ANNUAL REPORT

30 JUNE 2017

ACN 124 354 329

Prospect Resources

CORPORATE DIRECTORY

DIRECTORS

Hugh Warner
Harry Greaves
Gerry Fahey
Zed Rusike
Manana Nhlanhla
Qingjiao Yu

SECRETARY

Andrew Whitten

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ASX CODE

Shares – PSC

LEGAL REPRESENTATIVES

Whittens & McKeough Pty Limited
Level 29, 201 Elizabeth Street
Sydney NSW 2000

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REVIEW OF OPERATIONS

Prospect has had an extremely busy 12 months and has achieved several significant milestones at its flagship Arcadia Lithium Project. Containing over 1.85Mt Lithium Carbonate Equivalent (LCE), Arcadia is the largest code compliant hard rock lithium deposit in Africa and in the top 10 world-wide.

Our next target will be finalising off-take agreements and sourcing funding for Arcadia, and we intend to commence production within 12-18 months of finalising these aspects. Our fast tracked and detailed evaluation leading to completion of a Pre-Feasibility Study (PFS) in July this year has delivered a quality, low cost asset that will provide high quality spodumene and petalite concentrates for many years to come. Technical risks at Arcadia have been mitigated to a large extent by the shallow dipping nature of the orebodies, simple processing and metallurgical methodologies and importantly the project's proximity to power, water, a skilled labour force resident in Zimbabwe, along with relatively simple logistics to the closest port.

Progress at Prospect's Gwanda East gold projects has continued, albeit at a slower rate due to the focus on Arcadia. In the last year, the team has been successful in completing shaft sinking, footwall development as well as underground drilling at Sally and surface and underground drilling at Prestwood mines, including the production revenues of approximately US$120,000 as part of the cleaning out of Sally underground stopes and drives. This revenue has been netted off against the exploration and evaluation expenditure.

RC Drilling at Arcadia Lithium

Sally Headgear – Gwanda East Gold

OPERATIONAL HIGHLIGHTS 2016/2017

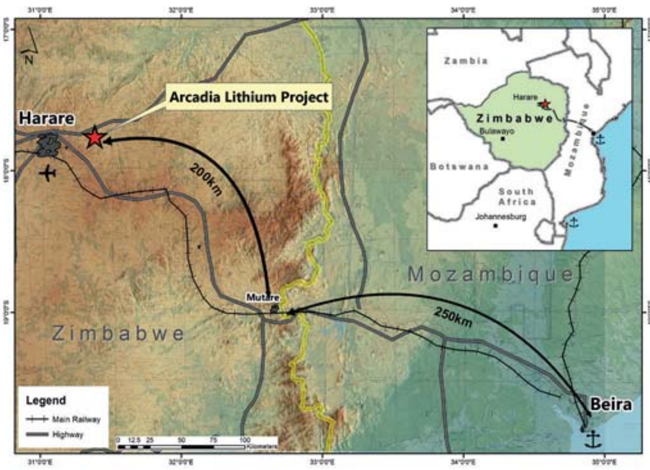
- October 2016 - Maiden JORC Mineral Resource estimates completed at Arcadia
- December 2016 – Positive Scoping Study Completed at Arcadia
- December 2016 – Key technical appointments to Arcadia team
- February 2017 – Shaft dewatering and headgear erected – Sally Gold Mine
- March 2017 – JORC Mineral Resource upgrade at Arcadia
- April 2017 – Initiated PFS on Lithium Chemical Plant
- June 2017 – Government EIA and Investment Approvals for Arcadia
- July 2017 – Positive PFS Completed at Arcadia
- July 2017 – Production of ArcadiaLithium concentrate samples
- August 2017 – JORC Mineral Resource upgrade at Arcadia

ARCADIA LITHIUM PROJECT

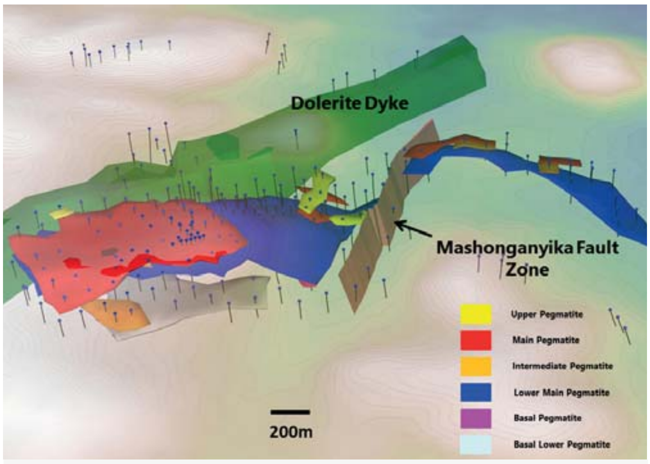
The Arcadia Lithium Project is located approximately 38 km east of Harare, Zimbabwe and occupies an area of more than 14 km^2 of granted Mining Rights and consists of several historical lithium and beryl workings within an existing agricultural area. The Project is located close to major highways and railheads, with the Beira Port being less than 450 km away by rail/road transport.

GEOLOGY & EXPLORATION

The Arcadia Lithium deposit is hosted within a series of 14 stacked, sub parallel petalite-spodumene bearing pegmatites that intrude the local Archaean age Harare Greenstone Belt. Dimensions of the pegmatites defined by drilling to date are 4.5 km along strike (SW-NE), with an average thickness of 15 m and dipping 15 degrees to the NW. The Main Pegmatite is exposed in the historical pit, and the deposit is open along strike to the southwest. The deposit is cut by the NNE-SSW trending Mashonganyika Fault zone, as well as a regional SW-NE trending dolerite dyke that appears to truncate the pegmatite to the NW. Continuation of the Lower Main Pegmatite has been identified and tested to the north east of the Mashonganyika Fault Zone.

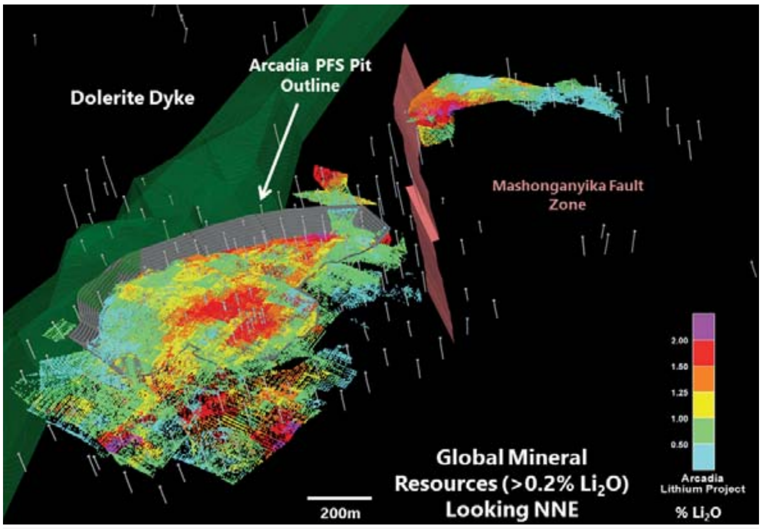


Location of Arcadia Lithium Project



3D View of Arcadia Li Deposit looking North

Diamond drillcore at Arcadia



Arcadia Block Model

Since initiation of drilling in June 2016, Prospect has completed 167 Reverse Circulation and 90 Diamond drill holes totalling nearly 23,000m. We have also completed 1,069 XRD analyses and some 4,000 assays. This significant drillhole database formed the basis of several iterations of JORC Code reported Mineral Resource estimates, the most recent being completed in July 2017. The upgrade lifted Arcadia's total Mineral Resource estimate to 66.6Mt grading 1.13% Li_2O, containing more than 1,850,000 t of LCE making the Arcadia Lithium Deposit the largest code reportable hard rock lithium deposit in Africa.

In addition to generating a high resolution block model, Prospect also completed necessary metallurgical and mineralogical testwork from material drawn from 18 dedicated and strategically located diamond drillholes.

The resulting confidence in the geological, grade distribution and importantly mineralogical distribution of spodumene and petalite in Arcadia coupled with application of the other modifying factors resulted in declaration of Maiden Ore Reserves of 15.8Mt grading 1.34% Li_2O as part of the PFS completed in July 2017.

JORC MINERAL RESOURCE AND RESERVE ESTIMATES

Prospect has strived to continually update and improve confidence in Arcadia's Mineral Resource estimates, resulting in the declaration of four Mineral Resource estimates over the last 12 months, the most recent being completed in July 2017. As part of the PFS, Maiden Ore Reserve estimates were also declared at Arcadia and support a 15 year Life of Mine.

Arcadia Ore Reserve Statement (>1% Li_2O)

Category	Tonnes	Li_2O %	Ta_2O_5 ppm	Li_2O Tonnes	Ta_2O_5 lbs	Fe_2O_3 %
Proven	-	-	-	-	-	-
Probable	15,800,000	1.34	125	212,000	4,300,000	1.02
TOTAL	**15,800,000**	**1.34**	**125**	**212,000**	**4,300,000**	**1.02**

The Ore Reserves declared at Arcadia are defined as the portion of the in situ Measured and Indicated Mineral Resources estimates declared by Prospect on 14 March 2017.

Ongoing infill drilling within the PFS pit areas has been successful in converting a significant amount of Inferred Resources to Indicated Categories and this resulted in an upgrade to the Arcadia Mineral Resource Estimates. The Ore Reserve Estimates are being updated accordingly.

Arcadia JORC Mineral Resource Statements (31 July 2017)

High Grade Zone - 1% Li_2O Cut-off					
Category	**Tonnes**	**Li_2O %**	**Ta_2O_5 ppm**	**Li_2O Tonnes**	**Ta_2O_5 lbs**
Measured	6,200,000	1.48%	132	92,400	1,800,000
Indicated	22,300,000	1.36%	117	303,700	5,800,000
Inferred	12,000,000	1.56%	117	186,600	3,000,000
TOTAL	**40,500,000**	**1.44%**	**119**	**582,700**	**10,600,000**

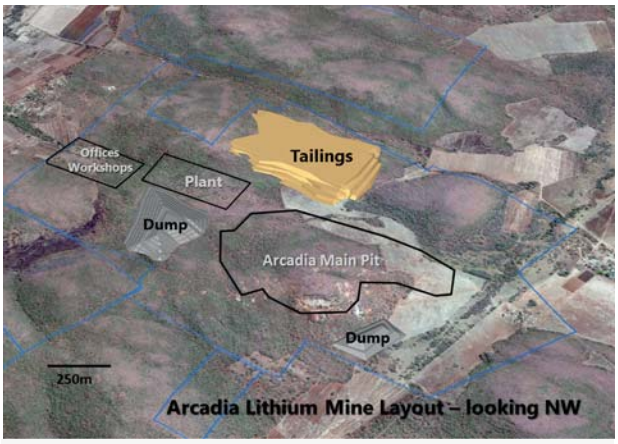
Global Resource - 0.2% Li_2O Cut-off					
Category	**Tonnes**	**Li_2O %**	**Ta_2O_5 ppm**	**Li_2O Tonnes**	**Ta_2O_5 lbs**
Measured	10,200,000	1.16%	134	117,700	2,800,000
Indicated	37,800,000	1.07%	118	404,600	9,400,000
Inferred	18,600,000	1.25%	109	232,700	5,000,000
TOTAL	**66,600,000**	**1.13%**	**117**	**755,000**	**17,200,000**

PRE FEASIBILITY STUDY

Following completion of a positive Scoping Study at the end of 2016, Prospect initiated a PFS that was completed in June 2017.

The PFS confirmed the viability of a low strip ratio open pit operation utilising conventional Dense Media Separation (DMS) and flotation processing technologies.

The results of the study also confirmed the strong and robust economics and financial viability of the project to support a low cost, long life lithium mining and processing facility in Zimbabwe.



Arcadia Lithium Mine Layout - looking NW

Key PFS Results

- Production averaging 75,000t spodumene, 155,000t petalite and 88,000lb Ta_2O_5 concentrates per year over the Life of Mine
- Maiden Ore Reserves of 15.8Mt grading 1.34% Li_2O and 125 ppm Ta_2O_5
- 1.2 Mtpa operation supporting a Life of Mine of 15 years based on current Ore Reserves with a favourable strip ratio of 2.79:1
- Conventional DMS and flotation mineral processing technologies used to produce battery, glass and ceramic grade lithia products with an average recovery of 71%
- Approval of the Arcadia Environmental Impact Assessment (EIA) by the Zimbabwe Government's Environmental Management Agency

ARCADIA PRODUCTS & MARKETING

The process and metallurgical testwork completed at Arcadia has shown the ability to produce three primary product streams that will be considered suitable feedstock for end users in the lithium battery, glass and ceramic markets. These samples have been distributed to interested third party and downstream customers in China, Europe and North America and resultant offtake negotiations are in progress.

ArcadiaLithium 6.5
6.5% Li_2O Spodumene (Float)

ArcadiaLithium 6.1
6.1% Li_2O Spodumene (DMS)

ArcadiaLithium 4.2
4.2% Li_2O Petalite (DMS)

Arcadia Chemical Plant

In order to add further value to the lithia products that will be produced from Arcadia, Prospect has initiated a PFS to evaluate the development of a lithium chemical plant at Arcadia. This process is also being supplemented by ongoing in-house research and development at the company's laboratory in Zimbabwe. Here significant progress has been made in generating battery grade (>99.5% Li_2CO_3) lithium carbonate from Arcadia's petalite concentrate feedstock.

The establishment of a lithium chemical plant at Arcadia will make the Arcadia project one of the few vertically integrated lithium projects in the world and certainly a first for Africa. Arcadia has the added benefit of its proximal location to key infrastructure such as electricity, by-product consumers and transport resources, as well as regional access to major consumables such as coal and sulphuric acid that are required for the conversion process.

GOLD PROJECTS – GWANDA EAST

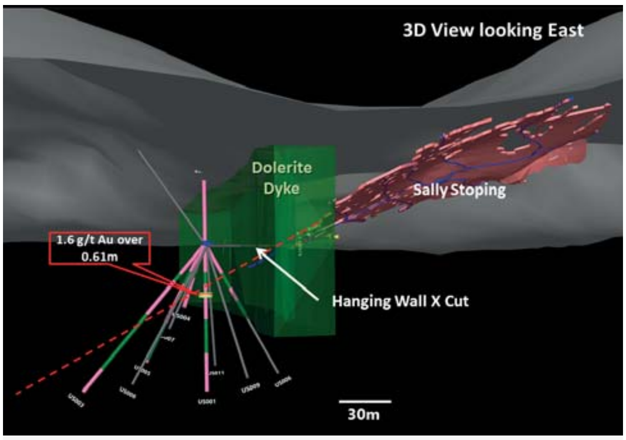
The Company continues to evaluate the gold potential of the greater Farvic gold camp through accessing and developing existing historical infrastructure, surface and underground diamond drilling as well as focused surface geochemical surveys. Exploration and underground development work over the Prestwood, Bucks Reef and Sally gold mines continued during the year, albeit at a slower rate due to the Company's focus on Arcadia.

Sally Gold Mine and Exploration

Significant progress was made at the Sally gold mine over the year, where the old workings were successfully dewatered and underground stopes cleaned and vamped, with proceeds of the material claimed from Sally yielding approximately 120 oz Au.

Importantly, a hanging wall drive was developed through the regional dolerite dyke responsible for the apparent termination of downdip extent of the Sally Reef.

Prospect has embarked on a 700m drilling program in order to locate the Sally Reef in the footwall, beyond the dyke, with the first hole US001 intersecting the Sally Reef at its anticipated downdip location. Other holes have so far drilled into the dyke and its offshoots, and a likely parallel adit to the northeast. Thirteen holes are planned, totalling some 1,250m.



3D View looking East

Maize crops at Arcadia

Prestwood and Bucks Reef Mines and Exploration

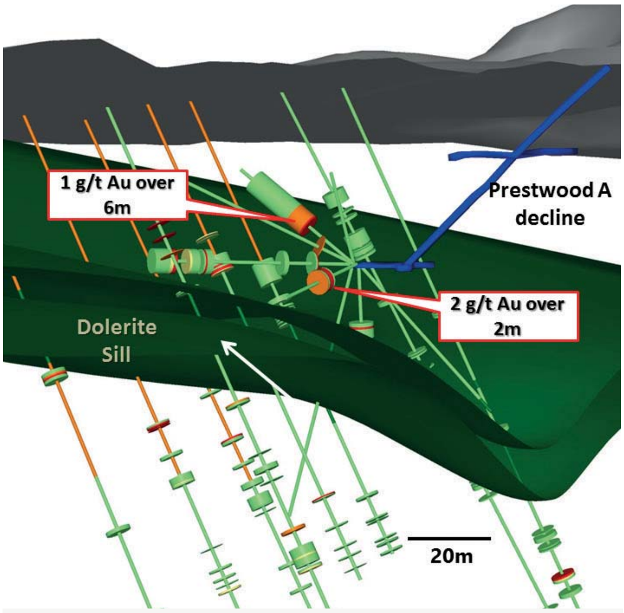
Exploration and underground development focused on redevelopment and shaft sinking at Prestwood Main and Prestwood A, as well as surface and underground drilling.

CORPORATE AND SOCIAL INVESTMENT

Prospect is committed to carrying out its business in an environmentally responsible manner.

Prospect also works to ensures that all stakeholders are kept informed of developments and any opportunities that may arise through direct or indirect employment on any of Prospect's exploration projects and mining operations.

With Harry Greaves at the helm, Prospect acquired the farming rights to approximately 80 hectares of ground covering and adjacent to Arcadia. Following excellent rains, we harvested a significant maize crop of 690t subsequent to 30 June 2017.



Prestwood A underground drilling

Combine harvester in action

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on and fairly represents information and supporting documentation 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 JORC Code 2012 Edition. 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.

The information in this report that relates to Ore Reserves is based on and fairly represents information and supporting documentation compiled by or under the supervision of Mr David Miller, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Miller is Prospect Resources' Marketing Consultant. Mr Miller 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 JORC Code 2012 Edition. Mr Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

The directors of Prospect Resources Limited ("the Company") submit hereby the annual report of the Company and its subsidiaries, (together the "Consolidated Entity" or "Group") for the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

OFFICERS AND DIRECTORS

The directors at any time during or since the end of the year are:

Name	Particulars
Hugh Warner	Executive Chairperson
Duncan (Harry) Greaves	Executive Director
Gerry Fahey	Non-Executive Director
Zivanayi (Zed) Rusike	Non-Executive Director
Manana Nhlanhla	Non-Executive Director
Qingjiao Yu	Non-Executive Director (appointed 18 November 2016)

The above named Directors held office during and since the financial year, except as otherwise stated.

PRINCIPAL ACTIVITY

The principal activity of the Group is exploration and evaluation of mineral resources.

REVIEW OF OPERATIONS AND RESULTS

	2017 $'000	2016 $'000
Reported loss after tax	(12,794)	(1,727)
Exploration and evaluation expenditure expensed	1,506	1
Impairment of exploration and evaluation/mine properties	1,770	489
Share based payments expense	6,628	166
Loss after adjustment for exploration expenditure, impairments and share based payments	**(2,890)**	**(1,071)**

The loss after adjustment for exploration and evaluation expenditure, impairments and share based payments has increased due to increased operational activities and is in line with expectations.

Exploration and evaluation expenditure expensed relates to expenditure paid directly by the parent company on the Arcadia Project.

As discussed above under the heading Gwanda East Gold Projects, the Group has impaired the capitalised mine property costs for Prestwood and will refocus on the historic Sally Mine.

The Company issued 115,000,000 options to directors, employees and consultants on 22 July 2016, upon receiving shareholder approval. The main driver in the fair value of these options is the share price on issue date, which increased significantly from when the board agreed the terms and conditions to the date of the shareholder meeting when the issue of options was approved by shareholders.

Additional information on the operations and financial position of the Group is set out in the review of operations and Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

1) The Company issued 357,000,000 new ordinary shares to raise $17,255,000 before costs.

ENVIRONMENTAL REGULATIONS

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out exploration work.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than the following, the directors are not aware of any significant events since the end of the reporting period:

1) On 21 July 2017, the Company issued 65,000,000 options exercisable at $0.05, expiring on 31 December 2018.

DIVIDENDS

No dividends were recommended or paid during the current year.

LIKELY DEVELOPMENTS/STRATEGIES AND PROSPECTS

The Group will continue to explore and assess its mineral projects and will also consider new projects, primarily in Zimbabwe, Democratic Republic of Congo, Zambia and Mozambique that could provide growth for shareholders.

INFORMATION ON DIRECTORS

Hugh Warner (Executive Chairperson) appointed 3 January 2012

Experience and Expertise

Mr Warner holds a Bachelor of Economics from the University of Western Australia. He has broad experience as a public company director, having been a director of a number of publicly listed companies involved in the mining, oil and gas, biotechnology and service industries.

Other Current Listed Directorships

None

Former Listed Directorships in the Last Three Years

JustKapital Litigation Partners Limited (Executive Director)
(appointed 17 May 2010, resigned 15 January 2016)

LiveTiles Limited
(appointed 20 April 2010, resigned 26 August 2015)

Special Responsibilities

Chairperson

Interests in Shares and Options

128,666,668 ordinary shares and 50,000,000 options

Duncan (Harry) Greaves (Executive Director) appointed 15 July 2013

Experience and Expertise

Harry is a fourth generation Zimbabwean. He holds a B.Sc (agriculture) from the University of Natal (in South Africa). He is the founding shareholder of Farvic Consolidated Mines (Pvt) Ltd which operates the Prince Olaf, Farvic and Nicolson gold mines in southern Zimbabwe all of which he brought back into production over the last 10 years including the design and construction of two milling facilities. He is a well respected and well known member of the Zimbabwe mining fraternity.

Other Current Listed Directorships

None

Former Listed Directorships in the Last Three Years

JustKapital Litigation Partners Limited (appointed 19 August 2013, resigned 12 February 2015)

Special Responsibilities

None

Interests in Shares and Options

20,957,944 ordinary shares and 50,000,000 options

Gerry Fahey (Non-Executive Director) appointed 15 July 2013

Experience and Expertise

Mr Gerry Fahey has 40 years' experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved with the development of the Eureka, Chaka, Globe and Phoenix gold mines and the following Australian gold projects: Kanowna Belle, Golden Feather, Sunrise and Wallaby. Gerry is currently a Director of Focus Minerals Ltd and a former Director of CSA Global Pty Ltd, Modun Resources Limited and a former member of the Joint Ore Reserve Committee (JORC).

Other Listed Current Directorships

Focus Minerals Ltd (appointed 20 April 2011)

Former Listed Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

Nil shares and 15,000,000 options

Zivanayi (Zed) Rusike (Non-Executive Director) appointed 26 September 2013

Experience and Expertise

Mr Rusike graduated in Accountancy in Birmingham, England, before returning to Zimbabwe in 1982. He was Managing Director of United Builders Merchants before being promoted to Group Managing Director for Radar Holdings Limited, then, a large quoted company on the Zimbabwe Stock Exchange. He retired from the Radar Group of companies in 2005 to pursue his personal interests and is currently the Executive Chairman of Dulux Paints Limited. Zed is a former President of The Confederation of Zimbabwe Industries.

Other Current Listed Directorships

Zimplow Holdings Limited (appointed 23 August 2010) - Zimbabwe Stock Exchange

Former Listed Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

12,403,738 ordinary shares and 5,000,000 options

Manana Nhlanhla (Non-Executive Director) appointed 29 September 2014

Experience and Expertise

Ms Nhlanhla is Chairperson of Mion Limited, the parent company of Armoured Fox Capital (Pty) Ltd, one of the Company's largest shareholders. Mion Limited is a 100% black owned South African based investment company with investments in Maritime, Gaming, Energy, Industrial, Engineering Industries and general listed entities.

Other Current Listed Directorships

RCL Foods Limited (appointed 19 May 2005) – Johannesburg Stock Exchange

Former Listed Directorships in the Last Three Years

Times Media Group Limited (appointed 20 June 2013, resigned 30 June 2015) – Johannesburg Stock Exchange

Special Responsibilities

None

Interests in Shares and Options

108,160,889 ordinary shares and Nil options (Ms Nhlanhla is a director and controller of Armoured Fox Capital (Pty) Ltd which holds this interest in Prospect Resources Limited).

Qingjiao Yu (Non-Executive Director) appointed 18 November 2016

Experience and Expertise

Mr Yu has over 15 years' experience in the Lithium-ion battery industry in China and is well known for being a key figure in the China battery technology sector. Mr Yu is Chairman and CEO of Energy Finance Net and China Battery Net. He is also the President for the Chinese Battery Magazine, Secretary-General for ABEC BBS (Lithium electricity "Davos") committee and also a Director of Zhongguancun Battery Industry Technology Innovation Alliance.

Other Current Listed Directorships

None

Former Listed Directorships in the Last Three Years

None

Special Responsibilities

None

Interests in Shares and Options

Nil ordinary shares and Nil options.

COMPANY SECRETARY

The company secretary is Andrew Whitten. Andrew was appointed to the position of company secretary on 10 April 2012. Andrew is a Solicitor Director of Whittens & McKeough Pty Limited, where he specialises in corporate finance and securities law.

MEETINGS OF DIRECTORS

The number of meetings of the Company's board held during the year ended 30 June 2017 that each Director was eligible to attend, and the number of meetings attended by each Director were:

	Number of Meetings	
Director	**Eligible to attend**	**Attended**
Hugh Warner	1	1
Harry Greaves	1	1
Gerry Fahey	1	1
Zed Rusike	1	1
Manana Nhlanhla	1	1
Qingjiao Yu	1	1

The majority of the Company's business was conducted via circular resolutions.

REMUNERATION REPORT (AUDITED)

The Remuneration Report is set out under the following main headings:

1) Principles used to determine the nature and amount of remuneration;
2) Details of remuneration;
3) Service agreements; and
4) Share-based compensation.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

This report details the nature and amount of remuneration for each director and executive of Prospect Resources Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by the Corporations Act 2001 and its regulations.

For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'executive' includes those key management personnel who are not directors of the parent company.

1) Principles used to determine the nature and amount of remuneration

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality board and executives by remunerating directors and executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving the objective, the Board links the nature and amount of executive director's emoluments to the Group's financial and operational performance. The intended outcomes of this remuneration structure are:

- Retention and motivation of directors
- Performance rewards to allow directors to share the rewards of the success of the Group.

The remuneration of an executive director will be decided by the Board. In determining competitive remuneration rates the Board reviews local and international trends among comparative companies and the industry generally. It also examines terms and conditions for any options issued.

The maximum remuneration of non-executive directors is the subject of shareholder resolution in accordance with the Group's Constitution, and the Corporations Act 2001 as applicable. The appointment of non-executive director remuneration within that maximum will be made by the Board having regards to the inputs and value to the Group of the respective contributions by each non-executive director.

The Board may award additional remuneration to non-executive directors called upon to perform extra services or make special exertions on behalf of the Group. There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive directors. All equity based remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

Performance Based Remuneration

The Board may pay bonuses to directors and executives at its discretion.

The issue of options to directors and executives is to encourage the alignment of personal and shareholder returns. The intention of this program is to align the objectives of directors/executives with that of the business and shareholders. In addition, all directors and executives are encouraged to hold shares in the Company.

Group Performance, Shareholder Wealth and Key Management Personnel Remuneration

The Group is currently undertaking new acquisitions, exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly, the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

The remuneration policy has been tailored to maximize the commonality of goals between shareholders, directors and executives. The method applied in achieving this aim to date being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be the most effective in increasing shareholder wealth.

Performance of Prospect Resources Limited

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the financial year ended 30 June 2017 and prior.

	30 June 2017 $'000	30 June 2016 $'000	30 June 2015 $'000	30 June 2014 $'000	30 June 2013 $'000
Revenue	110	71	10	3	23
Net loss before tax	(12,794)	(1,727)	(1,309)	(2,494)	(1,297)
Net loss after tax	**(12,794)**	**(1,727)**	**(1,309)**	**(2,494)**	**(1,297)**

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Share price at beginning of year (cents)	2.2	0.3	0.7	0.5	N/a[1]
Share price at end of year (cents)	2.0	2.2	0.3	0.7	0.5
Dividends	-	-	-	-	-
Basic and diluted earnings per share (cents per share)	**(0.76)**	**(0.18)**	**(0.19)**	**(0.52)**	**(0.35)**

Remuneration of Key Management Personnel

The following persons were identified as Key Management Personnel of Prospect Resources Limited during the financial year:

Directors

Hugh Warner	Executive Chairperson
Harry Greaves	Executive Director
Zed Rusike	Non-Executive Director
Gerry Fahey	Non-Executive Director
Manana Nhlanhla	Non-Executive Director
Qingjiao Yu	Non-Executive Director

Executives

Roger Tyler	Chief Geologist
Lee John	General Manager - Operations
Chris Hilbrands	Chief Financial Officer

2) Details of remuneration

2017 Directors	SHORT TERM Salary & Fees $	Bonus $	Other $	POST EMPLOYMENT Superannuation $	EQUITY Options $	Total $
Non-Executive Directors						
Z Rusike	24,000	–	–	–	–	24,000
G Fahey	21,918	–	–	2,082	576,331	600,331
M Nhlanhla (i)	24,000	–	–	–	–	24,000
Q Yu	14,867	–	–	–	–	14,867
Executive Directors						
H Warner	218,417	–	–	20,749	2,017,159	2,256,325
H Greaves	239,166	–	–	–	2,017,159	2,256,325
Executives						
R Tyler	254,721	26,010	–	–	576,331	857,062
L John (ii)	145,833	–	–	–	–	145,833
C Hilbrands	91,324	–	–	9,037	576,331	676,692
Total	**1,034,246**	**26,010**	**-**	**31,868**	**5,763,311**	**6,855,435**

Notes

(i) Mion Holdings (Pty) Ltd, an entity associated with Manana Nhlanhla, was paid or is payable $24,000 (2016: $2,000) for director's fees.

(ii) Biomet Engineering, an entity associated with Lee John, was paid or is payable $145,833 (2016: $Nil). Mr John became a KMP upon commencing with the company on 1 December 2016.

2016 Directors	SHORT TERM Salary & Fees $	Bonus $	Other $	POST EMPLOYMENT Superannuation $	EQUITY Options $	Total $
Non-Executive Directors						
Z. Rusike	2,000	–	–	–	9,698	11,698
G. Fahey	1,826	–	–	174	9,698	11,698
M Nhlanhla	2,000	–	–	–	–	2,000
Executive Directors						
H. Warner	9,132	50,000	–	868	29,094	89,094
H. Greaves (i)	10,000	50,000	10,773	–	29,094	99,867
Executives						
R. Tyler (ii)	47,670	–	61,726	3,575	9,698	122,669
C. Hilbrands	49,467	–	–	4,700	9,698	63,865
Total	**122,095**	**100,000**	**72,499**	**9,317**	**96,980**	**400,891**

Notes

(i) Mr Greaves submitted an invoice for other services on ordinary terms and conditions.

(ii) Mr Tyler submitted invoices for other services on ordinary terms and conditions.

Short term incentives

In 2017, Roger Tyler was paid a US$20,000 bonus at the discretion of the Board.

In 2016, Hugh Warner and Harry Greaves were both paid a $50,000 bonus at the discretion of the Board. This bonus was in recognition of historical non-payment of salaries to the Executive directors and completion of the Arcadia claim acquisition.

3) Service agreements

Executive Directors

Executive directors entered into an Executive Services Agreement commencing 1 June 2016 with a total annual salary of $120,000 per annum inclusive of superannuation (if applicable). The total annual salary increased to $250,000 per annum inclusive of superannuation (if applicable) from 1 August 2016. Prior to 1 June 2016, the executive directors agreed not to be paid to conserve cash and protect the Company.

Non-Executive Directors

Non-Executive directors entered into either a Non-Executive Services Agreement or Consultancy Agreement commencing 1 June 2016, or commencement of appointment, with a total annual salary of $24,000 per annum inclusive of superannuation (if applicable). Prior to 1 June 2016, the non-executive directors agreed not to be paid to conserve cash and protect the Company.

Other Executives

Roger Tyler signed a twelve month fixed term contract with a subsidiary of the Company commencing 15 March 2016, renewed on 15 March 2017, for US$72,000 per annum. In addition, Roger Tyler entered into a consultancy agreement with Prospect Resources Limited commencing 1 July 2016 with a total annual remuneration of US$60,000 increasing to US$90,000 from 1 September 2016.

Lee John entered into an Executive Services Agreement commencing 1 December 2016 with a total annual remuneration of $250,000. The Company will pay a $200,000 performance based bonus upon certain KPIs being met. The Company may pay a performance based bonus over and above the salary at any time. The KPIs were not met in FY2017 and no bonus has been recognised for FY2017.

Chris Hilbrands entered into an Executive Services Agreement commencing 1 June 2016 with a total annual remuneration of $100,000 inclusive of superannuation. Prior to 1 June 2016, Mr Hilbrands received a total annual remuneration $50,000 inclusive of superannuation.

Termination

For all Executives other than Mr Tyler and Mr John, terms of employment require that the Company provide the Executive with six months written notice. The Executive may terminate their employment at any time and will be entitled to six months salary. The Company can terminate an Executive's employment by giving one months notice if the Executive commits or becomes guilty of gross misconduct and summarily without notice if convicted of any major criminal offence. Mr Tyler and Mr John terms of employment require that the Company or Executive provide the other with three months notice.

4) Share-based compensation

The Company issued 100,000,000 options to directors or key management personnel during the financial year (2016: 50,000,000 options). No options were exercised or expired during the year.

During the financial year, the following share based payment arrangements to directors and key management personnel were in existence:

Options series	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
(1) Issued 14/12/15	20/11/15	$0.00194	0.5 cents	19/11/18	(i)
(2) Issued 22/07/16	22/07/16	$0.05763	1.5 cents	15/06/19	(ii)

(i) Options vested once 20 business day VWAP has exceeded 1 cent. These options vested during the prior year.

(ii) Options vested once 20 business day VWAP has exceeded 3 cents. These options vested during the year.

The following grants of share based payment compensation to key management personnel relate to the current financial year:

	During the financial year					
Option series	**No. granted**	**No. vested**	**% of grant vested**	**% of grant forfeited**	**% of compensation for the year consisting of options**	**Value of options granted at the grant date (i) $**
(2) H Warner	35,000,000	35,000,000	100%	Nil	89%	2,017,159
(2) H Greaves	35,000,000	35,000,000	100%	Nil	89%	2,017,159
(2) G Fahey	10,000,000	10,000,000	100%	Nil	96%	576,331
(2) R Tyler	10,000,000	10,000,000	100%	Nil	67%	576,331
(2) C Hilbrands	10,000,000	10,000,000	100%	Nil	85%	576,331

(i) The value of options granted during the financial year is calculated as at the grant date using Black-Scholes. This grant date value is allocated to remuneration of key management personnel on a straight line basis over the period from grant date to vesting date. The vesting criteria was satisfied during the year and the full cost has been recognised.

Key Management Personnel Equity Holdings

Ordinary Shares Held at 30 June 2017	Opening balance	Granted as compensation	On exercise of options	Net other change	Closing balance
Z Rusike	12,403,738	–	–	–	12,403,738
G Fahey	–	–	–	–	–
M Nhlanhla	119,860,889(i)	–	–	(11,700,000)(ii)	108,160,889(i)
Q Yu	–	–	–	–	–
H Warner	127,166,668	–	–	1,500,000(iii)	128,666,668
H Greaves	20,957,944	–	–	–	20,957,944
R Tyler	–	–	–	–	–
L John	–	–	–	–	–
C Hilbrands	5,750,000	–	–	400,000(iii)	6,150,000
	286,139,239	**–**	**–**	**(9,800,000)**	**276,339,239**

(i) Shares owned by Armoured Fox Capital (Pty) Ltd. Ms Nhlanhla is a director and controller of Armoured Fox Capital (Pty) Ltd.

(ii) Shares disposed.

(iii) Shares acquired on market.

Options Held at 30 June 2017	Opening balance	Granted as compen-sation	Exercised	Net other change	Closing balance	Balance vested	Vested and exercisable	Options vested during the year
Z Rusike	5,000,000	–	–	–	5,000,000	5,000,000	5,000,000	–
G Fahey	5,000,000	10,000,000	–	–	15,000,000	15,000,000	15,000,000	10,000,000
M Nhlanhla	–	–	–	–	–	–	–	–
Q Yu	–	–	–	–	–	–	–	–
H Warner	15,000,000	35,000,000	–	–	50,000,000	50,000,000	50,000,000	35,000,000
H Greaves	15,000,000	35,000,000	–	–	50,000,000	50,000,000	50,000,000	35,000,000
R Tyler	5,000,000	10,000,000	–	–	15,000,000	15,000,000	15,000,000	10,000,000
L John	–	–	–	–	–	–	–	–
C Hilbrands	5,000,000	10,000,000	–	–	15,000,000	15,000,000	15,000,000	10,000,000
	50,000,000	**100,000,000**	**–**	**–**	**150,000,000**	**150,000,000**	**150,000,000**	**100,000,000**

(End of Remuneration Report)

Additional Information

(a) Shares under option

At the date of signing this report, the Company has 255,000,000 unlisted options over ordinary shares under issue (30 June 2016: 65,000,000). These options are exercisable as follows:

Details	No of options	Grant Date	Expiry Date	Conversion Price $
Management incentive options	65,000,000	20/11/2015	19/11/2018	0.005
	115,000,000	22/07/2016	15/06/2019	0.015
	65,000,000	21/07/2017	31/12/2018	0.05
Capital raising fee options	10,000,000	22/07/2016	21/07/2019	0.015
	255,000,000			

Share options carry no rights to dividends and no voting rights.

(b) Insurance of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary, and any executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(c) Agreement to indemnify officers

The Company has entered into agreements with the directors to provide access to Company records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

(d) Proceedings on Behalf of the Company

To the best of the director's knowledge, no person has applied to the court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened on behalf of the Company with leave of the court under Section 237.

(e) Auditor

Stantons International is the appointed auditor.

(f) Indemnity of Auditor

The auditor (Stantons International) has not been indemnified under any circumstance.

(g) Audit Services

During the financial year $39,000 (excluding GST) was paid or payable for audit services provided by Stantons International (2016: $30,000) and $Nil (excluding GST) was paid or payable for audit services provided by Deloitte Touche Tohmatsu (2016: $4,435). Non related audit firms have been paid or are payable $14,000 for audit services of subsidiaries (2016: $14,000).

(h) Non-audit Services

No non-audit services were provided by the auditor or any entity associated with the auditor for the year ended 30 June 2017 or 30 June 2016.

(i) Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 48 of the Annual Report.

(j) Corporate Governance Statement

The directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement dated 27 September 2017 released to ASX and posted on the Company's website www.prospectresources.com.au/company/corporate-governance.

Signed in accordance with a resolution of the directors.

Hugh Warner
Director

Perth, Western Australia
Dated 27 September 2017

DIRECTORS' DECLARATION

1. In the opinion of the directors of Prospect Resources Limited ("the Company"):

   (a) the accompanying financial statements, notes thereto are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year then ended; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 2(a) to the financial statements.

   (d) the audited remuneration disclosures set out on pages 13 to 17 of the Directors' Report comply with accounting standard AASB 124 *Related Party Disclosures and the Corporations Regulations 2001.*

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of directors.

Hugh Warner
Director

Perth, Western Australia
Dated 27 September 2017

	Notes	Consolidated 2017 $'000	Consolidated 2016 $'000
Revenue from continuing operations	5	110	71
Depreciation expense		(99)	(19)
Employee benefits expenses		(797)	(178)
Exploration and evaluation expenditure expensed		(1,506)	(1)
Farming expenses		(179)	–
Impairment of exploration and evaluation expenditure		–	(489)
Impairment of mine properties		(1,770)	–
Occupancy expenses		(57)	(49)
Project generation expense		(400)	(249)
Share based payment – consultants	15(a)	–	(40)
Share based payment – options expense	15(a)	(6,628)	(126)
Other administrative expenses		(1,468)	(647)
Loss before tax		**(12,794)**	**(1,727)**
Income tax	6	–	–
Loss after tax		**(12,794)**	**(1,727)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	14(e)	(147)	(2)
Other comprehensive loss for the year, net of tax		(147)	(2)
Total comprehensive loss for the year		**(12,941)**	**(1,729)**
Loss attributable to:			
Equity holders of the Company		(11,989)	(1,581)
Non-controlling interests		(805)	(146)
		(12,794)	**(1,727)**
Total comprehensive loss attributable to:			
Equity holders of the Company		(12,136)	(1,583)
Non-controlling interests		(805)	(146)
		(12,941)	**(1,729)**
Loss per share			
From continuing and discontinued operations			
Basic loss per share (cents)	22	(0.76)	(0.18)
Diluted loss per share (cents)	22	(0.76)	(0.18)

The accompanying notes form part of these financial statements

Prospect Resources

	Notes	Consolidated 2017 $'000	Consolidated 2016 $'000
Current Assets			
Cash and cash equivalents	7	7,339	2,417
Trade and other receivables	8	84	245
Other current assets		41	28
Total Current Assets		**7,464**	**2,690**
Non-Current Assets			
Plant and equipment	9	597	169
Exploration and evaluation expenditure	10	6,443	102
Mine properties	10	-	999
Total Non-Current Assets		**7,040**	**1,270**
Total Assets		**14,504**	**3,960**
Current Liabilities			
Trade and other payables	11	1,067	552
Total Current Liabilities		**1,067**	**552**
Non-Current Liabilities			
Provisions	12	39	40
Total Non-Current Liabilities		**39**	**40**
Total Liabilities		**1,106**	**592**
Net Assets		**13,398**	**3,368**
Equity			
Contributed equity	13(b)	36,976	22,192
Reserves	14(a)	9,410	1,370
Accumulated losses	14(f)	(31,945)	(19,956)
Total Equity Attributable to Shareholders of Parent Company		**14,441**	**3,606**
Non-controlling interests		(1,043)	(238)
Total Equity		**13,398**	**3,368**

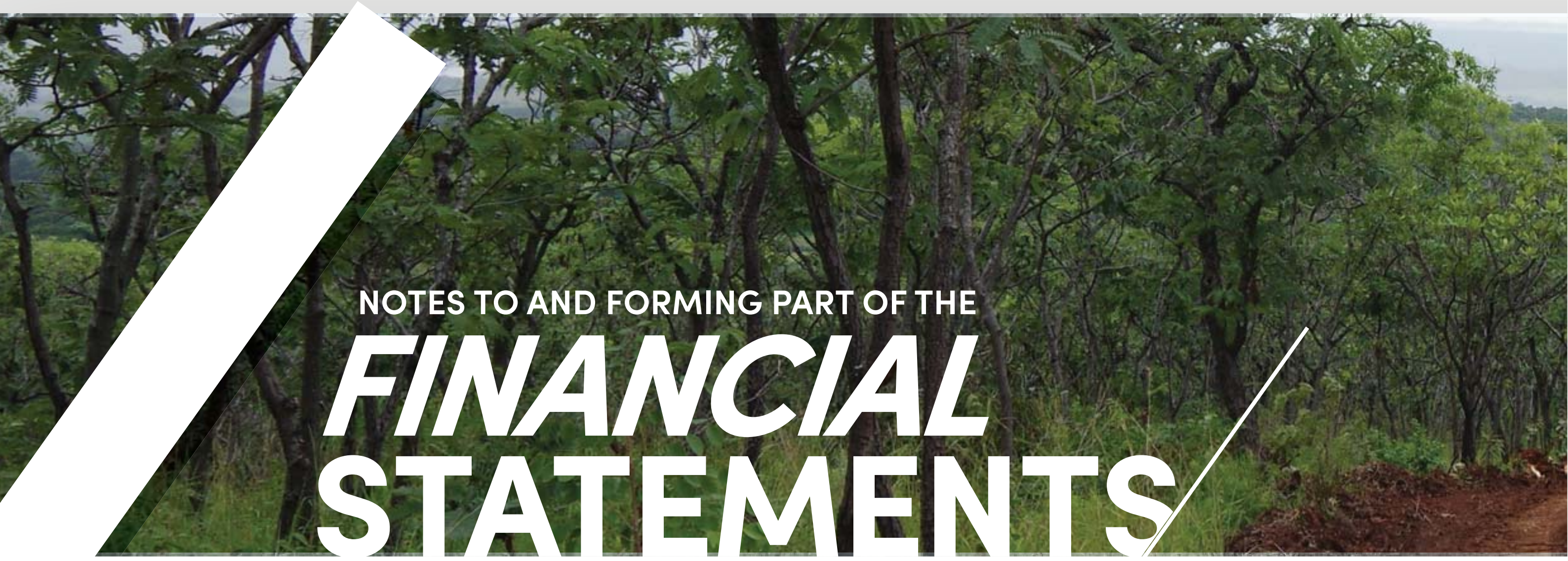
The accompanying notes form part of these financial statements

	Notes	Consolidated 2017 $'000	Consolidated 2016 $'000
Cash flows from operating activities			
Receipts from customers		91	69
Payments to suppliers and employees		(2,825)	(1,100)
Payments for exploration expenditure expenses		(1,273)	(1)
Net cash flows used in operating activities	7(a)	**(4,007)**	**(1,032)**
Cash flows from investing activities			
Interest received		19	3
Payment for plant and equipment		(533)	(43)
Payments for exploration expenditure and acquisition of tenements (net of gold sold)		(5,666)	(241)
Payment for development costs (net of gold sold)		(907)	(167)
Advance to related party		(97)	(94)
Net cash flows used in investing activities		**(7,184)**	**(542)**
Cash flows from financing activities			
Proceeds from issue of shares		17,415	4,067
Capital raising costs		(912)	(237)
Proceeds from related party loan		–	111
Repayment of related party loan		(102)	(50)
Net cash flows from financing activities		**16,401**	**3,891**
Net increase in cash and cash equivalents		5,210	2,317
Cash and cash equivalents at beginning of year		2,417	100
Effects of exchange rate changes on the balance of cash held in foreign currencies		(288)	–
Cash and cash equivalents at end of year	7	**7,339**	**2,417**

The accompanying notes form part of these financial statements

	Issued Capital $'000	Option Reserves $'000	Foreign currency Translation reserve $'000	Accumulated Losses $'000	Attributable to owners of the parent $'000	Non-controlling interests $'000	Total Equity $'000
Balance at 30 June 2015	18,163	1,301	(55)	(18,375)	1,034	(92)	942
Loss for the year	–	–	–	(1,581)	(1,581)	(146)	(1,727)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	–	–	(2)	–	(2)	–	(2)
Total comprehensive loss for the year	–	–	(2)	(1,581)	(1,583)	(146)	(1,729)
Issue of ordinary shares for cash	4,227	–	–	–	4,227	–	4,227
Issue of ordinary shares for consulting fees	40	–	–	–	40	–	40
Share capital raising costs	(238)	–	–	–	(238)	–	(238)
Options issued	–	126	–	–	126	–	126
Balance at 30 June 2016	**22,192**	**1,427**	**(57)**	**(19,956)**	**3,606**	**(238)**	**3,368**
Loss for the year	–	–	–	(11,989)	(11,989)	(805)	(12,794)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	–	–	(147)	–	(147)	–	(147)
Total comprehensive loss for the year	–	–	(147)	(11,989)	(12,136)	(805)	(12,941)
Issue of ordinary shares for cash	17,000	–	–	–	17,000	–	17,000
Issue of ordinary shares upon exercise of options	255	–	–	–	255	–	255
Share capital raising costs	(2,471)	1,559	–	–	(912)	–	(912)
Options issued	–	6,628	–	–	6,628	–	6,628
Balance at 30 June 2017	**36,976**	**9,614**	**(204)**	**(31,945)**	**14,441**	**(1,043)**	**13,398**

The accompanying notes form part of these financial statements



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 CORPORATE INFORMATION

The financial report of Prospect Resources Limited ("the Company") for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 27 September 2017.

Prospect Resources Limited is a company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements comprise the consolidated financial statements of the Company and its subsidiaries (together the "Consolidated Entity" or "Group"). For the purposes of preparing the consolidated financial statements the Company is a for-profit entity.

The principal activity of the Group is exploration for mineral resources.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of law, unless stated otherwise.

Accounting Standards include Australian Standards, compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and Group comply with International Financial Reporting Standards ('IFRS').

It is recommended that this financial report be read in conjunction with the public announcements made by Prospect Resources Limited during the year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

Historical cost convention

These financial statements have been prepared under the historical cost convention modified, where applicable, for financial assets and financial liabilities carried at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Where these are areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in Note 2(x).

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

b) Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Application of new and revised Accounting Standards

The Group has considered the implications of new and amended Accounting Standards applicable for the annual reporting periods beginning after 1 July 2016 but determined that their application to the financial statements is either not relevant or not material.

d) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- AASB 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

  The main changes introduced by the new Standard are as follows:

  - recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
  - depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
  - inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
  - application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirements.

The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

e) Revenue recognition

Revenue from gold bullion sales is brought to account when the significant risks and rewards of ownership have transferred to the buyer and selling prices are known or can be reasonably estimated. This is generally when the gold is credited to the metal account of the customer.

Interest revenue is recognised on a time proportionate basis using the effective interest method.

f) Cash and Cash Equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

g) Income Tax

The income tax expense or revenue for the period is the tax payable on a current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax losses.

h) Other receivables

Other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

i) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. During the current year, the directors determined that the useful lives of each class of asset are:

- Plant and Equipment: 10% - 25%

Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j) Exploration expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to any abandoned area will be written off in full against profit in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area of interest according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Mines under construction

Expenditure is transferred from 'Exploration and evaluation assets' to 'Mines under construction' which is a subcategory of 'Mine properties' once the work completed to date supports the future development of the property and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in 'Mines under construction'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in 'Mines under construction' are then transferred to 'Producing mines' which is also a sub-category of 'Mine properties'.

l) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

m) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 2(l) for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interest in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells thoe goods/assets to a third party.

n) Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for site restoration and rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration and rehabilitation in respect of disturbed land is recognised when the land is disturbed.

The provision is the best estimate of the present value of the expenditure required to settle the restoration and rehabilitation obligation at the reporting date, based on current legal requirements and technology. Future restoration and rehabilitation costs are reviewed annually and any changes are reflected in the present value of the restoration and rehabilitation provision at the end of the reporting period. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

p) Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the group becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through the profit and loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the Statement of Profit or Loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Available for Sale Financial Assets

Available for sale financial assets represent non-derivative financial assets that are not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor determinable payments. Available for sale financial assets are included in non-current assets, except those which are expected to mature within 12 months after the end of the reporting period.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. The fair value of trade and other receivables, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. The fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and options pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at that point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will entre bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognised the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency. The functional currency of all subsidiaries is US dollars.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non- monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity when the exchange difference arises on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation).

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the Australian dollar are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

s) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the result attributable to equity holders of the Company by the weighted number of shares outstanding during the year. Diluted EPS adjusts the figures used in the calculation of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed or known to have been issued in relation to dilutive potential ordinary shares.

t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST. Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at balance date.

v) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives.

w) Share based payment transactions

Equity settled transactions

The Company provides benefits to its employees (including key management personnel) in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The charge to the statement of profit or loss and other comprehensive income is taken when the options are granted. There is a corresponding entry to equity.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

x) Critical Accounting Judgement and Key Sources of Uncertainty

In the application of the Group's accounting policies which are described above in Note 2(a), the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

Key Estimates

Exploration an evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's Exploration & Evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions. The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Rehabilitation Provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, and regulatory changes. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Impairment

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related permit itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Share based payments

The Group measures the cost of equity settled transactions with directors, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assessed fair value of the options at the grant date is allocated equally over the period from the grant date to the vesting date. The fair value at the grant date is determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at the grant date, the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. The fair value calculation and inputs to the Black Scholes model are shown at Note 15(a).

Deferred tax assets

Management have made judgement for non recognition of deferred tax asset.

y) Rounding of Amounts

The Group has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, the amounts in the financial statements and directors' report have been rounded to the nearest $1,000.

NOTE 3 FINANCIAL RISK MANAGEMENT

Risk management is the role and responsibility of the board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to interest rate, market, credit, and liquidity risks.

a) Market Risk

(i) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Floating interest rate $'000	1 year or less $'000	Over 1 year to 5 years $'000	More than 5 years $'000	Non interest bearing $'000	Total $'000
30 June 2017						
Financial Assets						
Cash and deposits	2,152	–	–	–	5,187	7,339
Trade and other receivables	–	–	–	–	84	84
	2,152	–	–	–	5,271	7,423
Weighted average interest rate	0.60%	–	–	–	–	0.18%
Financial liabilities						
Trade and other payables	–	–	–	–	967	967
	–	–	–	–	967	967
Weighted average interest rate	–	–	–	–	–	–
30 June 2016						
Financial Assets						
Cash and deposits	455	–	–	–	1,962	2,417
Trade and other receivables	–	–	–	–	245	245
	455	–	–	–	2,207	2,662
Weighted average interest rate	1.05%	–	–	–	–	0.18%
Financial liabilities						
Trade and other payables	–	–	–	–	402	402
	–	–	–	–	402	402
Weighted average interest rate	–	–	–	–	–	–

The Group has interest bearing assets and therefore income and operating cash flows are subject to changes in the market rates. However, market changes in interest rates will not have a material impact on the profitability or operating cash flows of the Group. A movement in interest rates of +/- 100 basis points will result in less than a +/- $22,000 (2016: $5,000) impact on the Group's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Group.

(ii) Price Risk

The Group is not exposed to equity securities price risk as it holds no investments in securities classified on the balance sheet either as available-for-sale or at fair value through profit or loss.

The Group is not currently exposed to significant commodity price risk as it still operates mainly in the exploration phase. However, future operational cash flows will be affected by fluctuations in the gold price and lithium price. The Group will develop strategies to mitigate this risk when it moves from the exploration phase into the development phase.

(iii) Currency risk

Currency risk arises from investments and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

The Group is exposed to foreign currency risk in the form of financial instruments held in US Dollars (USD). The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	Consolidated	
	2017 USD$'000	**2016 USD$'000**
Cash and cash equivalents	3,958	1,946
Trade and other payables	(528)	(203)
Total Exposure	**3,430**	**1,743**

Assuming all other variables remain constant, a 10% strengthening of the Australian dollar at 30 June 2017 against the USD would have resulted in an increased loss of $343,000 (2016: $174,000). A 10% weakening of the AUD would have resulted in a decreased loss of $343,000 (2016:$174,000), assuming all other variables remain constant. The Group does not currently hedge against currency risk.

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents.

Cash and cash equivalents comprise of cash on hand and demand deposits. The Group limits its credit risk by holding cash balances and demand deposits with reputable counterparties with acceptable credit ratings.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group does not have committed credit lines available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation which is available as required.

The material liquidity risk for the Group is the ability to raise equity in the future.

d) Effective interest rate and repricing analysis

Cash and cash equivalents are the only interest bearing financial instruments of the Group.

e) Fair value of financial instruments

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 4 SEGMENT INFORMATION

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

In the current year the Group engaged in exploration for minerals in Zimbabwe. The operations were located in Australia, Singapore and Zimbabwe with the head office being in Australia and Singapore balances included with Zimbabwe.

	Australia		Zimbabwe		Consolidated	
Geographical segments	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**
Revenue						
Other external revenue	19	3	91	68	110	71
Total segment revenue	19	3	91	68	110	71
Results						
Segment net profit/(loss) before tax	(10,106)	(1,226)	(2,688)	(501)	(12,794)	(1,727)
Assets						
Segment assets	7,249	2,528	7,255	1,432	14,504	3,960
Liabilities						
Segment liabilities	388	349	718	243	1,106	592
Depreciation	1	–	98	19	99	19

The amount of non-current assets added during the year is Australia $2,000 and Zimbabwe $7,848,000 (2016: Australia $Nil and Zimbabwe $588,000)

The accounting policies of the reportable segments are the same as the Company's accounting policies as described in Note 2.

NOTE 5 REVENUE

	Consolidated	
	2017 $'000	**2016 $'000**
Tribute income (i)	60	52
Consultancy income	31	16
Interest revenue	19	3
	110	**71**

(i) The Group receives an intermittent tribute income paid by artisanal miners at the Penhalonga Gold Project.

NOTE 6 INCOME TAX

a) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated	
	2017 $'000	2016 $'000
Loss before income tax expense	(12,794)	(1,727)
	(12,794)	(1,727)
Tax at the Australian tax rate of 27.5% (2016: 30%)	(3,518)	(518)
Tax effect of differential corporate tax rates	131	22
Tax effect of amounts which are not deductible (taxable) income:	1,244	203
Under recognition of prior year tax expense	(38)	(228)
Tax losses not recognised	2,181	521
Income tax benefit	-	-

b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	16,192	8,261
Potential tax benefit (Australia 27.5%, Zimbabwe 25.75% & Singapore 17%)	4,286	2,399

Tax losses have not been recognised as a deferred tax asset as recoupment is dependent on, amongst other matters, sufficient future assessable income being earned. That is not considered certain in the foreseeable future and accordingly there is uncertainty that the losses can be utilised. There are deferred tax liabilities of approximately $1,512,000 relating to capitalised exploration costs claimed for tax as at 30 June 2017 (2016: $283,492). These are offset with the deferred tax assets that have been recognised to the extent of the deferred tax liabilities.

NOTE 7 CASH AND CASH EQUIVALENTS

	Consolidated	
	2017 $'000	2016 $'000
Cash at bank	7,339	2,417

a) Reconciliation of operating loss after income tax to net cash flows used in operating activities

Operating loss after tax	(12,794)	(1,727)
Non-cash items		
Depreciation	99	19
Share based payments – options	6,628	126
Share based payments – shares	–	40
Impairment of capitalised exploration and evaluation expenditure	–	489
Impairment of mine properties	1,770	-
Foreign exchange difference	185	(45)
Interest received	(19)	(3)
Changes in operating assets and liabilities, net of effects from purchase of controlled entities		
Decrease in operating trade and other receivables	98	16
Increase in other assets	(13)	(8)
Increase in operating trade and other payables	39	261
Decrease in provision	–	(200)
Net cash flows used in operating activities	**(4,007)**	**(1,032)**

NOTE 7 CASH AND CASH EQUIVALENTS (continued)

b) Non-cash transactions

During the year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

- issued 27,000,000 options as part of capital raising costs which had a fair value of $1,559,000, as described in Note 15(a).

NOTE 8 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017 $'000	2016 $'000
GST receivable	33	6
Related party receivable (refer note 20(b) and (d))	15	230
Other receivables	36	9
	84	**245**

These amounts generally arise from transactions during usual operating activities of the consolidated entity and are non-interest bearing. These amounts do not contain any impaired receivables, and are not considered overdue.

NOTE 9 PLANT AND EQUIPMENT

	Consolidated	
	2017 $'000	2016 $'000
Plant & equipment	597	169
	597	**169**
Opening balance	169	140
Additions	521	43
Depreciation	(99)	(19)
Effect of foreign currency exchange differences	6	5
Closing balance	**597**	**169**

NOTE 10 EXPLORATION, EVALUATION & MINE PROPERTY

	Consolidated	
	2017 $'000	**2016 $'000**
Total expenditure incurred and carried forward in respect of specific projects:		
Exploration & Evaluation Expenditure		
Gwanda East – Gold	48	–
Arcadia – Lithium	6,395	102
Mine Properties		
Gwanda East - Gold	–	999
	6,443	**1,101**

a) Exploration & Evaluation Expenditure

Opening balance	102	1,002
Acquisition of tenements	572	54
Expenditure incurred	5,926	187
Provision for rehabilitation	–	40
Impairment of exploration and evaluation expenditure	–	(489)
Transfer to mines under construction	–	(730)
Proceeds from gold sales from exploration and evaluation ore	(157)	–
Effect of foreign currency exchange differences	–	38
Closing balance	**6,443**	**102**

b) Mine Properties

Mines Under Construction		
Opening balance	999	–
Expenditure incurred	831	304
Impairment of mine properties	(1,770)	–
Transfer from exploration & evaluation expenditure	–	730
Proceeds from gold sales from development ore	(56)	(35)
Effect of foreign currency exchange differences	(4)	–
Closing balance	**-**	**999**

The Board of Directors undertook an impairment review of the Group's exploration, evaluation & mines under construction as at 30 June 2017 resulting in an impairment charge for the current year of $1,770,000 (2016: $489,000). The current year impairment relates to the Prestwood claim at Gwanda East (2016: Bushtick).

NOTE 11 TRADE AND OTHER PAYABLES

	Consolidated	
	2017 $'000	2016 $'000
Trade payables	874	112
Accruals	100	150
Related party payable (refer to Note 20(b))	90	102
Other payables	3	188
	1,067	**552**

Trade payables are normally settled on 30 – 60 day terms. Trade payables are not past due and are non-interest bearing.

NOTE 12 PROVISIONS

	Consolidated	
	2017 $'000	2016 $'000
Non-current		
Provision for rehabilitation	39	40

The Group obtained an independent report on the estimated cost of rehabilitation of its Gwanda East claims from Diorite Consulting (Pvt) Ltd. Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.

NOTE 13 CONTRIBUTED EQUITY

	2017 Shares	2016 Shares

a) Issued share capital

Ordinary shares fully paid	1,594,128,296	1,237,128,296

b) Movement in ordinary share capital

Details	Number of shares	$'000
Balance at 30 June 2015	687,424,820	18,163
Issue of shares via rights issues	308,690,725	1,352
Issue of shares via placements	231,012,751	2,874
Issue of shares for consulting fees	10,000,000	40
Cost of capital raising	–	(237)
Balance at 30 June 2016	**1,237,128,296**	**22,192**
Issue of shares via placements	340,000,000	17,000
Issue of shares upon exercise of options	17,000,000	255
Cost of capital raising	–	(2,471)
Balance at 30 June 2017	**1,594,128,296**	**36,976**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands or on a poll every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote.

NOTE 14 RESERVES AND ACCUMULATED LOSSES

a) Reserves

	Consolidated	
	2017 $'000	2016 $'000
Option and share based payments reserves (refer to Note 14(c) & (d))	9,614	1,427
Foreign currency translation reserve (refer to Note 14(e))	(204)	(57)
Total reserves	**9,410**	**1,370**

b) Movement in options

Date	Details	Number of option	Fair value issue price	$'000
Opening balance		–		1,301
20/11/2015	Options issued	65,000,000	$0.00194	126
Balance at 30 June 2016		**65,000,000**		**1,427**
22/07/2016	Options issued	115,000,000	$0.05763	6,628
22/07/2016	Options issued	27,000,000	$0.05774	1,559
21/09/2016	Options exercised	(7,000,000)		–
10/10/2016	Options exercised	(10,000,000)		–
Balance at 30 June 2017		**190,000,000**		**9,614**

c) Option Premium Reserve

	2017 Number of Options	2017 $'000	2016 Number of Options	2016 $'000
Movement in reserve				
Balance at the beginning of the year	–	1	–	1
Options expired	–	–	–	–
Balance at the end of the year	**–**	**1**	**–**	**1**

d) Share Based Payments Reserve

	2017 Number of Options	2017 $'000	2016 Number of Options	2016 $'000
Movement in reserve				
Balance at the beginning of the year	65,000,000	1,426	–	1,300
Options issued	142,000,000	8,187	65,000,000	126
Options exercised	(17,000,000)	–	–	–
Balance at the end of the year	**190,000,000**	**9,613**	**65,000,000**	**1,426**

NOTE 14 RESERVES AND ACCUMULATED LOSSES (continued)

e) Foreign Currency Translation Reserve

	2017 $'000	2016 $'000
Movement in reserve		
Opening balance	(57)	(55)
Currency translation differences	(147)	(2)
Closing balance	**(204)**	**(57)**

Nature and Purpose of Reserves

The option premium reserve arises pursuant to an issue of options pursuant to a capital raising.

The share based payments reserve arises pursuant to an issue of shares or options as consideration for a service or an acquisition transaction.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

f) Accumulated Losses

	Consolidated	
	2017 $'000	**2016 $'000**
Accumulated losses at beginning of year	(19,956)	(18,375)
Net loss attributable to equity holders of the Company	(11,989)	(1,581)
Accumulated losses at end of year	**(31,945)**	**(19,956)**

NOTE 15 SHARE-BASED PAYMENTS

a) Recognised share-based payment expense

Options

The share based payments expense was $8,187,000 (2016: $126,000), with $6,628,000 recognised in the statement of financial performance (2016: $126,000) and $1,559,000 recognised as a cost of equity (2016: $Nil). The following table lists the inputs to the model used:

No. of options	**115,000,000**	**27,000,000**	**65,000,000**
Grant date	22/07/2016	22/07/2016	20/11/2015
Share price	$0.059	$0.059	$0.007
Exercise price	$0.015	$0.015	$0.005
Interest rate	1.47%	1.47%	3.055%
Expiry date	15/06/2019	22/07/2019	19/11/2018
Volatility	231%	231%	100%
Fair value at grant date before discount	$0.05763	$0.05774	$0.00485
Discount for 20 day VWAP condition	–	N/A	50%
Discount for being unlisted	–	–	20%
Fair value after discount	$0.05763	$0.05774	$0.00194

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Option Series	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
Issued 22 Jul 2016 (i)	115,000,000	22/07/2016	15/06/2019	$0.015	$0.05763
Issued 22 Jul 2016	27,000,000	22/07/2016	21/07/2019	$0.015	$0.05774
Issued 20 Nov 2015 (ii)	65,000,000	20/11/2015	19/11/2018	$0.005	$0.00194

(i) Options vest upon 20 day VWAP being $0.03 or above. These options have vested.

(ii) Options vest upon 20 day VWAP being $0.01 or above. These options have vested.

Shares

The share based payments expense was $Nil (2016: $40,000). The following table lists the inputs used

	2016 Consultant fees (i)
Number of shares issued	10,000,000
Grant date	14/12/2015
Share price	$0.004
Share based payment expense	$40,000

(i) Issued 10,000,000 shares to Stocks Digital as part of appointment for consulting services.

b) Summary of options granted

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued during the year:

	2017 No	2017 WAEP	2016 No	2016 WAEP
Outstanding at the beginning of the year	65,000,000	$0.005	-	-
Granted during the year	142,000,000	$0.015	65,000,000	$0.005
Exercised during the year	(17,000,000)	($0.015)	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**190,000,000**	**$0.012**	**65,000,000**	**$0.005**

c) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2017 is 1.79 years (2016: 2.46 years).

d) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was $0.005 - $0.015 (2016: $0.005).

e) Weighted average fair value

The weighted average fair value of options granted during the year was $0.05765 (2016: $0.00194).

f) Share options exercised during the year

17,000,000 options were exercised in 2017 (2016: Nil).

g) Issue of shares during the year

During the year, the Company issued in total 357,000,000 fully paid ordinary shares (2016: 549,703,476). Details of the share issued are listed under Note 13.

NOTE 16 COMMITMENTS FOR EXPENDITURE

a) Exploration Commitments

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture and/or acquisition agreements. Outstanding exploration commitments are as follows:

	Consolidated	
	2017 $'000	**2016 $'000**
Not longer than 1 year	–	–
Longer than 1 year and not longer than 5 years	–	–
Longer than 5 years	–	–
	–	**–**

There are no minimum expenditure commitments on the Group's Zimbabwe tenements.

b) Operating Lease Commitments

The Group has no operating lease commitments.

c) Other Commitments

The Group has entered into contracts with its directors and certain executives whereby minimum notice periods (usually six months) have been provided by the Group. This totals $540,000 as at 30 June 2017 (2016: $400,000). The Group has a commitment of US$200,000 for plant and equipment (2016: $Nil)

NOTE 17 CONTINGENT LIABILITIES

The Group has no contingent liabilities.

NOTE 18 AUDITOR'S REMUNERATION

	Consolidated	
	2017 $'000	**2016 $'000**
Auditor of the parent entity		
Audit services	39	30
	39	**30**
Network firm of the parent auditor		
Audit services	–	–
	–	**–**
Auditor of Subsidiaries		
Audit services	14	14
	14	**14**

The auditor of Prospect Resources Limited is Stantons International. The auditor of the Zimbabwe subsidiaries is Baker Tilley. The auditor of the Singapore subsidiary is Kreston David Yeung PAC.

NOTE 19 KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation made to Key Management Personnel of the Company is set out below:

	Consolidated	
	2017 $'000	2016 $'000
Short-term employee benefits	1,060	295
Post employment benefits	32	9
Share based payments	5,763	97
	6,855	**401**

NOTE 20 RELATED PARTY TRANSACTIONS

a) Anglo Pacific Ventures Pty Ltd

The Company paid $44,400 (2016: $44,400) to Anglo Pacific Ventures Pty Ltd for rent. Mr Warner is a Director and beneficiary of Anglo Pacific Ventures Pty Ltd.

b) Farvic Consolidated Mines (Private) Limited

The Group acquired 2% of Examix Investments (Pvt) Limited from Farvic Consolidated Mines (Private) Limited ('Farvic') for USD$140,000.

The Group owes Farvic $90,000 (2016: $102,000), refer Note 11. This amount payable is interest free and repayable on demand. Harry Greaves and Zed Rusike are directors and shareholders of Farvic.

Farvic toll treated the Group's development ore and invoiced its expected cost of processing, totaling $34,000 (2016: $23,000).

The Group is owed $15,000 by Mixnote Investments (Pvt) Limited (Mixnote), a subsidiary of Farvic (2016: $70,000), refer Note 8. Mixnote is the owner of the West Nicholson Gold Processing Plant. Mixnote has supplied labour and materials, at cost.

c) Hawkmoth Mining and Exploration (Private) Limited

The Company has entered into three loan facility agreements to provide up to a total US$8,950,000 (AUD$11,635,000) to its 70% owned subsidiary Hawkmoth Mining and Exploration (Private) Limited ('HME'). At 30 June 2017, HME has utilised US$7,186,000 (AUD$9,524,000) of this facility. The remaining 30% of HME is owned by Farvic. The loan facility is interest free and there are no fixed repayment terms.

d) Armoured Fox Capital (Pty) Ltd

The Company is owed $Nil by Armoured Fox Capital (Pty) Ltd ('Armoured Fox') (2016: $160,000). Armoured Fox participated in both rights issues during the prior year, where funds were pending South African Reserve Bank approval. Armoured Fox paid these funds during the year, upon receiving this approval. Manana Nhlanhla is a director and controller of Armoured Fox. The amount receivable was interest free. Refer to Note 8.

e) CSA Global Pty Ltd

The Company paid $33,000 (2016: $19,000) to CSA Global Pty Ltd for geological services. Mr Fahey is a Principal Mine Geologist and shareholder of CSA Global Pty Ltd.

NOTE 21 SUBSEQUENT EVENT

Other than the following, the directors are not aware of any significant events since the end of the reporting period:

On 21 July 2017, the Company issued 65,000,000 options exercisable at $0.05, expiring on 31 December 2018.

NOTE 22 LOSS PER SHARE

	Consolidated	
	2017	**2016**
Basic loss per share (cents per share)	(0.76)	(0.18)
Amount used in the calculation of basic EPS		
• Loss after income tax attributable to members of Prospect Resources Limited ($'000)	(11,989)	(1,581)
• Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings/(loss) per share	1,567,605,008	875,947,406

The options of the Company are not considered dilutive for the purpose of the calculation of diluted loss per share as their conversion to ordinary shares would not decrease the net profit per share nor increase the net loss per share. Consequently, diluted loss per share is the same as basic loss per share.

NOTE 23 SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

			Ownership and voting interest	
	Principal activity	**Country incorporation**	**2017**	**2016**
Prospect Minerals Pte Ltd	Holding company	Singapore	100%	100%
Hawkmoth Mining & Exploration (Pvt) Ltd	Exploration & evaluation, Farming	Zimbabwe	70%(i)	70%(i)
Coldawn Investments (Private) Limited	Exploration & evaluation	Zimbabwe	70%(i)	70%(i)
Examix Investments (Pvt) Limited	Exploration & evaluation	Zimbabwe	70%(i)	63%(i)
Greenjix Investments (Private) Limited	Dormant	Zimbabwe	70%(i)	-

(i) Prospect Minerals Pte Ltd has Zimbabwe Investment Authority approval to own 70% of its Zimbabwe subsidiaries with the following conditions:

- Group funds all exploration costs and upon commencement of production, funds development costs;
- Funding to be arranged via secured loans to the subsidiaries;
- All loans have priority for repayment in front of any payment of dividends;
- After repayment of loans, dividends may be payable;
- Farvic (owner of 30%), has the right to claw back a 21% equity interest in Hawkmoth via the purchase of shares from Prospect Minerals Pte Ltd. Funds to be used for the purchase must be from dividend payments from Hawkmoth and the valuation per share shall be 'market value' or a valuation calculated as 5xEBIT (whichever is higher);
- Under the laws of Zimbabwe, all operating companies must be either 51% owned by indigenous parties or have the capacity to be 51% owned.

NOTE 23A DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2017 %	2016 %	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Hawkmoth	Zimbabwe	30%	30%	(805)	(146)	(1,043)	(238)
Examix	Zimbabwe	30%	37%	-	-	-	-
Coldawn	Zimbabwe	30%	30%	-	-	-	-
Greenjix	Zimbabwe	30%	-	-	-	-	-

Summarised financial information in respect of the Group's Zimbabwe subsidiaries that have non-controlling interests have been aggregated together and is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2017 $'000	2016 $'000
Zimbabwe Subsidiaries		
ASSETS		
Current assets	208	153
Non-current assets	6,467	1,270
Current liabilities	(678)	(203)
Non-current liabilities	(9,381)	(2,000)
Net liabilities	**(3,384)**	**(780)**
Equity attributable to owners of Hawkmoth	(2,341)	(542)
Non-controlling interest	(1,043)	(238)
Total equity at Hawkmoth	**(3,384)**	**(780)**

	Year ended 2017 $'000	Year ended 2016 $'000
Revenue	91	68
Expenses	(2,775)	(556)
Loss for the year	**(2,684)**	**(488)**
Loss attributable to owners of the Company	(1,879)	(342)
Loss attributable to the non-controlling interests	(805)	(146)
Loss for the year	**(2,684)**	**(488)**
Other comprehensive income attributable to owners of the Company	–	–
Other comprehensive income attributable to the non-controlling interests	–	–
Other comprehensive income for the year	**–**	**–**
Total comprehensive loss attributable to owners of the Company	(1,879)	(342)
Total comprehensive loss attributable to the non-controlling interests	(805)	(146)
Total comprehensive loss for the year	**(2,684)**	**(488)**
Dividends paid to non-controlling interests	–	–
Net cash inflow / (outflow) from operating activities	(206)	135
Net cash inflow / (outflow) from investing activities	(7,309)	(591)
Net cash inflow / (outflow) from financing activities	7,566	520
Net cash inflow / (outflow)	**51**	**64**

NOTE 24 PROSPECT RESOURCES LIMITED PARENT COMPANY INFORMATION

	2017 $'000	2016 $'000
ASSETS		
Current Assets	7,248	2,528
Non-current Assets	6,540	1,189
TOTAL ASSETS	**13,788**	**3,717**
LIABILITIES		
Current Liabilities	388	349
TOTAL LIABILITIES	**388**	**349**
EQUITY		
Contributed equity	36,976	22,192
Reserve	9,614	1,427
Accumulated losses	(33,190)	(20,251)
	13,400	**3,368**
FINANCIAL PERFORMANCE		
Loss for the year	(12,939)	(1,730)
Other comprehensive income	-	-
Total comprehensive loss	**(12,939)**	**(1,730)**

Parent Entity Contingencies and Guarantees

The parent entity has not guaranteed any loans for any entities during the year.

Parent Entity Commitments

The parent entity has entered into contracts with its directors and certain executives whereby minimum notice periods (usually six months) have been provided by the parent entity. This totals $400,000 (2016: $336,000).

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27 September 2017

The Directors
Prospect Resources Limited
Suite 6, 245 Churchill Ave
SUBIACO, WA 6008

Dear Sirs

RE: PROSPECT RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Prospect Resources Limited.

As Audit Director for the audit of the financial statements of Prospect Resources Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Stantons International Audit and Consulting Pty Ltd
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PROSPECT RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Prospect Resources Limited (the Company) and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Capitalised Exploration and Evaluation Expenditure	
As at 30 June 2017, Capitalised Exploration and Evaluation Expenditure totals $6,443,000 (refer to Note 10 of the financial report). The carrying value of Capitalised Exploration and Evaluation Expenditure is a key audit matter due to: ▪ The significance of the total balance (44% of total assets); ▪ The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and ▪ The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure.	Inter alia, our audit procedures included the following: i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring the veracity of the data presented and that management have considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in certain areas of interest and corroborated with interviews with management. The documents we evaluated included: ▪ Minutes of the board and management; ▪ Announcements made by the Group to the Australian Securities Exchange; and ▪ Cash flow forecasts. iv. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.*

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Prospect Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director
West Perth, Western Australia
27 September 2017

ASX ADDITIONAL INFORMATION

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 15 September 2017.

a) Substantial Shareholders

The substantial shareholders are:

Name	Number Held	Percentage of Issued Shares
PERSHING AUST NOM PL <PHILLIP SECURITIES HK A/C>	243,742,790	15.29%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	158,807,862	9.96%
MBM CAP PTNRS LLP	141,250,000	8.86%
ELLIOT HOLDINGS PTY LTD – HD & DM WARNER	127,166,668	7.98%
ARMOURED FOX CAP PL	108,160,889	6.78%

b) Voting Rights

Ordinary Shares

On a show of hands every member present at a meeting of shall have one vote and upon a poll each share shall have one vote.

Options

There are no voting rights attached to the options

c) Distribution of Equity Security Holders

Category	Ordinary Fully Paid Shares	% Issued Capital
1 – 1,000	7,334	0.00
1,001 – 5,000	326,845	0.02
5,001 – 10,000	1,314,274	0.08
10,001 – 100,000	35,643,538	2.24
100,001 and over	1,556,836,305	97.66
Total	**1,594,128,296**	**100.00**

There were 431 holders of less than a marketable parcel of ordinary shares.

d) Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name		Number Held	Percentage of Issued Shares
1.	PERSHING AUSTRALIA NOMINEES PTY LTD <PHILLIP SECURITIES (HK) A/C>	243,742,790	15.29
2.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	158,807,862	9.96
3.	MBM CAPITAL PARTNERS LLP	141,250,000	8.86
4.	ARMOURED FOX CAPITAL PROPRIETARY LIMITED	108,160,889	6.78
5.	MR HUGH WARNER & MS DIANNE WARNER <CBM SUPERFUND A/C>	66,333,334	4.16
6.	ELLIOT HOLDINGS PTY LTD <CBM FAMILY A/C>	59,166,667	3.71
7.	MR JIUMIN YAN	37,250,511	2.34
8.	MR ZHIJUN HONG	31,613,052	1.98
9.	NATIONAL NOMINEES LIMITED	31,071,586	1.95
10.	MR ZIZHAO SHANG	29,060,044	1.82
11.	WILLEC HOLDINGS PTY LTD <THE LECHNER FAMILY A/C>	24,000,000	1.51
12.	J P MORGAN NOMINEES AUSTRALIA LIMITED	23,190,879	1.45
13.	CONTINENTAL MINERALS LIMITED	22,439,891	1.41
14.	WINGFIELD INVESTMENTS LIMITED	22,395,589	1.40
15.	DELFRO LIMITED	20,000,000	1.25
16.	MS RUIE YAO	18,285,772	1.15
17.	CITICORP NOMINEES PTY LIMITED	16,933,547	1.06
18.	MR PAUL MURRAY WEST	15,750,000	0.99
19.	MR ZIVANAYI RUSIKE	12,403,738	0.78
20.	MISS JUI-TING HSU & MISS YU-JU HSU <HSU FAMILY S/F A/C>	10,500,000	0.66
	TOTAL	**1,092,356,151**	**68.52**

Unquoted equity securities

	Number on Issue	Number of Holders
Options – exercisable at 0.5 cents before 19 November 2018	65,000,000	9
Options – exercisable at 5.0 cents before 31 December 2018	65,000,000	4
Options – exercisable at 1.5 cents before 15 June 2019	115,000,000	7
Options – exercisable at 1.5 cents before 21 July 2019	10,000,000	1

Exploration licenses granted:

Prospect Resources Limited has interests in tenements via the following companies:

1. Coldawn Investment (Private) Limited (“Coldawn”)
2. Hawkmoth Mining and Exploration (Private) Limited (“Hawkmoth”)
3. Examix Investments (Pvt) Limited (“Examix”)
4. Farvic Consolidated Mines (Pvt) Limited (“Farvic”)
5. Tannahill Mine (Pvt) Limited (“Tannahill”)
6. Mixnote Investments (Pvt) Limited (“Mixnote”)

Tenement Type & Number	Country	Project	Registered Company Name	% Held
12227	Zimbabwe	Penhalonga	Coldawn	70%
20560 BM	Zimbabwe	Penhalonga	Coldawn	70%
10675	Zimbabwe	Penhalonga	Coldawn	70%
21795 BM	Zimbabwe	Penhalonga	Coldawn	70%
13166 BM	Zimbabwe	Penhalonga	Coldawn	70%
18879	Zimbabwe	Penhalonga	Coldawn	70%
18880	Zimbabwe	Penhalonga	Coldawn	70%
18881	Zimbabwe	Penhalonga	Coldawn	70%
21748 BM	Zimbabwe	Penhalonga	Coldawn	70%
18666 BM	Zimbabwe	Penhalonga	Coldawn	70%
12212	Zimbabwe	Penhalonga	Coldawn	70%
12213	Zimbabwe	Penhalonga	Coldawn	70%
19474 BM	Zimbabwe	Penhalonga	Coldawn	70%
14135 BM	Zimbabwe	Penhalonga	Coldawn	70%
10338	Zimbabwe	Penhalonga	Coldawn	70%
G3425	Zimbabwe	Penhalonga	Coldawn	70%
18582 BM	Zimbabwe	Penhalonga	Coldawn	70%
G2335	Zimbabwe	Penhalonga	Coldawn	70%
M2873 BM	Zimbabwe	Chisanya	Hawkmoth	70%
M2874 BM	Zimbabwe	Chisanya	Hawkmoth	70%
M2875 BM	Zimbabwe	Chisanya	Hawkmoth	70%
M2876 BM	Zimbabwe	Chisanya	Hawkmoth	70%
30419	Zimbabwe	Greater Farvic	Hawkmoth	70%
31773	Zimbabwe	Greater Farvic	Hawkmoth	70%
31774	Zimbabwe	Greater Farvic	Hawkmoth	70%
32194	Zimbabwe	Greater Farvic	Hawkmoth	70%
32195	Zimbabwe	Greater Farvic	Hawkmoth	70%
32196	Zimbabwe	Greater Farvic	Hawkmoth	70%
32716	Zimbabwe	Greater Farvic	Hawkmoth	70%
33181	Zimbabwe	Greater Farvic	Hawkmoth	70%
33280	Zimbabwe	Greater Farvic	Hawkmoth	70%
36973	Zimbabwe	Greater Farvic	Hawkmoth	70%
36974	Zimbabwe	Greater Farvic	Hawkmoth	70%
36975	Zimbabwe	Greater Farvic	Hawkmoth	70%
36976	Zimbabwe	Greater Farvic	Hawkmoth	70%
36977	Zimbabwe	Greater Farvic	Hawkmoth	70%
36978	Zimbabwe	Greater Farvic	Hawkmoth	70%

Tenement Type & Number	Country	Project	Registered Company Name	% Held
36979	Zimbabwe	Greater Farvic	Hawkmoth	70%
36980	Zimbabwe	Greater Farvic	Hawkmoth	70%
36981	Zimbabwe	Greater Farvic	Hawkmoth	70%
36982	Zimbabwe	Greater Farvic	Hawkmoth	70%
36983	Zimbabwe	Greater Farvic	Hawkmoth	70%
23178	Zimbabwe	Arcadia	Examix	70%
23189	Zimbabwe	Arcadia	Examix	70%
23190	Zimbabwe	Arcadia	Examix	70%
23191	Zimbabwe	Arcadia	Examix	70%
23192	Zimbabwe	Arcadia	Examix	70%
23207	Zimbabwe	Arcadia	Examix	70%
23208	Zimbabwe	Arcadia	Examix	70%
23210	Zimbabwe	Arcadia	Examix	70%
23233	Zimbabwe	Arcadia	Examix	70%
23244	Zimbabwe	Arcadia	Examix	70%
23245	Zimbabwe	Arcadia	Examix	70%
23246	Zimbabwe	Arcadia	Examix	70%
23247	Zimbabwe	Arcadia	Examix	70%
23248	Zimbabwe	Arcadia	Examix	70%
23249	Zimbabwe	Arcadia	Examix	70%
23263	Zimbabwe	Arcadia	Examix	70%
23264	Zimbabwe	Arcadia	Examix	70%
23269	Zimbabwe	Arcadia	Examix	70%
23271	Zimbabwe	Arcadia	Examix	70%
23275	Zimbabwe	Arcadia	Examix	70%
23276	Zimbabwe	Arcadia	Examix	70%
23277	Zimbabwe	Arcadia	Examix	70%
23278	Zimbabwe	Arcadia	Examix	70%
23279	Zimbabwe	Arcadia	Examix	70%
23281	Zimbabwe	Arcadia	Examix	70%
23282	Zimbabwe	Arcadia	Examix	70%
23283	Zimbabwe	Arcadia	Examix	70%
23358	Zimbabwe	Arcadia	Examix	70%
23361	Zimbabwe	Arcadia	Examix	70%
23362	Zimbabwe	Arcadia	Examix	70%

Tenement Type & Number	Country	Project	Registered Company Name	% Held
23363	Zimbabwe	Arcadia	Examix	70%
23364	Zimbabwe	Arcadia	Examix	70%
23365	Zimbabwe	Arcadia	Examix	70%
23366	Zimbabwe	Arcadia	Examix	70%
23367	Zimbabwe	Arcadia	Examix	70%
23368	Zimbabwe	Arcadia	Examix	70%
23474	Zimbabwe	Arcadia	Examix	70%
23478	Zimbabwe	Arcadia	Examix	70%
23475	Zimbabwe	Arcadia	Examix	70%
23476	Zimbabwe	Arcadia	Examix	70%
23477	Zimbabwe	Arcadia	Examix	70%
23481	Zimbabwe	Arcadia	Examix	70%
23479	Zimbabwe	Arcadia	Examix	70%
23480	Zimbabwe	Arcadia	Examix	70%
23680	Zimbabwe	Arcadia	Examix	70%
23722	Zimbabwe	Arcadia	Examix	70%
23723	Zimbabwe	Arcadia	Examix	70%
23724	Zimbabwe	Arcadia	Examix	70%
31007	Zimbabwe	Arcadia	Examix	70%
31033	Zimbabwe	Arcadia	Examix	70%
32126	Zimbabwe	Arcadia	Examix	70%
32127	Zimbabwe	Arcadia	Examix	70%
32128	Zimbabwe	Arcadia	Examix	70%
32132	Zimbabwe	Arcadia	Examix	70%
32133	Zimbabwe	Arcadia	Examix	70%
32733	Zimbabwe	Arcadia	Examix	70%
35802	Zimbabwe	Arcadia	Examix	70%
779	Zimbabwe	Greater Farvic	Farvic	-(i)
30132	Zimbabwe	Greater Farvic	Farvic	-(i)
32979	Zimbabwe	Greater Farvic	Farvic	-(i)
32980	Zimbabwe	Greater Farvic	Farvic	-(i)
37660	Zimbabwe	Greater Farvic	Farvic	-(i)
37661	Zimbabwe	Greater Farvic	Farvic	-(i)
37662	Zimbabwe	Greater Farvic	Farvic	-(i)
37663	Zimbabwe	Greater Farvic	Farvic	-(i)

Tenement Type & Number	Country	Project	Registered Company Name	% Held
37664	Zimbabwe	Greater Farvic	Farvic	-(i)
37665	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 2037	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 2038	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 2039	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 2040	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 2041	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 3008	Zimbabwe	Greater Farvic	Farvic	-(i)
GA 4597	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4598	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4599	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4600	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4601	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4602	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4603	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4604	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4605	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4606	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 4890	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5125	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5126	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5196	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5197	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5198	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5199	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5201	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5202	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5203	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5204	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5207	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5208	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5209	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5210 A	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5210 B	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5211	Zimbabwe	Greater Farvic	Tannahill	-(i)

Tenement Type & Number	Country	Project	Registered Company Name	% Held
GA 5212	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5217	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5219	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5220	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5221	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5222	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5223	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5224	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5225	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5226	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5227	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5240	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5241	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5242	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5243	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5244	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5245	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5246	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5247	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5248	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5249	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5250	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5251	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5252	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5253	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5254	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5256	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5258	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5265	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5287	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5453	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5454	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5455	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5456	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5457	Zimbabwe	Greater Farvic	Tannahill	-(i)

Tenement Type & Number	Country	Project	Registered Company Name	% Held
GA 5458	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5459	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5460 A	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5461	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5465	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5466	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5467	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5468	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5469	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5470	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5471	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5472	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5477	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5478	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5479	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5480	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5481	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5482	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5483	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5484	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5485	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5486	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5487	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5488	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5527	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5528	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5529	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5530	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5531	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5532	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5533	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA 5693 A	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA5200	Zimbabwe	Greater Farvic	Tannahill	-(i)
GA5460 B	Zimbabwe	Greater Farvic	Tannahill	-(i)

(i) Hawkmoth can earn a 51% interest by spending USD$1.5m within 36 months. Hawkmoth can earn the remaining 49% interest by spending a further USD$1.5m within the next 12 months.

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