PROSPECT ACQUIRES OPTION OVER THE TOMBOLO COPPER/COBALT PROJECT (PEPM1787), DEMOCRATIC REPUBLIC OF CONGO AFTER ENCOURAGING FIRST PASS SAMPLING RESULTS.

- **Prospect Resources has secured an option to acquire a 100% direct interest in the Tombolo Klippe project in the Democratic Republic of Congo**
- **Option covers an area of 21km^2 containing numerous cobalt and copper occurrences**
- **Area is underlain by prospective stratigraphy of the Roan Mines Series rocks which host many of the large copper and cobalt deposits of the Katangan Copperbelt**
- **First pass geochemical soil sampling has identified two cobalt and two copper anomalies;**
    - **Best Cobalt anomaly (>22ppm); 1,000m long by 600m.**
    - **Best Copper anomaly (> 230ppm); 1,400m x 400m.**

Prospect Resources Ltd (ASX: PSC) (the "Company") is pleased to announce that it has entered into an option agreement with TSM Enterprises sarl to acquire the Tombolo Klippe Project (PEPM1787).

The properties are registered as a "Permis d'Exploitation de Petite Mine" ("PEPM" – a small scale mining permit) covering approximately 21 km^2 over the Tombolo Klippe in South Eastern DRC (Figure 1).

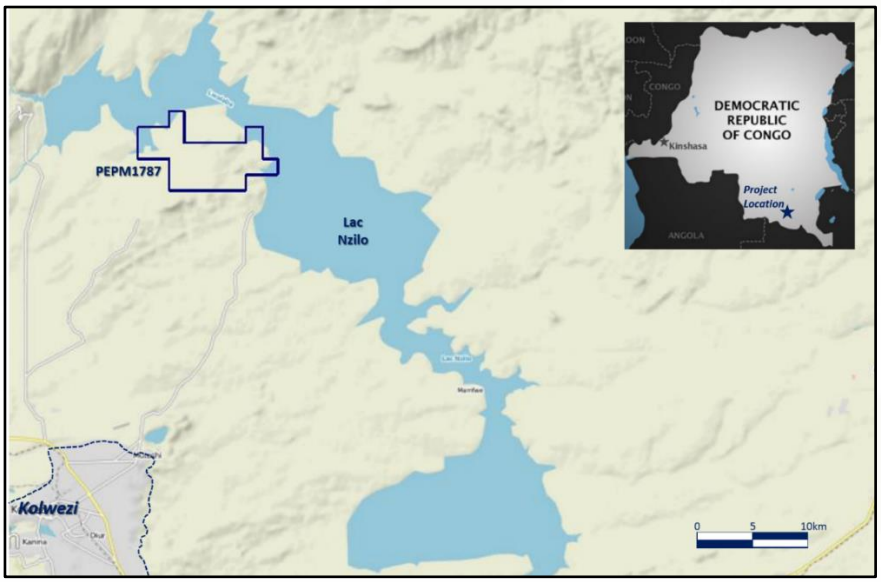

Figure 1: Location map showing PEPM1787 and the city of Kolwezi

Exploration work is being undertaken during the option period. The Company, subject to satisfaction of conditions, can acquire the first 50% on or before 7 February 2020. The Company, subject to satisfaction of conditions, can acquire the remaining 50% on or before 12 months from the date

when the initial 50% is acquired. The Company has completed the first pass, technical due diligence which has included geological mapping and sampling the results of which are shown below.

The acquisition of a significant cobalt and copper project fits with the Company's profile in energy metals, Mr. Hugh Warner had the following to say following signing of the option agreement: "Our team has reviewed numerous DRC Cobalt projects over the last 12 months. Without local knowledge, the DRC can be a daunting environment in which to do business. Thankfully our team has that experience, enabling us to navigate the legal, environmental, labour and political processes. We look forward to getting on the ground to begin exploration on Tombolo. Adding cobalt to our lithium deposit is another building block in establishing Prospect and the leading new energy provider in Africa".

PROJECT OVERVIEW & GEOLOGY

PEPM1787 is located approximately 25km north of the city of Kolwezi in the Lualaba Province in the southeast of the Democratic Republic of Congo.

Access to PEPM1787 from Kolwezi is made via one of two improved, all-season laterite roads which approach the east and west edges of the permit, with several bush tracks which cross the central and north portions of the concession, permitting simple access to all areas of the project.

PEPM1787 covers the eastern half of the Tombolo Klippe (Figure 2, below), an allochthonous (transported) fragment of a normal (right way up) stratigraphic sequence of Roan and Nguba Group rocks resting on younger autochthonous rocks of the Kundelungu Group.

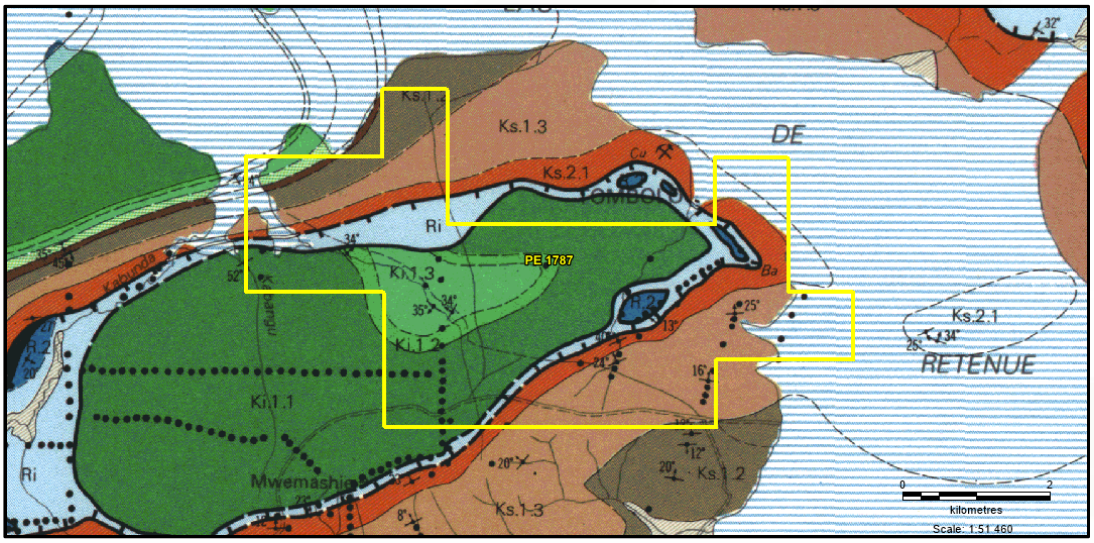

Figure 2: Geology of the Tombolo Klippe and PEPM1787. The permit covers the eastern portion of the Tombolo Klippe (yellow outline). Undifferentiated Roan (Ri) in light blue, Mines Series (R2) in dark blue, green Nguba (G) (formerly Ki) and Kundelungu (Ku) (formerly Ks) in orange and light red. The surface area of Lac de Retenue is mapped in blue and white horizontal stripes. Both the Roan and the Nguba are known to host copper and cobalt mineralisation within the permit.

The Tombolo Klippe forms a shallow syncline with a basal layer of Undifferentiated Roan (Ri) which is known to host mega-breccia fragments of Mines Series (R2) rocks which will form the primary target of Prospect's exploration programmes. The Mines Series is known to host many of the largest copper and cobalt deposits of the Congolese, or Katangan, Copperbelt.

Figure 3. Copper-cobalt (malachite & heterogenite) mineralisation from the north eastern end of the Tombolo anticline. Sporadic mineralisation is mapped for some 1.5 km along the contact between the Mines Series and Nguba Groups

The Tombolo Klippe has previously been the subject of a number of surficial prospecting programmes which consisted of mapping and trenching but has never been subject to a multi-disciplinary, targeted exploration programme as planned by Prospect Resources. This will investigate known copper and cobalt occurrences on the permit and systematically assess the entire permit area with geochemical sampling programmes, followed by AirCore and Reverse Circulation drilling.

Figure 4. Examples of the numerous occurrence of geobotanical indicators; in this case Masuku and "Pigs Foot" which cover almost 3 km of strike length.

The geology of the PEPM1787 permit is similar to many nearby cobalt and copper producers, with rocks of the Mines Series, which hosts major deposits such as KOV and Kamoto in Kolwezi – two of the most prolific copper and cobalt producers in the Katangan Copperbelt, and the Nguba Group, which hosts Glencore's Mutanda Mine, one of the world's richest cobalt deposits.

DUE DILIGENCE PROGRAMME

The Company has completed a first pass geochemical soil sampling programme covering the entire surface area of PEPM1787. A total of 888 soil samples and 47 duplicate samples were collected on a line/sample spacing of 200 x 100 m. Samples were first dried and then sieved to -75 microns and then analysed using a handheld X-Ray Fluorescence (XRF) instrument for determination of cobalt and copper content.

Statistical analysis of the soil analytical results suggests an anomalous threshold for cobalt-in-soil of approximately 22 ppm and an anomalous threshold for copper-in-soil of approximately 230 ppm.

Mapping of the soil sampling analytical results show an area of anomalous cobalt-in-soil values over an area of approximately 1000 m x 600 m in the central area of PEPM1787 (Figure 5) and another anomalous cobalt zone of approximately 400 m x 200 m in the south-eastern corner of the permit. Both areas warrant further investigation.

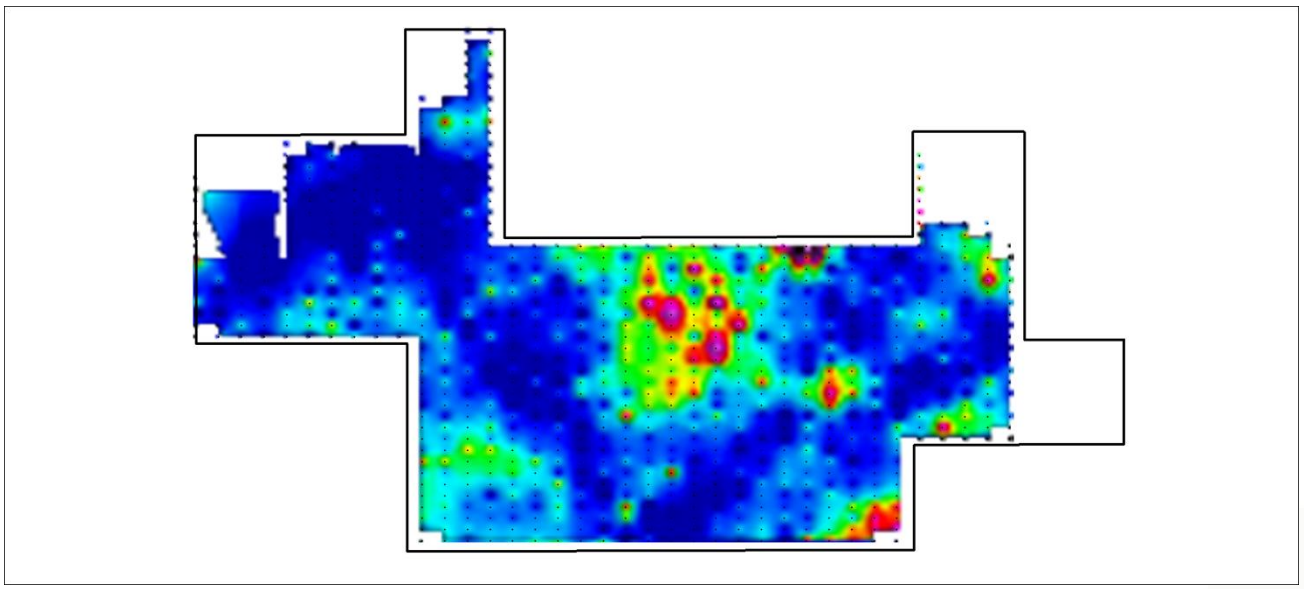

Figure 5. Gridded cobalt-in-soil results for the due diligence programme on PEPM1787. Strong cobalt anomalism in the central area of the permit will be investigated further.

Copper shows a pronounced anomalous zone of some 1,400 m in length and as great as 400 m in width in the north central area of the permit (Figure 6), and a second anomalous zone approximately 700 m in length in the northeast corner of the permit. Both of these zones are planned for further investigation during the next phase of exploration, planned for an immediate start.

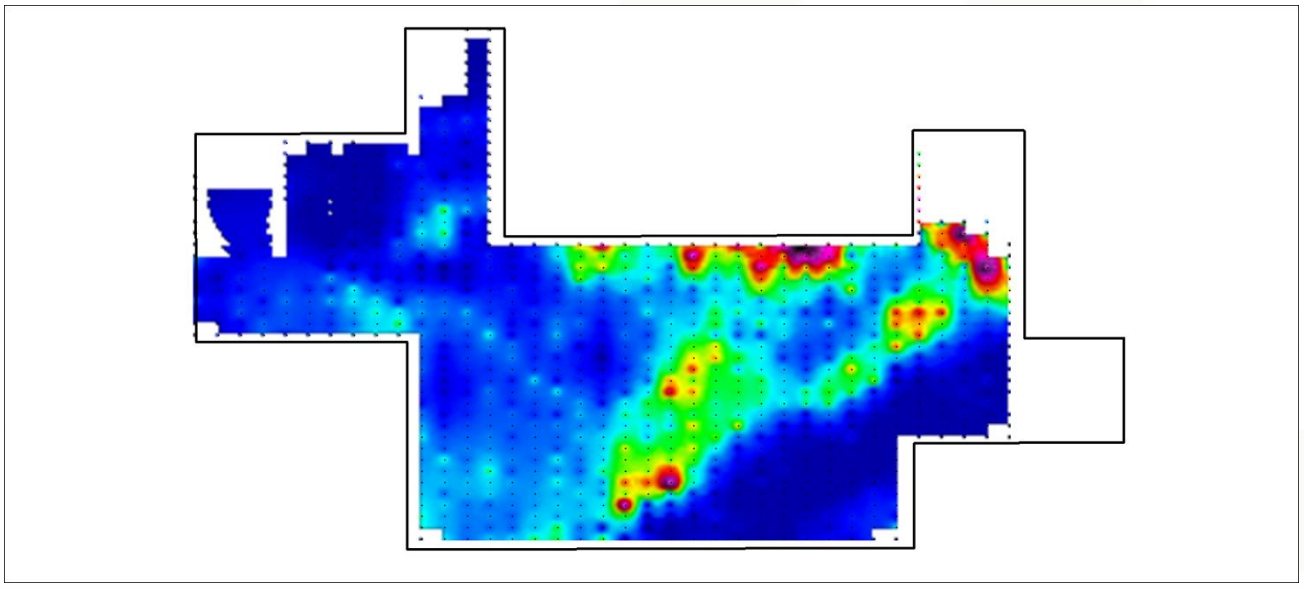

Figure 6. Copper-in-soil results for PEPM1787. Anomalous zones in the north central and northeast of the permit merit further work.

PLANNED FOLLOW-UP EXPLORATION PROGRAMME

Follow-up work will comprise of detailed geological mapping, trenching and drilling. Pending a successful outcome of this process and exercise of the option, the Company intends to commence with an exploration programme focusing on defining a JORC reportable Mineral Resource and generating material for metallurgical testwork.

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 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 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.

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

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• At the Tombolo Project, grid based soil sampling was undertaken. 888 2 – 2.5 kg soil samples were collected • Samples collected at 100m intervals along north-south lines, surveyed in at 200m intervals. • Samples trucked to Geoquest's pre-preparation laboratory in where 50g of material was randomly split- off and analysed by XRF (X-ray fluorescence)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• N/A
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A • N/A • .N/A
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• N/A

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Standard Prospect Resources geological codes were used for detailed geological logging, using different logging parameters for texture, structures, alteration, mineralisation, lithology and weathering.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• N/A • N/A • All samples sun dried and sieved to – 75 microns, to produce a charge of around 100g • The laboratory undertakes repeat analysis. In addition, 47 field duplicates were prepared and submitted “blind” to the Geoquest facility.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples analysed by multi-element XRF, using a bench mounted Niton analyser • 47 field duplicates were prepared and submitted “blind” to the Geoquest facility.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Site regularly inspected by Project Geologist Allan Lines. • N/A. • Logging and assay data captured electronically on excel

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	spreadsheet
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• No Mineral Resource estimate has been carried out. • All measurements have collected by hand held GPS in UTM Zone 35 South(WGS 1984) values.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples collected form 30cm deep holes dug without bias everty100m on a 200m spaced grid. • N/A
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples taken from north-south lines which area approximately perpendicular to the east-west reginal strike.
Sample security	• *The measures taken to ensure sample security.*	• Samples are placed in sealed bags to prevent movement and mixing. Minimal preparation was done on site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• To be advised.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint*	• PEPM1787 (exploitation permit) under option from TSM Enterprises

Criteria	JORC Code explanation	Commentary
land tenure status	*ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	sarl. • No environmental or land title issues. • Rural farmland - fallow
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No detailed records for any exploration, but the area was mapped in some detail by Francois Armand of Gecamines in 1990
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Oxide Zone typical DRC Copperbelt style mineralisation ; mainly malachite staining, nodules and heterogenite veining. Host rocks are Mines Series(Rona Group) carbonates and overlying clastic sediments of the Nguba Group.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum e truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• N/A • .
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Anomaly maps are included in the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The Company believes that all results have been reported and comply with balanced reporting.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• None known. •
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions,*	• Infill soil sampling planned followed by aircore drilling.

Criteria	JORC Code explanation	Commentary
	including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	