement 19 December 2014 for details), with two holes (WMDD001-002) on drill section ~8643000mN returning anomalous copper intersections in the 0.2 – 0.3% Cu grade range.

Encouragingly, the IP survey conducted by Prospect produced a single chargeable anomaly in the vicinity of these two holes and forms up from about 100m depth. Interestingly, the survey also indicated a distinctive resistivity anomaly from about 300m depth, potentially indicating a 200m slice of prospective rock sequences for copper mineralisation above basement rocks (possibly an unmineralised gneiss).

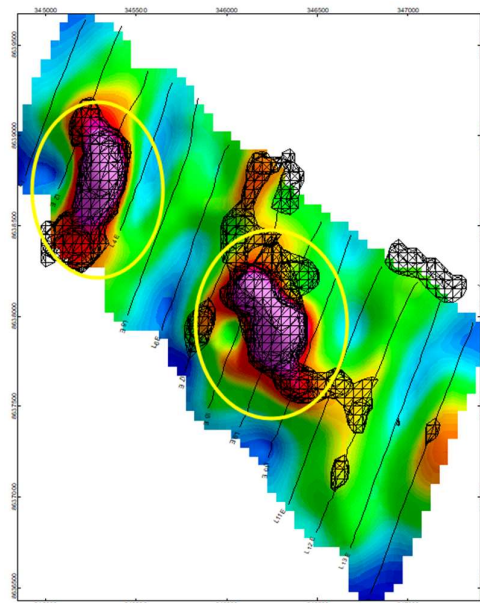
The 400m long NNE-trending chargeable anomaly recorded remains open to the south (see Figure 11) and clearly requires follow up drill targeting to ascertain potential for further copper deposition at West Mwombezhi, if supported by coincident surface geochemical results.



**Figure 11. West Mwombezhi IP Survey Interpretations – Chargeability anomaly (200m depth) – left and Resistivity anomaly (300m depth) - right**

### **Sharamba IP Survey**

This small survey was completed 3.5 km to northwest of Kabikupa and produced two chargeable IP anomalies forming at 300m depth (see Figure 12). Prospect completed surface geochemical termite sampling across both anomalies to ascertain potential, with the results of that work likely to determine the likelihood of subsurface drill targeting at Sharamba in 2025.



**Figure 12. Sharamaba IP Survey Interpretation – Chargeability anomaly (300m depth)**

### ***Nyungu West IP Survey***

This short IP survey was conducted 2 km to the west of Nyungu Central near the licence boundary, where an anomalous clustering of historical, surface geochemical copper assays had been noted. The survey work produced no discernible chargeable IP anomaly over the area and no further work was recommended. The indications are that the copper soil anomalies were simply a surface feature derived from the capillary action of copper from possible extensions of the Nyungu Central deposit mineralisation at depth, exacerbated by the high mobility of copper in a supergene environment.

### ***Next steps and ongoing workstreams***

Results returned from the Phase 1 drilling and exploration programmes are very positive, further validating the growth potential for significant endowment of copper mineralisation at Nyungu Central, Kabikupa and elsewhere on the licence. It has also delivered further confidence in the potential for Mumbhezhi to develop into a high-calibre discovery capable of underwriting a large-scale, open pit mining operation in an attractive, mining-friendly African jurisdiction.

Development activity workstreams also continue on many fronts, which enabled the submission of two applications for Large-Scale Mining Licences (LML) over the entirety of the Mumbhezhi Project tenement in late December. Prospect also recently received a detailed ESIA Report from MVC Consultants based in Lusaka and this work strongly supports the recent LML applications.

Construction of the dedicated Mumbhezhi Project core yard logging and processing facility is ongoing, as well as camp extensions catering for increased staffing capacity on site for 2025.

South African based Tect Geological Consulting - a strongly credentialed team of specialists in applied structural geology, led by Principal Dr. Corné Koegelenberg - have been contracted to complete 3D studies of drill core and technical data to generate models for copper mineralisation at the Nyungu Central deposit during February.

Tect have significant exposure in the wider African Copper Belt, including reviews of the Chimiwungo deposit for Barrick Gold at the Lumwana Mine and developing extensions to the Lubambe Underground Mine (EMR Capital), both located in Zambia.

Maiden JORC-reportable copper Mineral Resource estimates for Nyungu Central and Kabikupa are expected to be completed in Q1 CY2025 and will be informed by approximately 21,000 metres and 3,000 metres of drilling at these deposits, respectively.

### **Step Aside Lithium Project (Zimbabwe); 90% PSC**

#### ***Forward strategy***

Exploration activities at Step Aside have ceased and expenditure has been pared back to minimum holding commitments. Prospect has instigated a process to potentially monetise this lithium asset in 2025.

A digital Data Room was prepared with all supporting technical, logistical and legal documentation pertaining to Step Aside collated specifically for this purpose, with several parties now showing interest.

### **Omaruru Lithium Project (Namibia); 100% PSC**

#### ***Forward strategy***

With the completion of the Phase 2 drilling programme at Omaruru, and acquisition of 100% interest (Prospect ASX Announcement 21 March 2024), Prospect has been re-assessing its priorities at Omaruru, free of the original earn-in obligations of the preceding JV Agreement with Osino Resources.

Exploration activities have ceased with expenditure scaled back to minimum holding commitments.

Consequently, the Company is now pursuing commercialisation strategies to unlock the project's longer-term value as lithium markets improve.

## **Corporate**

#### ***Retirement of Non-Executive Director***

During the Quarter, Prospect announced the retirement of Non-Executive Director, Mr Zed Rusike from the Prospect Board effective from 26 November 2024, following a well-planned transition.

Zed was a founding director of Prospect and under his directorship, the Company acquired a portfolio of grassroots exploration assets comprising gold, rare earths and lithium. This led to the subsequent discovery and drill-out of the Arcadia Lithium Project, a global top ten hard rock lithium asset.

Zed played a strategic role throughout Prospect's journey from discovery through to the eventual sale of Arcadia to Huayou Cobalt in 2022 and was instrumental in Prospect establishing itself in Zambia as it went on to acquire the Mumbezhi Copper Project.

#### ***Cash Balance***

Prospect finished the Quarter with a cash balance of approximately A\$8.5 million and zero debt (excluding typical trade creditors).

#### ***Issued Capital***

The Company confirms it currently has 571,723,750 ordinary shares on issue and 60,848,286 un-listed options and 8,289,650 performance rights on issue.

#### ***Appendix 5B – Related Party Payments***

During the Quarter, the Company made payments of A\$161,911 to related parties and their associates.

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

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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 battery and electrification metals mining projects in the broader sub-Saharan African region.

## About the Mumbezhi Copper Project

The Mumbezhi Copper Project (85% Prospect) (**Mumbezhi**) is situated in the world-class Central African Copperbelt region of north-western Zambia. Located on a single Large Scale Exploration Licence (30426-HQ-LEL), the project covers approximately 356 km<sup>2</sup> of highly prospective tenure which lies in close proximity to several major mines which are hosted in similar geological settings.

Prospect's Phase 1 drilling programme commenced at Mumbezhi in July 2024, aimed at extending the mineralised footprint for the key Nyungu Central deposit, along strike, down dip to the west and down plunge of the historically defined, sedimentary-hosted copper mineralisation.



The programme has returned highly encouraging results, validating the growth potential of the significant endowment of copper mineralisation at Nyungu Central and delivering further confidence in a potential future development at Mumbezhi, underwriting a large-scale, open pit mining operation in an attractive, mining-friendly African jurisdiction.

## About Copper

Copper is a red-orange coloured metallic element in its pure form and is highly conductive to heat and electricity and is physically soft and malleable. Copper has been used for various purposes dating back at least 10,000 years. Today, it is mostly used by the electrical industry to make wires, cables, and other electronic components and is the key component. The metal is widely seen as a green-energy transition material, in part because of the wiring needed for electric cars. EVs can use as much as 80kg of copper, four times the amount typically used in combustion engine vehicles. It is also used as a building material or can be melted with other metals to make coins and jewellery.

## 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 Consultant 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.

## 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 December 2024, Prospect Resources Limited has interests in tenements via the following companies:

- Osprey Resources Limited – Mumbezhi Project
- 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
30426-HQ-LEL	Mumbezhi	Zambia	Mumbezhi	Osprey Resources	85%	0%	0%
39445-HQ-LML*	Mumbezhi North	Zambia	Mumbezhi	Osprey Resources	85%	0%	0%
39465-HQ-LML*	Mumbezhi South	Zambia	Mumbezhi	Osprey Resources	85%	0%	0%
ME19948BM	Step Aside	Zimbabwe	Step Aside	Eagle Lithium	90%	0%	0%
EPL 5533	Omaruru	Namibia	Omaruru	Richwing Exploration	40%	0%	0%

\* Pending Approval

## 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 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	0	0
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	0	(162)
	(b) development	0	0
	(c) production	0	0
	(d) staff costs	(1,117)	(1,980)
	(e) administration and corporate costs	(991)	(1,699)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	43	85
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
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,065)</b>	<b>(3,756)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	(267)	(273)
	(d) exploration & evaluation (if capitalised)	(2,290)	(4,570)
	development expenditure	0	0
	(e) investments	0	0
	(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,557)</b>	<b>(4,843)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	9,078
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	(98)	(572)
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
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(98)</b>	<b>8,506</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,760	8,337
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,065)	(3,756)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,557)	(4,843)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(98)	8,506
4.5	Effect of movement in exchange rates on cash held	504	300
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,544</b>	<b>8,544</b>

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	5,652	6,363
5.2	Call deposits	149	214
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
	US dollars at bank	2,713	6,167
	Zimbabwe dollars at bank	0	0
	Petty cash	30	16
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,544</b>	<b>12,760</b>

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

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

(162)

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>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 <b>Total financing facilities</b>	0	0
7.5 <b>Unused financing facilities available at quarter end</b>		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)	(2,065)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(2,290)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(4,355)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	8,544
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	8,544
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>1.96</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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: During the past Quarter Prospect completed its maiden drill programme comprising 9,515m of mostly Dimond drilling. Expenditure will be substantially reduced in the coming Quarter as the results of this programme are interpreted.

Focus of work will be on an initial Mineral resource estimate, resources growth opportunities and potential development scenarios, all of which are at a significant reduced operating cost.

- 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: Prospect maintains its full placement capacity and has a proven track record of raising capital as and when needed,

In addition, it has instigated a process to potentially monetise its Step Aside lithium asset. A digital Data Room was prepared with all supporting technical, logistical and legal documentation pertaining to Step Aside collated specifically for this purpose, with several parties now showing interest.

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: Yes, as Prospect's Board and management have a successful track record of operating exploration and development entities.

### 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: 20 January 2025

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.