

Acquisition of Option over God's Gift Lithium Deposit.

Highlights

- God's Gift Lithium Deposit lies within Benson Pegmatite Field, approx. 165kms north east of Harare.
- Field visits confirm extensive pegmatite outcropping.
- Intermittent production from 1952 to 1992, has produced beryl, tantalite and cassiterite (tin).
- God's Gift claims cover some 225 hectares of prospective ground.

Prospect Resources Limited (**ASX: PSC**) (**Prospect** or the **Company**) is pleased to announce the signing of an option agreement to acquire the God's Gift Lithium Deposit, northeast of Harare.

The God's Gift Lithium Deposit.

The mineralised pegmatites are associated with the granitoids of the Sutswe suite, which lie at the contact of the Mataki greenstone belt and older granitic gneisses.

A series of largely ESE – WNW trending parallel, flat lying pegmatites intrude country rock biotite schists and amphibolites. Their widths vary between 0.5 – to 30m, and exceed 600m in length. They are of the general Na-Li type, and exhibit well-developed zonation.

The artisanal open cuts expose lithium bearing pegmatites and there are separate and overlapping tantalite and beryl rich zones.

In addition to petalite, tantalite and beryl, the deposit contains cassiterite, garnet and monazite.

The deposit has primarily been a tantalite target in the past, but the extensive pegmatite outcrops, make it an immediate lithium play.

Location

The God's Gift Lithium Deposit is situated some 165km northeast of Harare, Zimbabwe. It is easily accessible via bitumen road for approximately 130km with the balance being gravel. It lies within the Benson pegmatite camp.

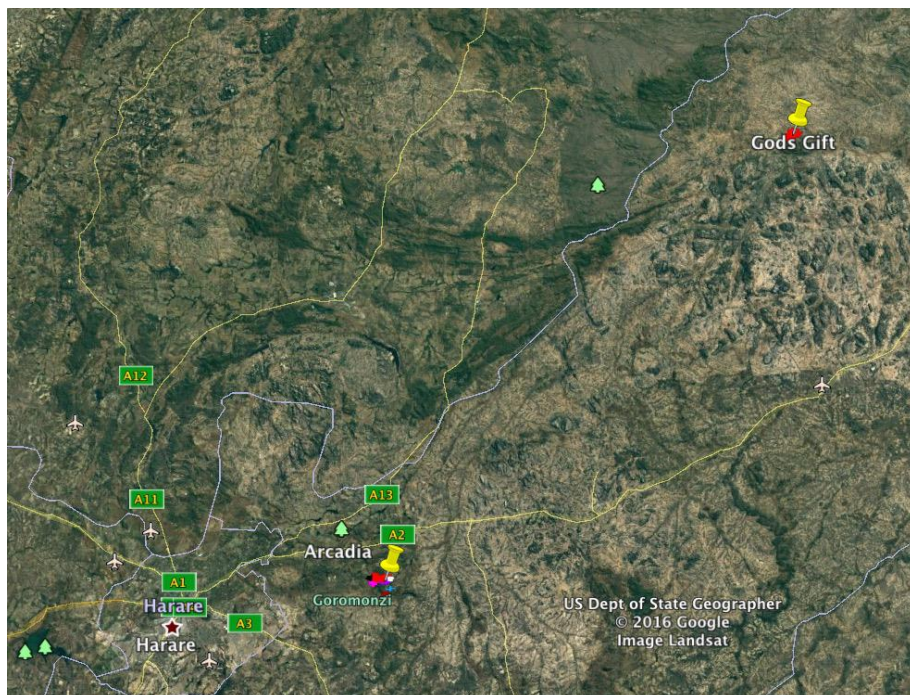


Figure 1: Location of the God's Gift Lithium Deposit

Historical Mineral Production

The God's Gift Lithium claims have a long history with intermittent production. They were first pegged for beryl in 1952. From this date until 1992, a total production of 315t of beryl, 2.8 t of tantalite and 17 t of cassiterite was declared.

Records at the Geological Survey reported microlite grades up to 1.65g/t.

Mining records are incomplete, but a series of shafts and open cuts were developed. In recent years tantalite exploitation has however been exclusively from eluvial deposits.

Details of the Option Agreement

The Company has acquired a 4 month option to acquire, via its 70% owned Zimbabwe subsidiary Hawkmoth Mining & Investment (Pvt) Ltd, a 90% interest in the God's Gift Lithium Project in consideration of US\$50,000. A further US\$450,000 is payable on exercise of the option.

Exploration & Development programme

During the option period, Prospect intends to embark on a short exploration programme which will include detailed mapping, pit and channel sampling and diamond drilling of approx. 6 exploration holes.

For further information, please contact:**Hugh Warner**

Prospect Resources
Executive Chairman
Ph: +61 413 621 652

Harry Greaves

Prospect Resources
Executive Director
Ph: +263 772 144 669

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.