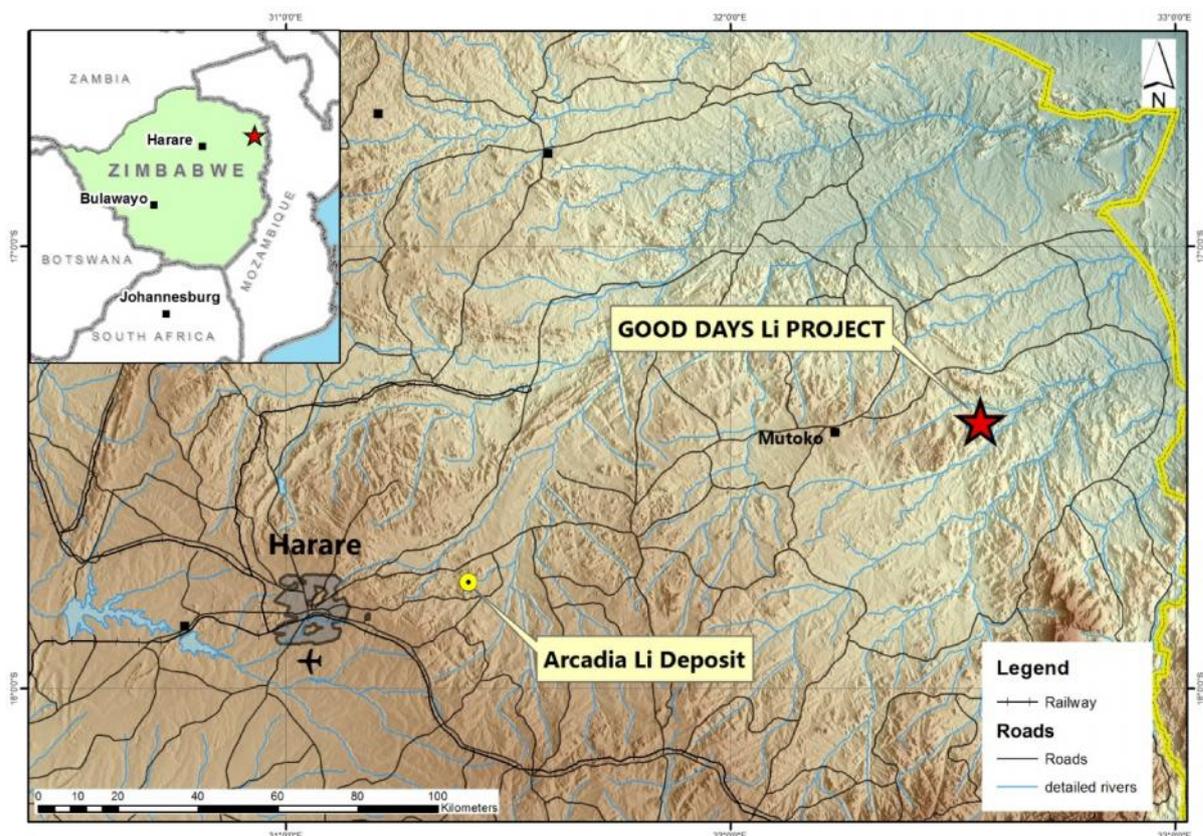


PROSPECT ACQUIRES OPTION OVER THE GOOD DAYS LITHIUM PROJECT, ZIMBABWE

-) **Prospect Resources has secured an option to acquire 70% direct interest in the Good Days Lithium Project in Zimbabwe**
-) **Option covers area of 8km² containing numerous mineralised pegmatites, including historical workings at the Good Days and Jordywyitt mines**
-) **Historical production from Good Days Mine included spodumene, beryl, tantalite, columbite, cassiterite, feldspar and lepidolite**
-) **Exploration activities to commence immediately upon exercise of option**

Prospect Resources Ltd (ASX: PSC) (the "Company") is pleased to announce that it has entered into an option agreement to acquire the Good Days Li-Ta-Be Project from Barrington Resources Pvt Ltd, a local private Zimbabwean Company. Barrington owns 7 Mining Claims covering approximately 8 km² over the Good Days Pegmatite Swarm in North Eastern Zimbabwe. The Mining Rights cover several known historical operations including the Good Day Mine that produced lithium, beryl and Ta/Nb minerals up until 1972.



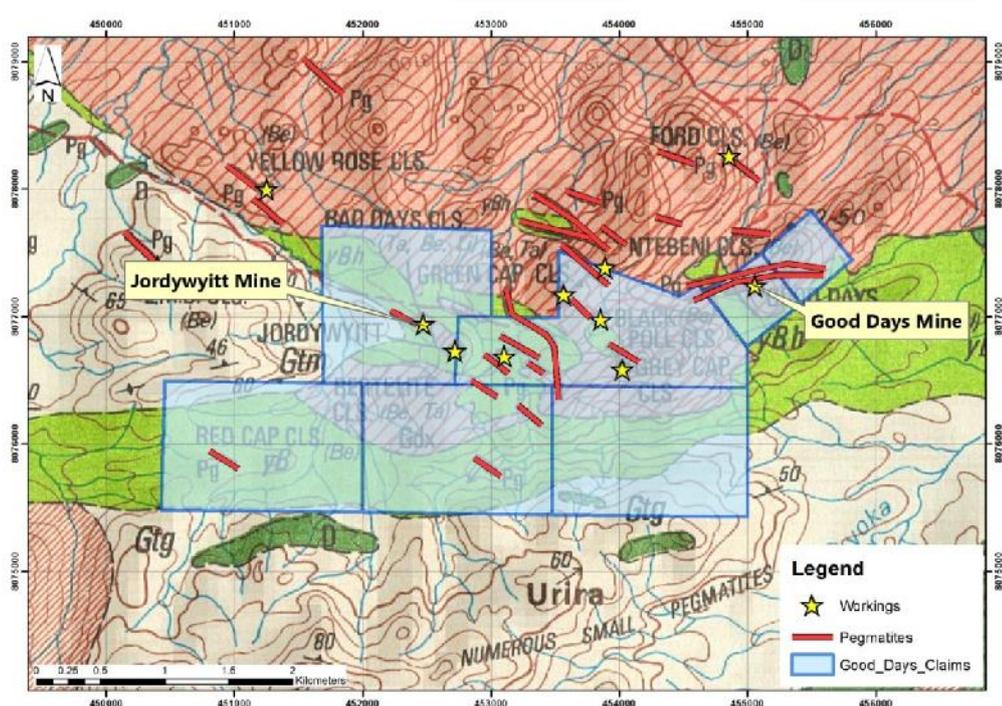
The option term will be for two months from execution, during which the Company intends to complete its technical due diligence that may include geological mapping, sampling and drilling. The acquisition supports the Company's ongoing strategy of identifying and developing quality lithium assets in Zimbabwe. Chairman of Prospect, Mr Hugh Warner had the following to say following signing of the option agreement:

"Over the last 12 months, Prospect has drilled more than 16,000m to delineate the Arcadia Lithium Deposit, one of the largest JORC reportable hard rock lithium deposits in the world. The Good Days Pegmatite field is considered as one of the larger Li mineralised pegmatite fields in Zimbabwe and we now have the opportunity to properly test and evaluate its potential and add it to our lithium portfolio. I'm looking forward to the results of the exploration work over the next two months that will hopefully reveal the project's true value and potential and add to Prospect's strategic lithium resource base in Africa."

PROJECT OVERVIEW & GEOLOGY

The Good Days lithium project is located approximately 30km east of the town of Mutoka in north eastern Zimbabwe and some 160km from the capital city, Harare. The project area consists of a swarm of Lithium-Caesium-Tantalum ("LCT") type pegmatites that either intrude a regional granodiorite dome or are situated close to its contact, penetrating the mixed rocks of the Budjga Dome suite as well as the rocks of the Makaha Greenstone Belt. Numerous small historical workings and excavations are located along several pegmatites, most notably at the Good Days Mine and Jordywyitt Mines where spodumene, beryl, tantalite, columbite, cassiterite and lepidolite was produced (Figure 2).

Figure 1 – Local Geology of Good Days Li Project



Good Days Mine Pegmatites.

The regional geological mapping over the Good Days area was completed in 1980 by Stocklmayer *et al* and published in the Zimbabwean Geological Survey Bulletin 89, where the Good Days pegmatites were reported on and are briefly summarized below.

The Good Days mine is located within a large LCT type pegmatite which is part of a swarm probably formed as a result of injection into and dilation of regional fractures by a pegmatite fluid.

The main or B pegmatite which has a length of some 750m and a maximum thickness of 60m, strikes east-west and dips moderately to the south. Two other pegmatites, A and A1, lie *en echelon* with B, but the former is thought to join the main body beneath the mine dumps.

The B Pegmatite appears variably zoned along its strike length, with the most of the pegmatite comprising coarse grained zones of microcline-perthite, quartz units and zones of fine grained albite-quartz-muscovite-biotite-porphyrific microcline. Towards the eastern end of the B pegmatite, zonation is apparent with several distinctive zones being identified over a strike length of at least 150m:

-) Wall Zone being characterized by perthite with graphically intergrown quartz or by mixed feldspar.
-) Outer-intermediate Zone characterized by albite and cleavelandite with quartz-mica patches
-) Inner-intermediate Zone characterised by the presence of lithium minerals, spodumene, lepidolite and zinnwaldite, plus albite and microcline perthite.
-) Core Zone represented by a coarse perthite, massive quartz and some fine-grained albite.

Historical Production

Development of the Good Days mine was originally restricted to eluvial deposits as well as the hand cobbing of beryl from surface outcrops. This was followed by more advanced work resulting in the development of three quarries including 3 adits and a 10m deep vertical shaft. Production from the mine was intermittent, spanning a period of 19 years beginning in 1953 and ending in 1972. Table 1 provides a summary of minerals produced at the Good Days Mine.

Table 1 – Production from Good Days Mine (1956 – 1972)

Commodity	Tonnage	Production Years
Spodumene	1132	1970 - 72
Lepidolite	580	1970 - 72
Beryl	315	1953 - 70
Feldspar	91	1972
Tantalite	2.1	1956 - 71

KEY COMMERCIAL TERMS

The key terms of the Agreement are:

-) That the Company and Barrington incorporate a Special Purpose Vehicle ("SPV") to be owned 70% by Prospect and 30% by local parties including Barrington, Farvic Consolidated Mines Pvt Ltd (a company associated with Harry Greaves and Zed Rusike, both directors of the Company) and Tamari Trust (a trust associated with Mr Chimbodza, the vendor of the Company's Arcadia Lithium Project) in order to own a 100% interest in the Good Days Lithium Project.
-) The Company will pay Barrington an option fee of US\$10,000, which will give the Company an exclusive 60 day period in which to conduct due diligence and elect to exercise the option commencing on the date of execution of the Agreement.
-) On exercise of the option by the Company and the transfer of 100% of Good Days Lithium Project to the SPV, the Company will pay Barrington US\$50,000.
-) For a period of 48 months from the date of exercise of the option and the transfer of 100% of Good Days Lithium Project (whichever is later), the Company shall fund 100% of the exploration costs and complete exploration activities so that a Decision to Mine can be made.
-) If a Decision to Mine is not declared within 48 month referred to above, then the Company shall cause the SPV to transfer the SPV's 100% interest in the Good Days Lithium Project and all exploration data and drill core to Barrington, unless the Company elects, in its absolute discretion, to extend the period by 12 months at which time the Company shall pay to Barrington US\$100,000.

DUE DILIGENCE TESTWORK

The Company intends to complete its due diligence as soon as possible and will commence exploration and validation work over the Good Days Mine and surrounding target areas. Work is expected to comprise of geological mapping, sampling, trenching and drilling. Pending a successful outcome of this process and exercise of the option, the Company intends to commence with an exploration program focusing on defining a JORC reportable Mineral Resource and generating material for metallurgical testwork.

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Competent Person Declaration

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy (AUSIMM) and The South African Institute of Mining and Metallurgy (SAIMM). 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. 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.