



ASX ANNOUNCEMENT

11 July 2024

Drilling commences at Mumbezhi Copper Project

HIGHLIGHTS:

- Maiden drilling programme comprising approx. 30 holes of reverse circulation (RC) and diamond drilling for a total of approx. 7,000m drilling is underway.
- Consists of Mineral Resource definition and extensional growth drilling targeting the Nyungu Central deposit.
- Recently validated data from historical drilling at Nyungu Central produced significant copper intersections including:¹
 - 140.0m @ 0.59% Cu from 51.0m
 - 32.0m @ 0.87% Cu from 353.0m and 28.1m @ 0.79% Cu from 103.0m
 - 20.0m @ 1.08% Cu from 27.0m
 - 17.0m @ 1.03% Cu from 29.0m
 - 11.0m @ 1.37% Cu from 134.0m incl. 8.0m @ 1.58% Cu from 135.0m
- 3D modelling and interpretation has commenced on the Nyungu deposits in the south-west corner of the licence, with the initial exploration focus on NNE-trending strike and width extensions.
- Environmental and Social Impact Assessment (ESIA) reporting is underway.

Prospect Resources Limited (ASX: PSC) (**Prospect** or the **Company**) is pleased to announce the commencement of Phase 1 exploration drilling at its Mumbezhi Copper Project (**Mumbezhi** or **the Project**) (PSC 85%) in the world-class Zambian Copperbelt.

Prospect Managing Director and CEO, Sam Hosack, commented:

"The commencement of Prospect's maiden exploration drilling at Mumbezhi is an important milestone for our team, which now has boots firmly on the ground in Zambia. Our fully resourced exploration team will undertake an RC and diamond programme targeting Mineral Resource definition and drilling activities at the large Nyungu Central deposit initially, which demonstrates clear strike and wide extensional opportunities, with exploratory work in other areas of the licence."

"Following an extensive review of all historical drill data purchased from Orpheus, we have validated several highly prospective drill targets at the Nyungu series of deposits and across the broader Mumbezhi licence. Given the scale potential we are boldly and systematically targeting these prospects with ongoing results to be incorporated into our rapidly developing resource modelling. With my full focus on Mumbezhi I shall attentively support the exploration team on the ground and look forward to updating shareholders as we progress the drilling over the coming months."

¹ Refer PSC ASX release dated 17 June 2024, *Assays confirm strong prospectivity of Mumbezhi Copper Project*

Mumbezhi Drilling Commences

Prospect has commenced its maiden drilling programme at the Mumbezhi Project (see Figure 1). The Phase 1 programme will consist of approximately 30 RC and diamond boreholes for 7,000 metres of drilling over a strike extent of nearly 1 kilometre.

The programme will initially target Mineral Resource definition, as well as extensional opportunities at Nyungu Central where historical drill hole intersections produced very impressive results (see Prospect Resources ASX Announcement 17 June 2024). Drilling will then be extended to Nyungu South, Nyungu West and adjacent regional prospect areas on strike with Nyungu Central.

Figure 2 below shows an interpreted long section through the defined copper mineralisation for Nyungu Central centred on 339100mE and incorporates drilling and assay data within a 240m wide east-west window (shown diagrammatically in orange in Figure 3), which represents the current 3D understanding.

Figure 3 also includes the focus area for the Phase 1 drilling (blue dashed polygon) that shows the intent to extend the resource's limits laterally and along strike; and selected drill intercepts² through different sections of the deposit:

- NYDD054 26m @ 0.96% Cu from 21m
- NYDD058 140m @ 0.59% Cu from 51m
- NYU11RD001 53m @ 0.50% Cu from 186m
- NYRD031 73m @ 0.61% Cu from 217m

Historical scarce regional drilling of multiple exploratory targets, some already having mineralised intersections but only targeted on a cursory basis, form a separate phase of drilling during the dry season of 2025, with the aim to further develop their latent copper prospectivity and potential. Programmes of geophysical surveying and geochemical grid sampling will inform a clear ranking for prioritising the targets to be drilled next year.

The drilling programme is being conducted by Leos Investments Limited, a well-respected Zambian company, based in Kitwe, and whose Director, Mr John Valasquez, has over 25 years experience operating in the Copperbelt. Leos Investments retains a substantial fleet of drilling rigs and equipment to service Prospect's needs at Mumbezhi, in the likely event that the Company intensifies drilling.

Part of the diamond drilling is also designed to supply materials for comprehensive metallurgical studies, supporting comminution and flotation test work, based on the expected feed ratios for fresh and transitional materials at the Project. This will also enable initial variability testing to directly inform a proposed Scoping Study for Mumbezhi and support the future economic evaluation of an open-pit mining operation. The test work programmes are expected to commence during Q3 2024.

² Refer PSC ASX release dated 17 June 2024, *Assays confirm strong prospectivity of Mumbezhi Copper Project*

ESIA studies are also underway to support the Company's application for mining licences over the Mumbezhi Project due for submission during H1 2025.

Mumbezhi Copper Project (85% PSC), Zambia

The Mumbezhi Copper 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 356 square kilometres. The area is prospective for large tonnage, low to medium grade copper deposits. Several major mines lie proximate to Mumbezhi and are hosted in similar geological settings (see Figure 4).



Figure 1: Diamond drilling rig on site at the Mumbezhi Copper Project

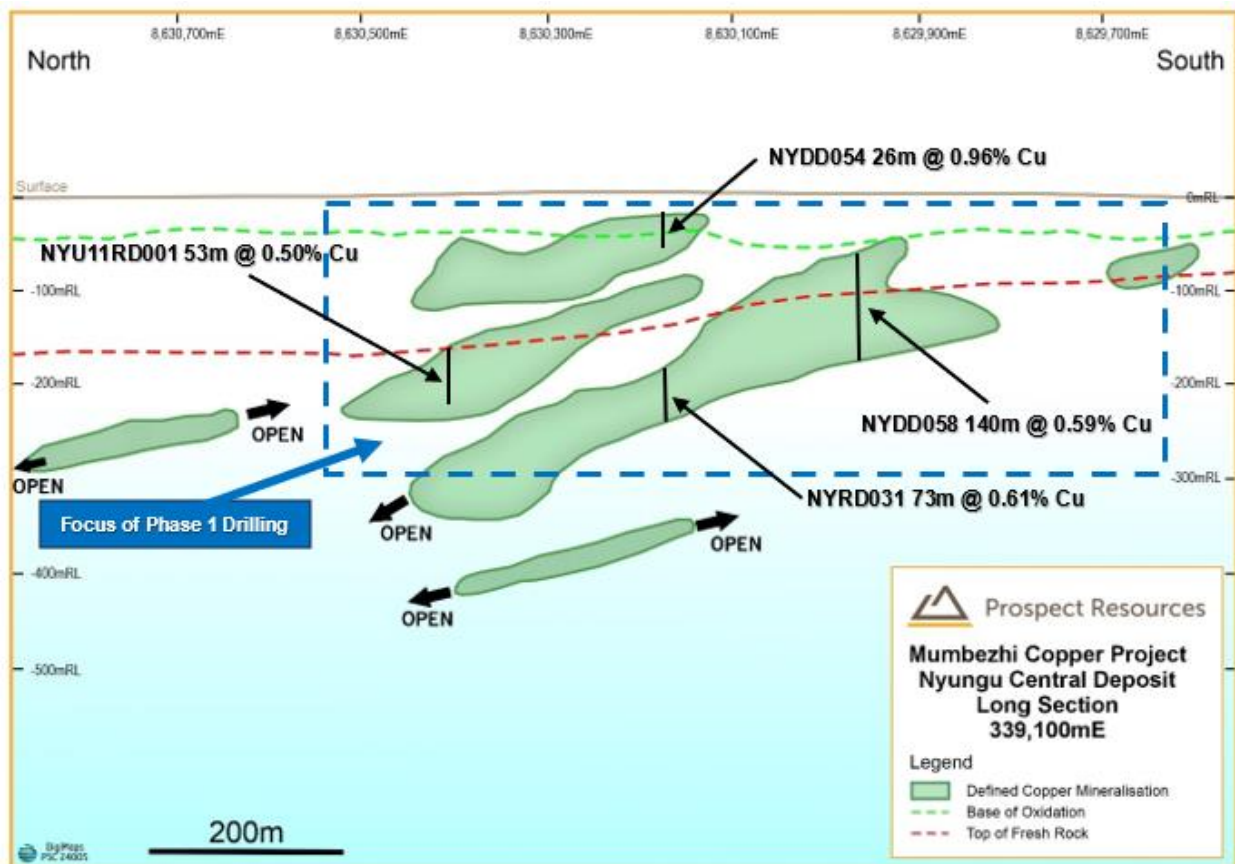


Figure 2: Nyungu Central Long Section - shows defined copper mineralisation, focus of Phase 1 Drilling (dashed blue outline) and selected drilling intersections

Figure 2 represents a long sectional view through the Nyungu Central deposit using a 240m wide window, 120m west and east of the 339,100mE easting.

The defined copper mineralisation is open in a number of directions showing excellent prospectivity to expand the current limits of the deposit.

The Mumbezhi Copper Project has considerable potential for repetitions of the folded depositional style evident at Nyungu Central over >1km, at depth, laterally and along strike in the existing licence holding.

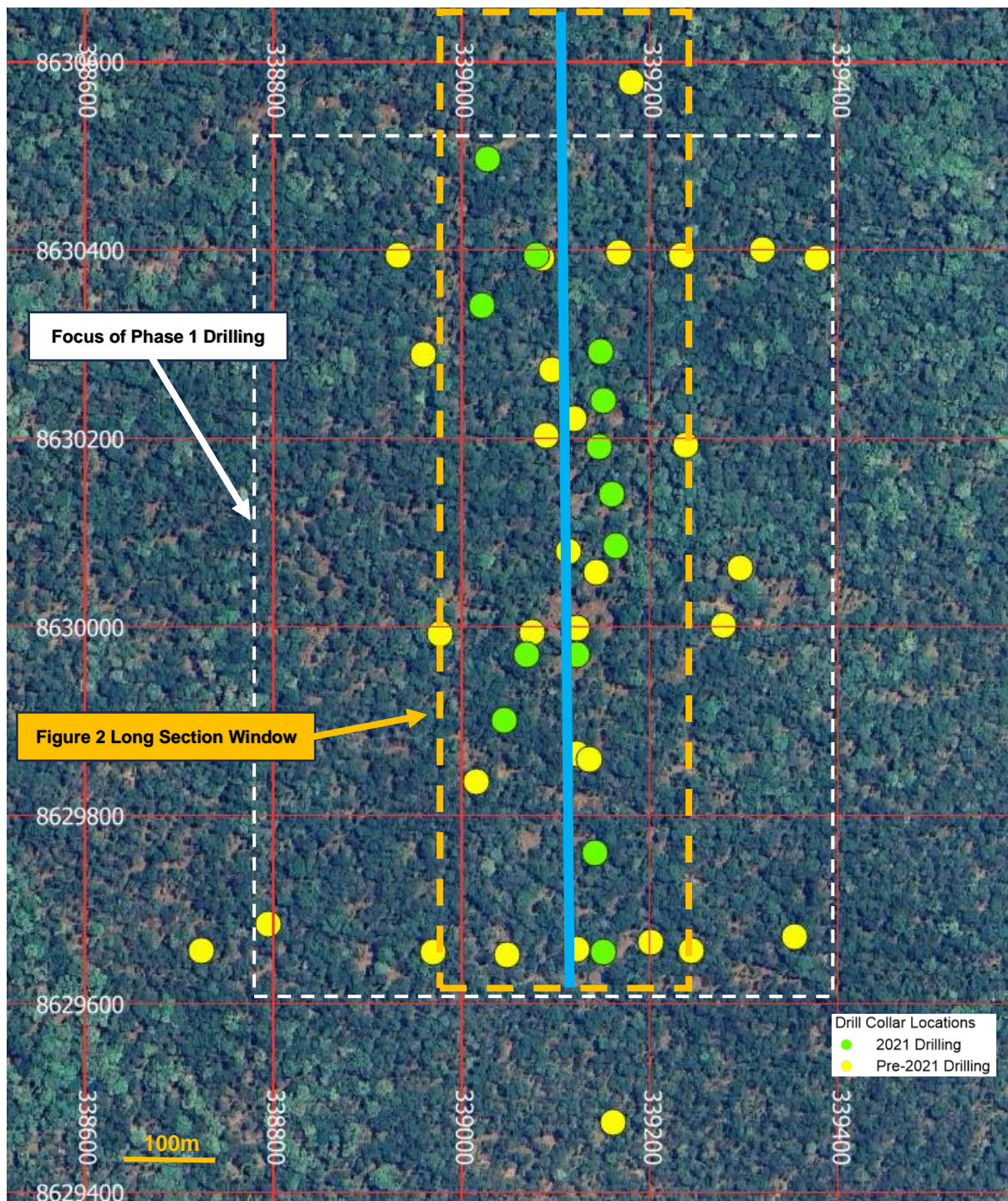


Figure 3: Focus of Phase 1 drilling programme at Nyungu Central and extent of Long Section

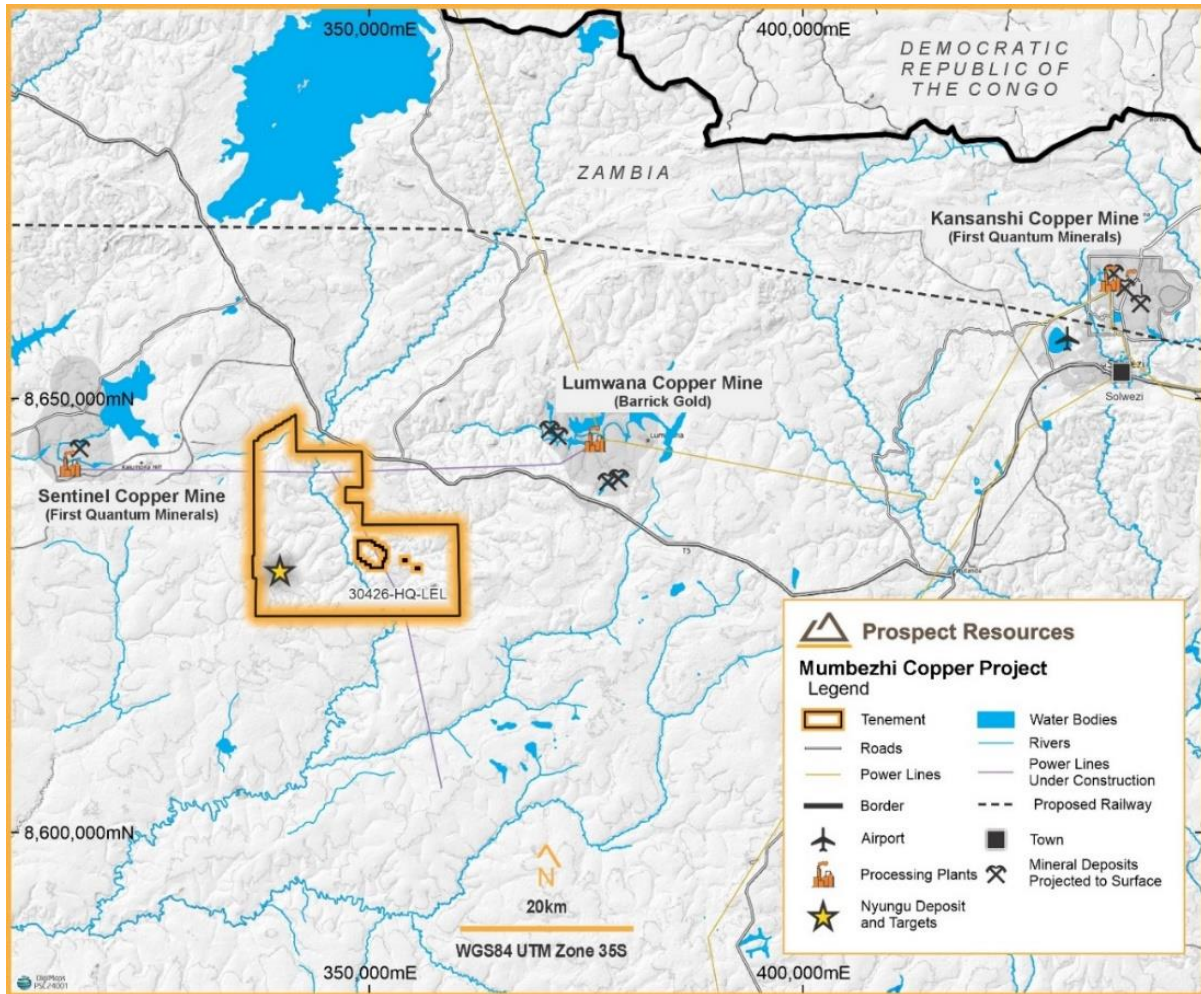


Figure 4: Location Map for Mumbezhi Copper Project in northwestern Zambia

This release was authorised by Sam Hosack, CEO and Managing Director.

For further information, please contact:

Sam Hosack
Managing Director
shosack@prospectresources.com.au

Ian Goldberg
Executive Director Finance
igoldberg@prospectresources.com.au

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 mining projects, specifically battery and electrification metals, in Zambia and Zimbabwe and the broader sub-Saharan African region.

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 Statement

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 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". 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.

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.