ASX Announcement **ASX Code: PSC**
21 July 2014

Near Surface Gold Mineralisation confirmed at the Company's Bushtick Gold Project

The Company is pleased to announce the results of a recent trenching and sampling programme at the Company's 70% owned Bushtick Gold Project. The dormant Bushtick Gold Mine lies within the grounds of Falcon College, some 40km SE of Bulawayo, within the greenstone belt of the same name.

Highlights:

- **Economic gold grades confirmed in 9 of 10 trenches.**
- **Best grades include:**
    - **Trench 6; 1.3 g/t over 15m (inc 2.8 g/t over 5 m).**
    - **Trench 4; 1.21g/t over 7m (inc 1.91 g/t over 4m) & 1.1g/t over 12m (inc 2.34 g/t over 3m).**
    - **Trench 5; 1.6g/t over 7m. & 2.1 g/t over 8m.**
- **Zimbabwe based consultants BioMet are being engaged to advise on testwork required to confirm that the oxidised host rock is amenable to heap leaching.**
- **Company plans to submit environmental applications in anticipation of commencing a heap leach operation**

The Company has recently completed a surface trenching programme (Figure 1) whereby 10 trenches, totalling 1200m were dug covering an area of approximately 2kms by 100m covering part of the known strike of the historic Bushtick Gold Mine. Trenches were dug to an average depth of 3 metres and continuous horizontal samples were hand chipped close to the trench floor and bagged at 1m intervals.

The mineralised zone lies within the oxidised altered package of meta-basalts and andesites. Gold grades have been identified within ferruginous shear zones and stockworks. This mineralised package lies along the flanks of the 'Main Gold Reef' that was exploited largely in the 1930's and 40's. Historically the contacts of the 'Main Gold Reef' was defined on a cut-off grade, of 5.4 g/t, resulting in considerable mineralised material remaining, that could be mined economically today.

A second phase of trenching is scheduled to commence within the next few weeks. This will involve the excavation of infill trenches, and the deepening of the mineralised zones exposed in five of the trenches excavated in Phase 1.

Exploration to date

The Company has undertaken two small scale and low cost exploration programmes, the first at the Prestwood Gold Project and the second programme at the Bushtick Gold Project. Both programmes have confirmed the presence of gold mineralization at economic grades.

We believe these results validate the Company's strategy of acquiring brownfields mining projects and pushing them rapidly towards production.

Figure 1: Photos of trench sampling

Attached is a satellite image with the trenches and key values overlayed (Figure 2).

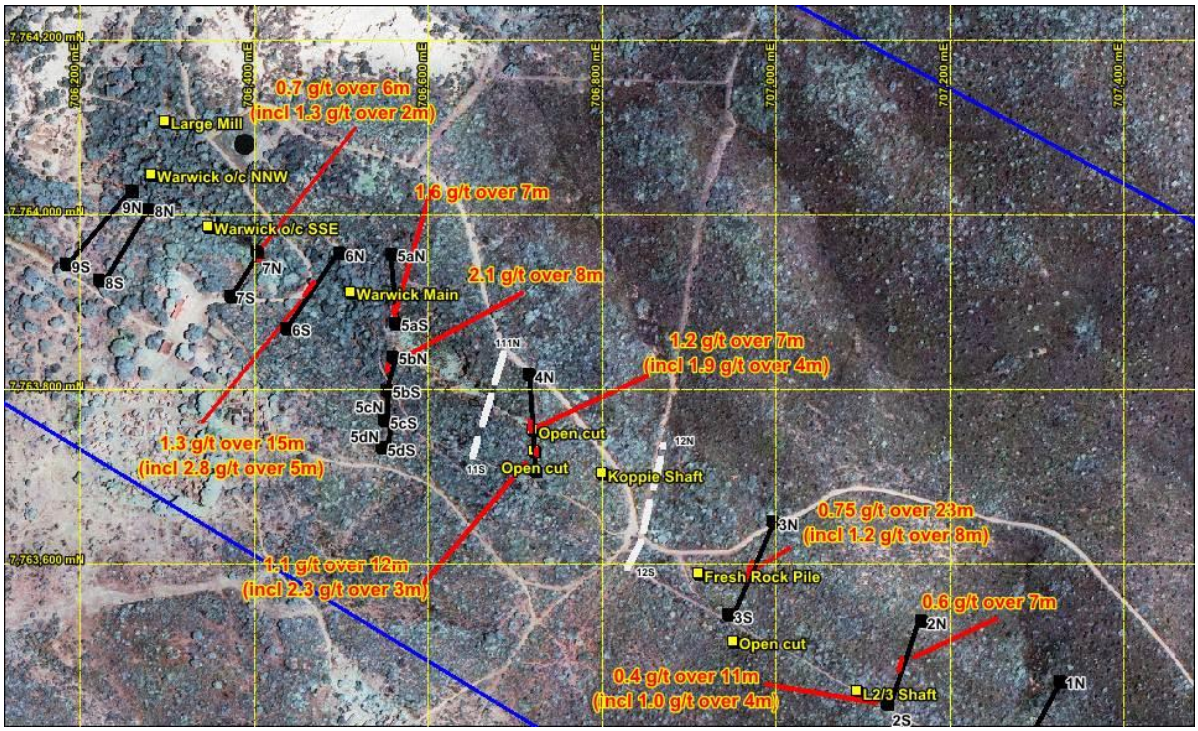

Figure 2: Trench locations

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Table 1 Trench Summary Results

Trench	Location	Intercepts	Geology	Comments
BTT01	430m NW of Warwick East	No significant intersections	Sheared meta-basalts.	Near anomaly AN2
BTT02	Midway between Koppie & Warwick East	i) 0.6g/t over 7m (inc 0.8 g/t over 3m). ii) 0.37g/t over 11m (inc 0.95 g/t over 4m).	Silicified meta basalt. Sheared meta basalts.	
BTT03	200m SE of Koppie Shaft	0.75g/t over 23m (inc 1.19 g/t over 8m).	Sheared meta-basalts.	
BTT04	Eastern end of eastern Warwick Open Cut.	i) 1.21g/t over 7m (inc 1.91 g/t over 4m). ii) 1.1/t over 12m (inc 2.34 g/t over 3m).	Sheared meta-basalts + qtz veins. Sheared metabasalts	
BTT05	50m SE of Warwick Main Shaft.	i) 1.6g/t over 7m. ii) 2.1 g/t over 8m	Sheared metabasalts. Sheared meta-basalts + qtz veins	Anomalies either side of western open cut.
BTT06	30m NW of Warwick Main Shaft.	1.3 g/t over 15m (inc 2.8 g/t over 5 m).	Sheared meta-basalts.	Most impressive looking shear zone
BTT07	Southern edge of western Warwick Open Cut.	0.71 g/t over 6m (inc 1.49 g/t over 2m)	Sheared meta-basalts.	Grade at edge of open cut
BTT08	50m E of BT09	0.58 g/t over 4m	Sheared meta-basalts	South of open cut
BTT09	Close to western end of western Warwick Open Cut.	No significant intersections	Sheared meta-basalts	South of open cut.
BTT10	240m SE of Warwick East	0.46 g/t over 15m (inc 1.18 g/t over 3 m).	Sl. ferruginous shear Zone	Ground SE of Warwick East prospective.

Contact Details

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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.

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Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Explanation
Sampling techniques	• *The samples were hand chipped along a continuous horizontal profile, close to the floor of the trenches.* • *3kg samples were collected every metre in triplicate, in addition to a smaller sample retained for reference and logging.*
Drilling techniques	• *N/A*
Drill sample	• *N/A*
Logging	• *Chip samples have been geologically logged at 1m intervals, with data recorded in spreadsheet format using standardized codes. Sample weight, moisture content, lithologies, texture, structure, induration, alteration, oxidation and minerlisation were recorded.* • *The work is undertaken according to Prospect Resources' standard procedures and practices and overseen by the Competent Person. Prospect Resources believes that the level of detail and quality of the work is appropriate to support the current and any future exploration.*
Sub-sampling techniques and sample preparation	• *Samples were bagged directly from the sampling pan. Typically 5 - 8 kg of sample was produced per metre.* • *The dry samples were split at the Farvic Laboratory sample preparation facility using a 3-stage riffle splitter. With three, 3kg samples being collected per 1m interval. Excess material was dumped into old open cuts.* • *Field duplicates were produced every 20th sample.* • *The 3kg 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. This was done under the supervision of a qualified geologist.*

Quality of assay data and laboratory tests	• *Initial screening of samples was undertaken at the Farvic Laboratory, using Atomic Absorption, after di-isobutyl ketone (DIBK) dissolution, with a lower limit of detection of 0.03ppm. All samples were however subsequently also assayed by fire assay, at accredited laboratory Antech in KweKwe, Zimbabwe.* • *Standards and duplicates as described above were inserted blind into the batch within the same numbered sequence, prior to their submission to Antech.* • *Umpire checking is then undertaken at ALS Johannesburg, another accredited laboratory.*
Verification of sampling and assaying	• *Prospect Resources' Chief geologist has almost 30 years' experience and was on site during all of the mapping and sampling. The significant intersections were also shown to senior management at the neighbouring Vubachikwe Mine.* • *All hard copies of data are retained at the Prospect Resource Exploration offices, attached to the Farvic Mine. All electronic data resides in Excel & Access format on the office desktop, with back-ups retained on hard-drives in a safe.*
Location of data points	• *All end points and surrounding 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 an ARC 1950 datum and a Clarke 1880 spheroid.* • *Subsequently all the trenches and old mine infrastructure, including the main shafts were surveyed in to the National UTM grid using a total-station. (In ARC 1950 datum)*
Data spacing and distribution	• *The trenches are spaced at approximately 200m intervals. Samples were collected and logged at 1m intervals.*

Criteria	**Explanation**
Orientation of data in relation to geological structure	• *An airborne radiometric & magnetic survey was recently completed prior to the drilling programme, which established a series of splay structures off the main Bushtick Fault Zone which are central to the geological model.* • *The Bushtick Fault Zone hosts the sub-vertical Bushtick Reef mined until the 1950's.*
Sample security	• *The chain of custody of samples is maintained by Prospect Resources.* • *The Bushtick Project lies within the grounds of Falcon College, whose commercial arm Martin Gunning Investments is a partner. Their security personnel guarded the drill site 24 hours a day. All samples were transported to the Farvic Exploration pre-preparation laboratory daily. The 150g milled charge packets produced by the lab were subsequently transported in sealed boxes to the Antech laboratory by truck company truck, accompanied by a Prospect Resources technician.*

Audits or reviews	• *The mineralized exposures have been shown to technical staff from Martin Gunning Investments and Vubachikwe.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	**Explanation**
Mineral tenement and land tenure status	• *The Bushtick Project is covered by a Special Grant, renewable annually. It lies within a protected or 'Reserved Area' awarded to Falcon College in the 1950s that protects the area from mining by any third party.* • *This grant has recently been inspected by the local Department of Mines (Bulawayo), and copies of the inspection certificates are available from Prospect Resources or the Department on request.*
Exploration done by other parties	• *No known previous exploration for oxide deposits has been undertaken. Channel chip sampling was however undertaken at the old underground workings in the '30s - '40s. The results are recorded on surviving mine plans.*
Geology	• *Steeply dipping shear and quartz vein hosted lode gold deposits, associated with pyrite, within carbonatized and occasionally silicified meta-basalts. These structures form an approximately 45m wide zone that trends ESE-WNW for more than 4km, within a 'tongue' of the Bulawayo Greenstone Belt. This belt is bounded both north & south by younger intrusive tonalite granites.*
Drill hole Information	• *See Appendix I*
Data aggregation methods	• *N/A*
Relationship between mineralisation widths and intercept lengths	• *The shears hosting the mineralization are vertical.*
Diagrams	• *See attachment*