

Acquisition of option over Fimpimpa West Copper/Cobalt Project – Zambia Copper Belt.

Highlights

- **Fimpimpa West Copper/Cobalt Project lies within the Zambian Copper Belt**
- **The project is preferentially located close to existing road, rail and power infrastructure**
- **Initial Exploration Target of 15-25Mt at 1.0%-1.5% Cu.+**
- **Vendors of Fimpimpa West are Zambian geologists and mining related persons.**
- **Prospect intends to build a portfolio of copper/cobalt projects, leveraging off the local knowledge and contact base of the Fimpimpa West vendors.**
- **Additional lithium and cobalt projects are currently under investigation**

Note⁺ The Fimpimpa West Copper/Cobalt Project has been the subject of historic drilling, exploration however, the Company has not undertaken a detailed exploration programme nor a drilling programme. The Exploration Target is based on previously published data, much of which predates JORC 2012 and the Company's future exploration programme. The 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012).

Prospect Resources Limited (**ASX: PSC**) (**Prospect** or the **Company**) is pleased to announce the signing of an option agreement on the Fimpimpa West Copper/Cobalt Project, northern Zambia.

The Fimpimpa West Copper/Cobalt Project

The Fimpimpa Copper/Cobalt Project is a typical Copperbelt style, sedimentary stratiform type deposit. The deposit is hosted in the Lower Roan succession of the Katanga System. The project forms the eastern extension of a narrow small synclinal structure opening on the western side into the Fitobaula Open pit.

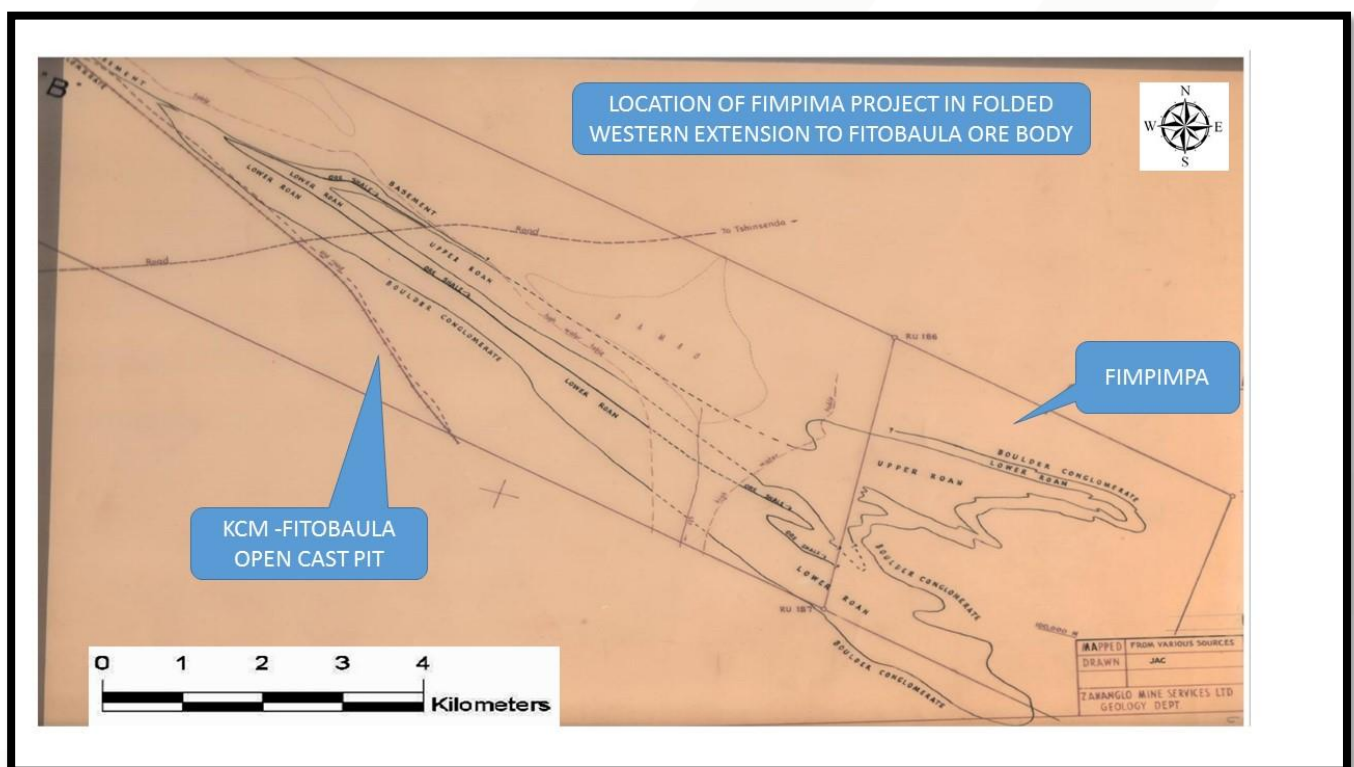
The Fitobaula open pit is currently in production by Konkola Copper Mines (KCM). The deposit being mined continues into the Fimpimpa area, with only a licence boundary separating the two.

The Fimpimpa west syncline is a westerly plunging asymmetrical structure along an east west trending axis. The sub outcrop has a strike length of almost 1,500m.

In the eastern end the nose of the syncline has a tight outcrop of about 150m and widens out towards the west to almost 700m width.

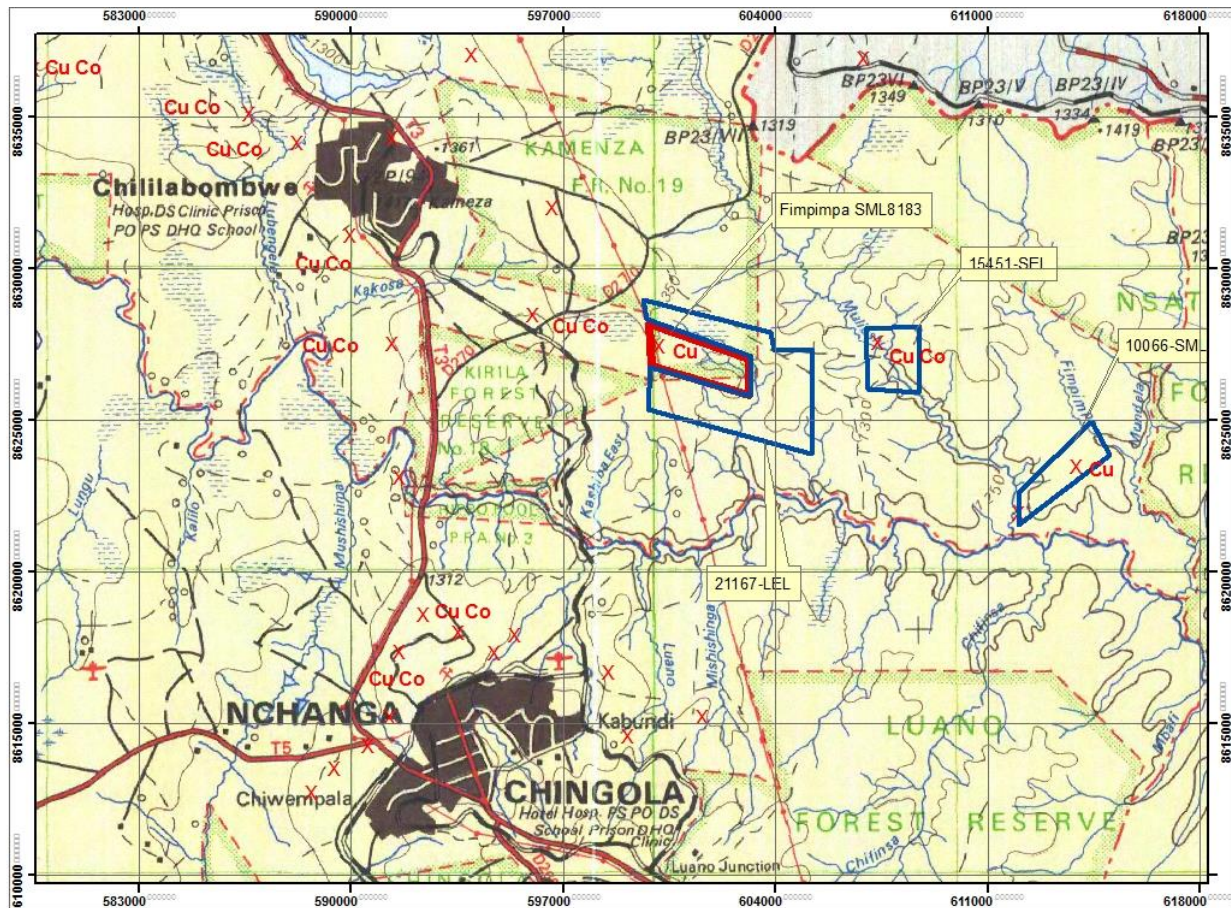
The north limb of the syncline appears to be overturned and dip to the north at between 35 and 60 degrees. Localized dips go up to 85 degrees. The south limb dips vary from 35 to 55 degrees. On the eastern end the fold is virtually an isoclinal synclinorium (Coles 1964).

The north limb has an almost a semi- circular cross section.



Location

The Fimpimpa West Copper/Cobalt Project lies mid-way between Chililabombwe and Chingola mining towns.



Historical Exploration

The Mineral potential has been known since 1928. A number of geological investigations have been carried out in the area over the years. These range from Mapping, Geophysical surveys, Grid Geochemical sampling, radiometric survey, Pitting and Trenching.

In 1964, two bore holes were sited and drilled in high anomalous areas which intersected conventional Copper belt style mineralisation grading 1.9% Cu over a thickness of 6m and 9m respectively.

Drill hole Summary – Fimpimpa West

Hole ID	EH Depth (m)	MOC (m)	True width (m)	%TCu	%AsCu
FW 1	218.85	17.37	6.09	2.30	1.71
FW 2	128.02	14.65	9.01	2.29	1.84

Table 1

Hole FW1 intersected copper at 61 and 122 meters. The two veins have a total width of 21 metres which included 4 metres of copper grading 1.67% and 6 metres of copper grading 1.30%. Hole FW2 intersected copper at 43, 80 and 95 meters. The three veins have a total width of 13 metres which included 5 metres of copper grading 1.42%.

It must be noted that these are inclined holes meant to intersect mineralization traced at sub-surface outcrop detected in soil sampling.

A recent exploration programme focused on twin drilling of both historical bore holes (FW1 and 2) and results from FW2 successfully indicated better results than the original hole. It is reported that copper values were identified from 98m down to 140m. Values of between 2.8% Cu to 9% Cu were recorded by XRF testing and visually observed in some cases. It should be noted that Prospect has been unable to sight the original drilling logs and assay results.

Details of the Option Agreement

The Company has acquired a 90 day option to acquire, a 90% equity interest in a special purpose vehicle (SPV) incorporated to own a 100% interest in the Fimpimpa West Copper/Cobalt Project in consideration of US\$15,000. After exercise of the option, the Company shall for a period of 24 months, fund 100% of the exploration costs and complete exploration activities so that a Decision to Mine can be made.

An area of mutual interest (AMI) covering land within a 30km radius of the Fimpimpa West Copper/Cobalt Project applies whereby any properties acquired within the AMI shall be owned by the SPV for the benefit of all shareholders and Prospect shall meet the exploration costs.

Cobalt Strategy – Lithium Battery Cycle

The Fimpimpa West Copper/Cobalt Project forms the first piece of the Company's cobalt strategy. Prospect, along with our Zambian partners intend to identify and acquire additional acreage that is prospective for Cobalt deposits, with particular focus on near term production assets. As we move to the East of Fimpimpa West, the geology tends to shift from a copper/cobalt hosted environment to a cobalt hosted environment. As we build our operational capabilities within Zambia, we expect to see additional opportunities.

Further lithium and cobalt opportunities are being considered within Zambia and DRC.

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

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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.