

ARTISANAL GOLD ACTIVITY OPENS UP NEW GOLD REEF AT SURFACE

Artisanal activity, which began three months ago in the vicinity of the historic Bucks Mine, has continued to expose high grade gold mineralisation of up to 16.4g/t within a structure parallel to that hosting the Bucks and the Prestwood Mines. These results are consistent with the intercepts from the 2014 RC drilling programme, and the current geological model. The rehabilitation of the Prestwood shaft is continuing, and within the next two months, underground drilling for the parallel structures close to that shaft is expected to begin.

Bucks (36972) Surface Mapping

- Mapping was carried out on the Bucks claim (36972) South West of the main Bucks Shaft on August 11th.
- The monzonite -metabasalt (greenstone) contact was mapped generally trending NE-SW and dipping northwest.
- Artisanal mining is currently underway and 17 more artisanal shafts have been opened following the same trend NE-SW with the monzonite, metabasalt contact as illustrated in Figure 1 below.

Sampling

- Grab sampling was carried out on each stockpile from the artisanal shaft being mined.
- Chip sampling was also done in artisanal shafts 8 and 10 underground on faces being mined.
- 9 samples were collected with the details of gathered samples given in Table 1 below.

Sample ID	UTM(Arc 1950) X coordinates	UTM(Arc 1950) Y coordinates	Sample Description	Grade (g/t)
Y1801	728875	7672650	Grab sample from artisanal shaft 8 stockpile, highly oxidised smoky quartz	6.26
Y1802	728875	7672650	Grab sample from artisanal shaft 8 stockpile, oxidised highly sheared metabasalt.	3.53
Y1803	728875	7672650	Grab sample from artisanal shaft 8 stockpile, oxidised highly sheared metabasalt + smoky quartz.	7.63
Y1804	728875	7672650	Chip sample from artisanal shaft 8 insitu sheared metabasalt + smoky quartz stringers reef	16.42
Y1805	728881	7672654	Chip sample from artisanal shaft 10 insitu sheared metabasalt reef.	1.02

Table 1: Summary details of samples collected on surface at Bucks claims cont'd..				
Y1806	728881	7672654	Chip sample from artisanal shaft 10 insitu sheared metabasalt reef	1.30
Y1807	728901	7672678	Grab sample from artisanal shaft 20 stockpile, highly sheared, oxidised, weathered metabasalt.	0.47
Y1808	728903	7672684	Grab sample from artisanal shaft 21 stockpile, highly sheared, oxidised, weathered metabasalt.	0.59
Y1809	728907	7672685	Grab sample from artisanal shaft 22 stockpile, sheared metabasalt + monzonite.	0.71



Figure 1: Showing surface mapping imposed on top of QuickBird satellite imagery

Structural interpretation from the ground magnetics map shows that the area mapped and being currently exploited by artisanal miners falls within the same zone of high magnetic intensity striking NE- SW as illustrated in Figure 2 below.

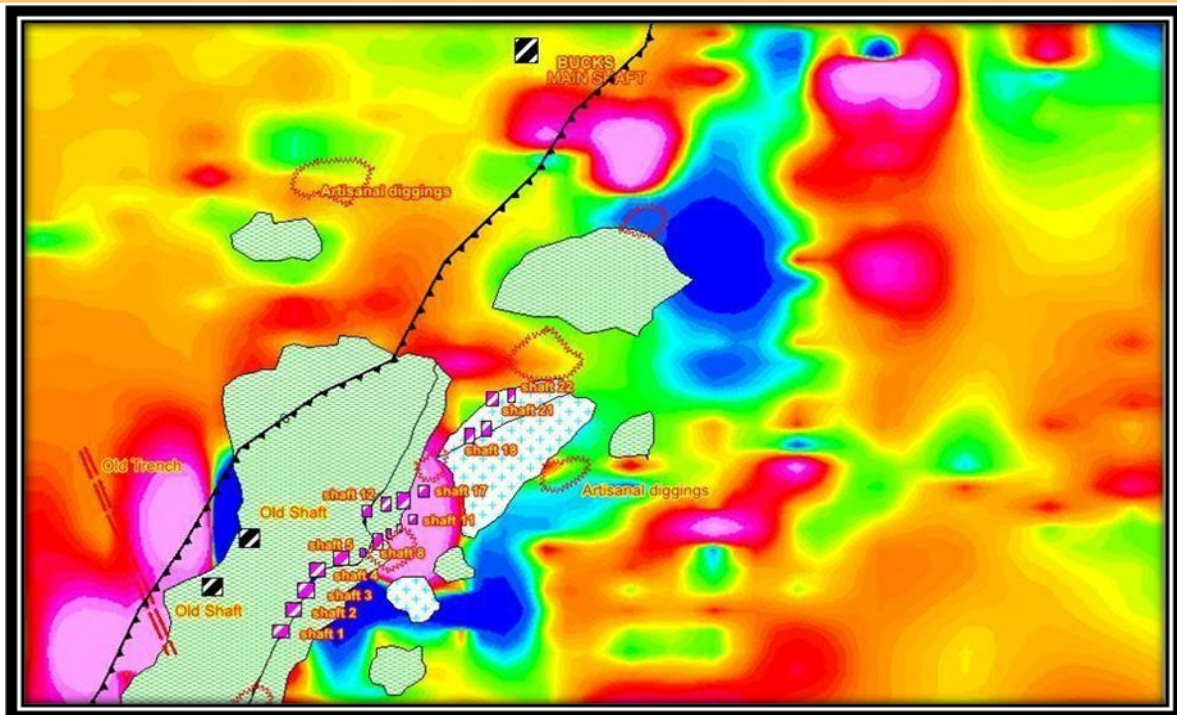


Figure 2: Position of the artisanal activity superimposed on image of the total field magnetics (TFM) generated by last year's ground magnetics programme. The dominant SW-NE structural orientation is apparent.



Figure 3: Position of the current artisanal activity (yellow star) superimposed on the geological model. The newly active artisanal zone extends for almost 200m along a shear

zone parallel to the structures that host both the Bucks and Prestwood ore bodies, and control the monzonite contacts. (Monzonite shown as blue crosses)

Conclusions

- The artisanal zone now extends for around 200m, and is producing high grades from both quartz veining and sheared metabasalt and monzonite.
- This zone exploits a shear zone that parallels the dominant SW-NE structures that host the Bucks and Prestwood orebodies.
- The tenor and consistency of the grades gives encouragement to the discovery of more vein hosted high grade structures that can be mined from the existing Bucks and Prestwood Mine infrastructures.
- In addition the geological model is proving robust. The target of broader disseminated zones at the monzonite-greenstone contact, as suggested by the 2014 surface drilling and from exploitation at the nearby Farvic mine is still valid.

Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves 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 Senior 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.

JORC TABLE 1
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>Systematic grab sampling from artisanal ore piles, and channel chip samples on exposed reef/ shears.</i> • <i>2kg Samples were collected every metre in triplicate, in addition to a smaller sample retained for reference and logging.</i>

Criteria	Explanation
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Chip samples have been geologically logged with data recorded in spreadsheet format using standardized codes. Sample weight, moisture content, lithologies, texture, structure, induration, alteration, oxidation and minerlisation were recorded.</i>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>Field duplicates were produced every 10th sample.</i> • <i>The 2kg samples were crushed and milled (90%, pass-75u) at the Farvic Laboratory. Lab duplicates, blanks and standard material (produced by Geostats and AMIS) were inserted in identical packets to the samples, one per 20 normal samples.</i>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>Analysis of samples was undertaken at the Farvic Laboratory, using Atomic Absorption, after DIBK dissolution, with a lower limit of detection of 0.03ppm.</i> • <i>Standards and duplicates as described above were inserted blind into the batch within the same numbered sequence.</i>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>Prospect Resources' Chief geologist has almost 30 years experience and was on site during the collection and sample pre-preparation.</i> • <i>All hard copies of data are retained at the Prospect Resource Exploration offices, attached to the Farvic Mine. All electronic data resides in Excel format on the office desktop, with back-ups retained on hard-drives in a safe.</i>
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>All workings, were initially located with a hand held GPS, which was used to survey in a 20m x 20m grid. The survey system is UTM, using a WGS84 datum and a Clarke 1880 spheroid.</i>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Artisanal shafts are at 2m intervals, each with its own ore pile.</i> • <i>Chip samples were collected and logged at 1m intervals.</i>

Criteria	Explanation
<i>Orientation of data in relation to geological structure</i>	<p><i>A ground magnetic survey was recently completed prior to the drilling programme, which established a series of cross cutting shears, which are central to the geological model.</i></p> <p><i>One of these shears host the Bucks Reef previously mined at the Bucks Mine in the 1960's.</i></p> <p><i>Prospect Resources does not believe that any sample bias has been introduced which could have a material effect on the resource model, particularly given the strong correlation of mineralisation between holes</i></p>
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The chain of custody of samples is maintained by Prospect Resources.</i> • <i>The Prestwood Project lies within 3 ½ km of the Farvic. All samples were transported to the Farvic Exploration pre-preparation laboratory by a senior geologist.</i>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>The Prestwood Project is covered by a series of extant Mining Claims held under Farvic Consolidated Mines for Prospect Resources. These artisanal workings lie on GA33269 and 36972.</i> • <i>These claims have recently been inspected by the local Department of Mines (Gwanda), and copies of these inspection certificates are available from Prospect Resources or the Department on request.</i>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>No known previous exploration has been undertaken. Channel chip sampling was however undertaken at the old underground workings in the late '50s. The results are recorded on surviving mine plans.</i>
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Steeply dipping shear and vein hosted lode gold deposits, associated with pyrite, pyrrhotite and arsenopyrite. These structures lie at the contact between meta-basalts and monzonite intrusions of the Gwanda Greenstone Belt, in a similar fashion to the neighbouring producing Farvic Mine.</i>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>See attachment</i>

Criteria	Explanation
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Not applicable, all results have been reported.</i>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>The drilling grid lies within an approximately 1.2km x 700m grid that was mapped in detail, and surveyed by ground magnetics. This survey was undertaken by independent consultant 3D Exploration of Gaborone, Botswana.</i> • <i>The results correlated well with the 4 year old airborne data, and geological observations. Areas underlain by greenstones and monzonites were well delineated. In addition the pervasive SW-NE shearing, with a more subtle SE-NW trends were identified.</i> • <i>The geological setting is very similar to that at the adjacent Farvic mine, where Prospect Resource geologists have been providing technical input for a number of years.</i>
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The company intends to complete the pumping out of the old Main Shaft, and then based on these positive results to begin extending the old 2 – 4 levels. In addition the shaft will be deepened to the now-drilled 5 level.</i> • <i>Further geophysics; IP and ground penetrating radar is planned in the vicinity, to target parallel structures, prior to a shirt hole drilling programme in Q3.</i>

<i>Economic</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>
<i>Social</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>

Criteria	Explanation
<i>Other</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>
<i>Classification</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>Not applicable.</i>
<i>Discussion of relative accuracy/ confidence</i>	<ul style="list-style-type: none"> • <i>Not applicable</i>