

PROSPECT RESOURCES LIMITED

ACN 124 354 329

ANNUAL REPORT 30 JUNE 2015

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CORPORATE DIRECTORY

DIRECTORS

Hugh Warner
Harry Greaves
Gerry Fahey
Zed Rusike
Manana Nhlanhla

SECRETARY

Andrew Whitten

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Shares – PSC

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REVIEW OF OPERATIONS

General

One of our major shareholders reminded Harry Greaves and Hugh Warner of a famous quote by Bill Ackman: "Investing is a business where you can look very silly for a long period of time before you are proven right"... and rewarded handsomely.

I think this sentiment applies to Prospect. Whilst we have not been rewarded as shareholders to date, I think our strategy of teaming up with highly experienced, local business and mining professionals and building a portfolio of mining assets in Zimbabwe will be rewarded.

In recent weeks we have seen newspaper reports that one of Africa's most successful businessmen, Mr Aliko Dangote is targeting Zimbabwe for both mining and industrial development, including building a new cement factory.

In relation to Prospect, I report the following:

Corporate

In September 2014, we announced the appointment of Ms Manana Nhlanhla as a director of the Company. Manana is Chairperson of Mion (Proprietary) Limited the parent company of Armoured Fox Capital (Pty) Ltd who, during the period, subscribed US\$1,000,000 in new equity.

Mion Limited is a 100% Southern African based investment company with investments in the Maritime, Gaming, Energy, Industrial, Engineering industries and general listed entities.

Over the past 20 years Manana has been involved in various businesses and served as a director across various JSE Listed companies. Manana is currently an Executive Director and Chairperson of Mion Limited and a Non-Executive Director of a number of South African Stock exchange listed and private companies.

Ownership of the Company's Mining Projects

The Company's 100% owned Singaporean subsidiary (Prospect Singapore) owns shares representing 70% of Hawkmoth Mining and Exploration (Pvt) Limited ('Hawkmoth'). Hawkmoth owns 100% of the right to explore and mine the Bushtick Gold Mine, 100% of the tenements comprising the Penhalonga Gold Project, the Chisanya Phosphate Project, and the Prestwood Gold project within the Gwanda East project area.

Hawkmoth owns the Greater Farvic Farm-in Agreement whereby it can earn a 100% interest in certain mining claims by spending US\$3m on exploration and associated activities over 3 years all located within the Gwanda East project area.

During the period, Hawkmoth completed the acquisition of additional mining claims (including the Prestwood Gold Project) from Mixnote Investments (Pvt) Limited in consideration for US\$424,000.

Details of the Projects

The Gwanda East Project is located in the Gwanda Greenstone Belt and covers Prestwood Mine, Sally Mine, Colleen Bawn Mine, Valley Mine and other smaller mines including Bye & Bye, Act, Beaufort, Wilson and Ettrick. These mines are situated within an almost contiguous block of claims, held by Prospect Resources, which cover approximately 25km² of the gold bearing Gwanda Greenstone Belt.

Prestwood Mine (Historic Production of 499kg, or approx. 16,000oz of gold at 33.1g/t)

The Prestwood Mine consists of multiple veins in greenstones at the monzonite contact. The reef is open ended down dip below 250m. It is considered particularly prospective as it lies in the same geological setting as the Farvic Gold Mine.

The Prestwood Gold Mine was mined intermittently from the early part of the 20th Century until after WWII. It was then briefly mined again at the turn of the 21st Century. Prospect Resources acquired the property in 2014, and immediately began an evaluation exercise. The main aspects of the work to date have been a ground magnetic survey, followed by a limited RC drilling programme to assess the depth and strike extent of the historically mined mineralisation.

High grade gold was intersected from a maiden 6 hole-1281m RC drill programme in May 2014. Five of six holes drilled intersected intact Main Reef down dip of the existing workings to 195m below surface.

The highlight Results from under the main gold reef include: BPC001: 9.23g/t Au over 1m, at 153m and BPC005: 9.94 g/t Au over 1m at 193m.

The results confirmed that economic reef grades continue below and along strike of the historic gold workings. A high-grade intercept of 12.3g/t Au over 1m within shallower shear zones confirms open pit development potential.

The results to date have given sufficient encouragement to Prospect, to begin re-opening the shaft. The power line has been re-established, generators installed, and the shaft re-opened to 2 Level. Underground drilling for the parallels and mineralised monzonite contact is planned during Q4.

It is anticipated that the production will resume from the deepest level; Level 4 during 2015.

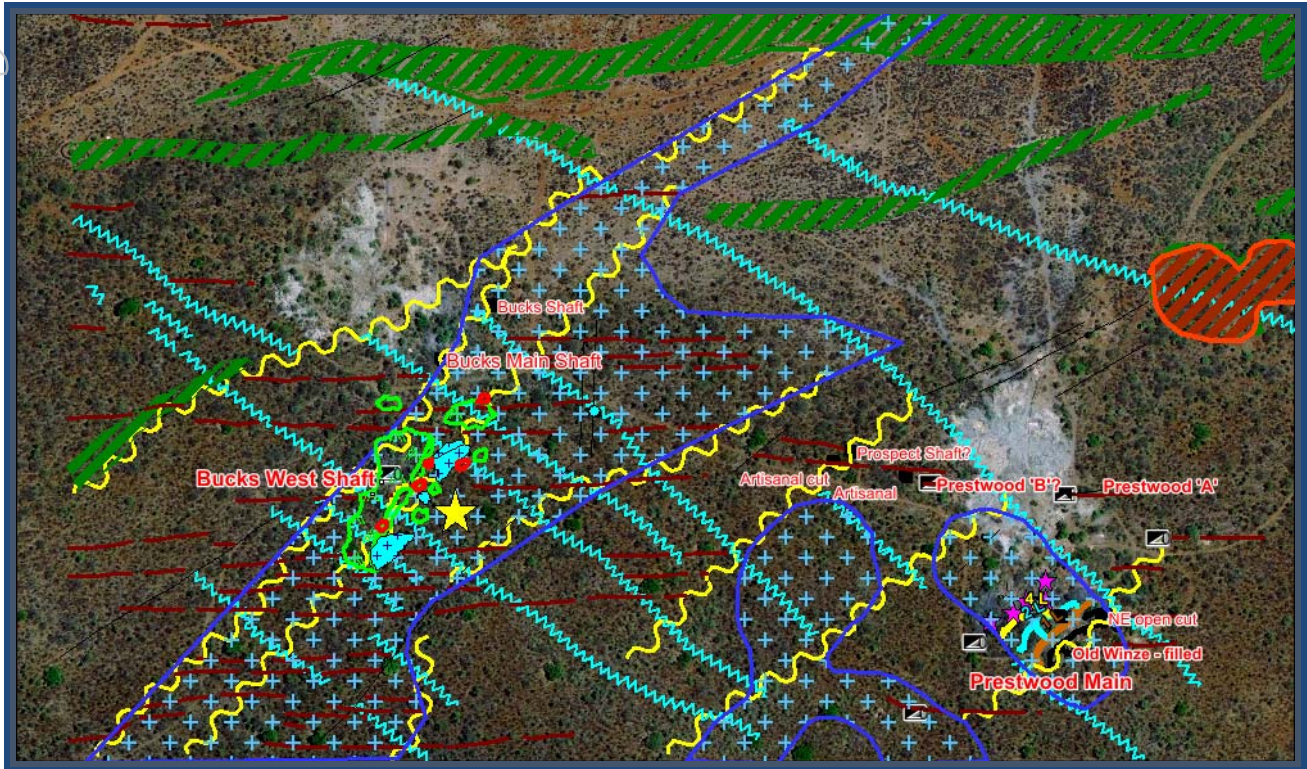


Figure 1: Simplified geological model for the Bucks and Prestwood projected over Quick Bird Satellite.

The two significant ore shoots at the Bucks, the Prestwood Main and Prestwood B, are all developed in south-west – northeast striking shear zones. These zones partially control the contact between the monzonites and greenstone. The monzonite sub-outcrop is shown in blue crosses

The Bucks Reef Gold Mine

The historic Bucks Reef Gold produced approximately 1,443kg of gold (approx. 46,168oz) at 27.0g/t.

A series of ore bodies are hosted by greenstones, close to the southern edge of a monzonite intrusion. They are quartz filled fissures striking north north-east and dipping steeply to the northwest. The two main ore shoots, a north easterly and a south-westerly one, were developed to 130m (4 level) and 300m (9 level) respectively. Both were accessed by vertical shafts the West and Bucks Main. Another reef on the west or hanging-wall side of the south-western shoot was opened up to about 70 m.

Wall rock alteration with widespread arsenopyrite is reported between the ore shoots.

The Bucks Reef commenced operations in 1902, and by in 1909 had the reputation of being the highest grade producer in the country. Work ceased on the northeast shoot in 1912, but continued intermittently on the south-westerly one until WWII. The premature closure of the mine was likely due to an in-efficient underground benching method mining, rather than grade issues.

Bucks Artisanal Zone

Artisanal activity which began in Q2 in the vicinity of the Bucks Mine has continued to expose high grade mineralisation within a structure parallel to that hosting the Bucks and the Prestwood Mines. The artisanal zone now extends for around 200m, and is producing high grades from both quartz veining and sheared metabasalt and monzonite. This zone exploits a shear zone that parallels the dominant SW-NE structures that host the Bucks and Prestwood orebodies

This is consistent with the intercepts from the 2014 RC drilling programme, and the current geological model.

Strategic Setting & Significance

The Bucks & Prestwood Mines consist of multiple veins in greenstones at or close to the monzonite contact. The Company is of the view that it is particularly prospective as it lies in the same geological setting as the nearby Farvic Gold Mine, located 4km to the east. The significance of mineralisation being intersected at the contact of the greenstones and monzonites cannot be overstated. This mineralisation style is very subtle, supported by the fact there is no surface expression at all at the Farvic Mine. The known monzonite extends for over 5km of strike, within ground held by Prospect.

The evidence of mineralised parallels, cross shears and the monzonite contact is very exciting, particularly when considered with the geological model that has been refined by ground magnetics. Future surface work will consist of Induced Polarisation surveys to define sub-outcropping disseminated halos, followed by a short hole RAB drilling program to identify broader disseminated targets.

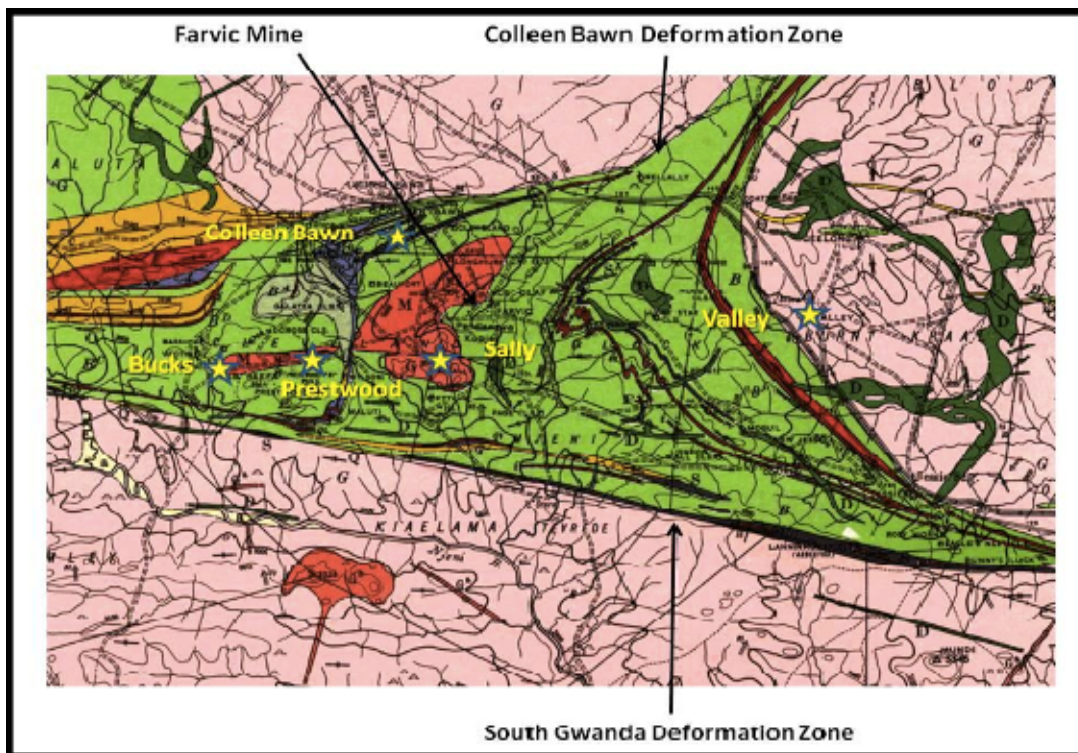


Figure 2: Positions of Current and Former Producers in the Gwanda Greenstone Belt.

A number of the mines lie at the contact zone of the monzonite intrusions and greenstones, which forms a highly prospective geological contrast. The known strike extent of the monzonites is almost 6km (5kms of which is within Prospect's ground).

Sally Mine (Historic Production of 756kg of gold at 6.9g/t)
The Sally Mine consists of wide quartz stockwork (up to 4m) dipping north in granodiorite.

Colleen Bawn Mine (Historic Production of 1,063kg of gold at 15.1g/t)
The Colleen Bawn Mines consists of a quartz reef in greenstone close to monzonite and thrust limestone contacts. It was historically a sulphide rich, refractory ore that caused recovery problems. These issues can now be addressed using modern processing techniques such as fine grinding.

Valley Mine (Historic Production of 1,315kg of gold at 5g/t and 750kg of copper)

The Valley Mine is a shallow dipping quartz vein stockwork with disseminated sulphides associated with copper in a felsic intrusion within normally barren country rock gneisses. It is believed that flooding caused the premature end to mining activity.

The Penhalonga Gold Project consists of a number of shear and vein hosted gold deposits along the southern side of the Penhalonga Valley covering an area of approximately 1.8km², including the historic Battersea Gold Mine and the dormant Penhalonga Gold Mine, 5km north of Mutare. It is situated in the Mutare Greenstone Belt which extends eastward into Mozambique. In terms of gold production per unit area, the Mutare Greenstone Belt at 122kg Au/km² is one of the richest belts within Zimbabwe. Historical production from the Penhalonga valley between 1897 and 1937 amounted to: Gold 1.3m oz, Silver 1.6m oz, Lead 7,258 tonnes and Copper 5.2 tonnes. Prospect also owns a number of lead tenements within the Mutare Greenstone Belt.

The Bushtick Gold Project is a dormant mine situated 8km NNE of Esigodini in the Esigodini Greenstone belt, in the grounds of Falcon College (the grantor of the rights to HME). The mine was historically a major producer. The surrounding ground of approximately 25km² is also very prospective and has not been the subject of any modern prospecting. The deposit which strikes 120°, dips 80° north, is formed by the silicification, carbonatisation and brecciation of mafic volcanics along a wide shear zone near the edge of the Essexvale Tonalite. Greenstones of intermediate to basic composition are the predominant rock type, underlain by granodiorites. Historical production from four shafts; down to 12 level or approx 300m was 15,000 kg (+- 470,000 oz Au. with a cut-off grade of > 4 g/t.)

On 21 July 2014, the Company announced it had completed a surface trenching programme whereby 10 trenches, totaling 1200m were dug covering an area of approximately 2kms by 100m covering 1.2km of the known strike of the historic Bushtick Gold Mine. Trenches were dug to an average depth of 3 metres and continuous horizontal samples were hand chipped close to the trench floor and bagged at 1m intervals.

- Nine zones of economic gold grades confirmed in 7 of 10 trenches.
- Best grades include:
 - Trench 6; 1.3 g/t over 15m (inc 2.8 g/t over 5 m).
 - Trench 4; 1.21g/t over 7m (inc 1.91 g/t over 4m) & 1.1g/t over 12m (inc 2.34 g/t over 3m).
 - Trench 5; 1.6g/t over 7m. & 2.1 g/t over 8m.

The Chisanya Phosphate Project is one of 5 known phosphate bearing carbonatites in Zimbabwe. The deposit has been explored by a number of companies since the 1950s including Anglo American and Rhodesia Chrome Mines Ltd. The deposit is a series of un-exploited phosphate bearing, apatite-magnetite lenses in carbonatite located near Birchenough Bridge, Manicaland. The potential for REEs has also never previously been assessed.

Placement & Fundraising

During the year, the Company raised US\$1,000,000 (AUD\$1,078,748) via the issue of 71,916,533 new ordinary shares at 1.5 cents each to Armoured Fox Capital (Pty) Ltd and A\$103,725 via the issue of 6,915,000 new ordinary shares at 1.5 cents each to The NEF's Trust.

Subsequent to year end, the Company conducted a rights issue whereby for every 2 shares held, shareholders received the right to subscribe for 1 new share at 0.4c per share. Armoured Fox (associated with Manana Nhlanhla), interests associated with Hugh Warner (director) subscribed for their full entitlement (A\$143,833 and A\$152,600 respectively) and MBM Capital subscribed for their full entitlement (A\$170,000) and subscribed for an additional A\$55,000 for a total of A\$225,000. A total of A\$653,460 was raised via the rights issue.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Roger Tyler, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy and The South African Institute of Mining and Metallurgy. Mr Tyler is the Company's Senior Geologist.

Mr Tyler has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tyler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 2015. In order to comply with the provisions of the Corporation 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 (appointed 29 September 2014)

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

PRINCIPAL ACTIVITY

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

REVIEW OF OPERATIONS AND RESULTS

The Group made a loss from operations of \$1,308,672 in the year (2014: Loss \$2,494,070).

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 Company during the financial year were as follows:

1. The Company issued 78,831,533 new ordinary shares to raise \$1,182,473; and
2. The Company issued 4,000,000 new ordinary shares in share based payments for consulting fees.

ENVIRONMENTAL REGULATIONS

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulation 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) The Company issued a rights issued document and raised \$653,460 before costs via the issue of 163,365,062 new ordinary shares at \$0.004.

DIVIDENDS

No dividends were recommended or paid during the current year.

LIKELY DEVELOPMENTS/STRATEGIES AND PROSPECTS

The Company will continue to explore and assess its mineral projects and will also consider new projects, primarily in Zimbabwe and Southern Africa that could provide growth for shareholders.

DIRECTORS' REPORT (continued)

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

JustKapital Litigation Partners Limited (formerly African Chrome Fields Limited) (Executive Director) (appointed 17 May 2010)

Former Listed Directorships in the Last Three Years

LiveTiles Limited (formerly Modun Resources Ltd) (appointed 20 April 2010, resigned 26 August 2015)

Rhipe Limited (formerly Rhype Limited) (appointed 28 November 2011, resigned 12 March 2013)

PLD Corporation Limited (appointed 23 November 2011, resigned 26 September 2012)

Special Responsibilities

Chairperson

Interests in Shares and Options

114,450,000 ordinary shares and Nil 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 was also the driving force behind the acquisition of the Penhalonga Gold Project and the Bushtick Gold Project. 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 (formerly African Chrome Fields Limited) (appointed 19 August 2013, resigned 12 February 2015)

Special Responsibilities

None

Interests in Shares and Options

20,957,944 ordinary shares and Nil options

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

Experience and Expertise

Mr Gerry Fahey has over 35 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

LiveTiles Limited (formerly Modun Resources Ltd) (appointed 25 September 2008) (resigned 31 January 2014)

Special Responsibilities

None

Interests in Shares and Options

Nil shares and Nil options

DIRECTORS' REPORT (continued)

Zivanayi (Zed) Rusike (Non-Executive Director) appointed 15 July 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

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

Former Listed Directorships in the Last Three Years

TSL Limited (appointed 9 May 2007) (resigned 14 March 2012) – Zimbabwe Stock Exchange

Special Responsibilities

None

Interests in Shares and Options

12,403,738 ordinary shares and Nil 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

107,874,800 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).

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 Lawyers and Consultants, 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 2015 that each Director was eligible to attend, and the number of meetings attended by each Director were:

Director	Number of Meetings	
	Eligible to attend	Attended
Hugh Warner	-	-
Harry Greaves	-	-
Gerry Fahey	-	-
Zed Rusike	-	-
Manana Nhlanhla	-	-

The Company's business was conducted via circular resolution.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED)

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.

Remuneration Policy

No director is being currently paid for the provision of their services to the Company. The directors intend to remunerate directors when the Company has the financial capability to do so. The below summary reflects the intention of the Company once the Company is in a financial position to do so.

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 employee share 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 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 Group.

The Group has not paid bonuses to directors or executives in the year ended 30 June 2015.

Group Performance, Shareholder Wealth and Key Management Personnel Remuneration

The Company is currently undertaking new acquisition, 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.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) continued

Performance of Prospect Resources Limited

The table below sets out summary information about the entity's earnings and movements in shareholder wealth for the financial year ending 30 June 2014.

	30 June 2015	30 June 2014	30 June 2013	Restated 30 June 2012	30 June 2011
	\$	\$	\$	\$	\$
Revenue	9,661	3,302	22,540	8,306	400,195
Net loss before tax	(1,308,672)	(2,494,070)	(1,297,109)	(675,533)	(6,958,738)
Net loss after tax	(1,308,672)	(2,494,070)	(1,297,109)	44,847	(6,958,738)
	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
Share price at beginning of year (cents)	0.7	0.5	N/a ¹	14.5	27
Share price at end of year (cents)	0.3	0.7	0.5	N/a ¹	14.5
Dividends	-	-	-	-	-
Basic and diluted earnings per share (cents per share)	(0.19)	(0.52)	(0.35)	0.04	(8.84)

¹ – the Company was suspended from trading at 30 June 2012, thus this information is not applicable

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

Executives

Roger Tyler	Chief Geologist
Chris Rees	Chief Operating Officer
Chris Hilbrands	Chief Financial Officer

Remuneration 2015

Directors	SHORT TERM			POST EMPLOYMENT		EQUITY		Other benefits	TOTAL
	Salary & Fees	Other services	Non-Monetary	Super-annuation	Retirement Benefits	Options	Shares		\$
Non-executive Directors									
Z. Rusike ⁽ⁱ⁾	-	-	-	-	-	-	-	-	-
G. Fahey ⁽ⁱ⁾	-	-	-	-	-	-	-	-	-
M Nhlanhla ⁽ⁱ⁾	-	-	-	-	-	-	-	-	-
Executive Directors									
H. Warner ⁽ⁱ⁾	-	-	-	-	-	-	-	-	-
H. Greaves ⁽ⁱ⁾⁽ⁱⁱ⁾	-	3,265	-	-	-	-	-	-	3,265
Executives									
R. Tyler	89,323	-	-	-	-	-	-	-	89,323
C. Rees	70,126	-	-	-	-	-	-	-	70,126
C. Hilbrands ⁽ⁱⁱⁱ⁾	45,662	-	-	4,338	-	-	-	-	50,000
Total	205,111	3,265	-	4,338	-	-	-	-	212,714

- (i) Mr Rusike, Mr Fahey, Ms Nhlanhla, Mr Warner and Mr Greaves have agreed not to be paid for the year ended 30 June 2015 in an effort to conserve cash and protect the Company.
- (ii) Mr Greaves submitted an invoice for other services on ordinary terms and conditions.
- (iii) Mr Hilbrands is paid under the terms agreed to by a director's resolution whereby he receives a salary of \$50,000 per annum, inclusive of superannuation with 3 months' notice payable.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) continued

2014

Directors	SHORT TERM			POST EMPLOYMENT		EQUITY		Other benefits	TOTAL
	Salary & Fees	Other services	Non-Monetary	Super-annuation	Retirement Benefits	Options	Shares		\$
Non-executive Directors									
Z. Rusike ^{(i)(vi)}	-	-	-	-	-	40,423	100,845	-	141,268
G. Fahey ⁽ⁱ⁾	-	-	-	-	-	26,949	-	-	26,949
J. Pager ⁽ⁱⁱ⁾	17,500	-	-	-	-	-	-	-	17,500
M. Pollak ⁽ⁱⁱ⁾	16,018	-	-	1,482	-	-	-	-	17,500
Executive Directors									
H. Warner ⁽ⁱⁱⁱ⁾	18,307	-	-	1,693	-	67,372	-	-	87,372
H. Greaves ^{(i)(vi)}	-	-	-	-	-	67,372	213,995	-	281,367
Executives									
R. Tyler ^(iv)	21,212	22,536	-	-	-	40,423	-	-	84,171
C. Rees ^(iv)	21,212	45,072	-	-	-	40,423	-	-	106,707
C. Hilbrands ^(v)	45,767	-	-	4,233	-	40,423	-	-	90,423
Total	140,016	67,608	-	7,408	-	323,385	314,840	-	853,257

Notes and Services Agreements of Directors

- (i) Mr Rusike, Mr Fahey and Mr Greaves have agreed not to be paid from the date of their appointment to 30 June 2014 in an effort to conserve cash and protect the Company;
- (ii) Mr Pager and Mr Pollak resigned on 15 July 2013 and were paid under the terms agreed to by a director's resolution whereby they receive director fees of \$60,000 per annum, inclusive of superannuation with 3 months' notice payable.
- (iii) Mr Warner was paid under the terms agreed to by a director's resolution whereby he received director fees of \$60,000 per annum, inclusive of superannuation until 31 October 2013. Mr Warner has agreed not to be paid from 1 November 2013 to 30 June 2014 in an effort to conserve cash and protect the Company.
- (iv) Mr Tyler and Mr Rees have submitted invoices for other services on ordinary terms and conditions.
- (v) Mr Hilbrands is paid under the terms agreed to by a director's resolution whereby he receives a salary of \$50,000 per annum, inclusive of superannuation with 3 months' notice payable.
- (vi) The Company issued 60m shares to Continental Minerals Limited to enter into an Exclusivity Agreement and 60m shares as a performance fee under the exclusivity agreement. Mr Rusike and Mr Greaves are advisors to Continental Minerals Limited and this represents the value of the shares they received from Continental Minerals Limited. Mr Tyler and Mr Rees are also advisors to Continental Minerals Limited, but their allocation is not yet known.

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed remuneration		Remuneration linked to performance	
	2015	2014	2015	2014
Non-executive directors				
Z. Rusike	-	-	-	-
G. Fahey	-	-	-	-
M Nhlanhla	-	N/a	-	N/a
J. Pager	N/a	100%	N/a	-
M. Pollak	N/a	100%	N/a	-
Executive directors				
H. Warner	-	-	-	-
H. Greaves	-	-	-	-
Executives				
R. Tyler	100%	100%	-	-
C. Rees	100%	100%	-	-
C. Hilbrands	100%	100%	-	-

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) continued

Share-based compensation

No options issued to directors or key management personnel were exercised during the year. On 30 June 2015, 60,000,000 options issued to key management personnel expired.

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

Options series	Grant date	Number	Exercise price	Expiry date	Grant date fair value
(1) Issued 23/09/13	23/09/13	60,000,000	1.5 cents	30/06/15	\$0.00539

There were no grants of share based compensation to key management personnel during the current financial year.

Key Management Personnel Equity Holdings

Ordinary Shares Held at 30 June 2015	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	-	-	-	71,916,533 ⁽ⁱ⁾	71,916,533
H. Warner	76,300,000	-	-	-	76,300,000
H. Greaves	20,957,944	-	-	-	20,957,944
R. Tyler	-	-	-	-	-
C. Rees	-	-	-	-	-
C. Hilbrands	3,000,000	-	-	-	3,000,000
(i) Shares acquired via a placement by Armoured Fox Capital (Pty) Ltd. Ms Nhlanhla is a director and controller of Armoured Fox Capital (Pty) Ltd.					

Options Held at 30 June 2015	Opening balance	Granted as compensation	Exercised	Net other change	Closing balance	Balance vested	Vested and exercisable	Options vested during the year
Z. Rusike	7,500,000	-	-	(7,500,000)*	-	-	-	-
G. Fahey	5,000,000	-	-	(5,000,000)*	-	-	-	-
M Nhlanhla	-	-	-	-	-	-	-	-
H. Warner	28,500,000	-	-	(28,500,000)*	-	-	-	-
H. Greaves	12,500,000	-	-	(12,500,000)*	-	-	-	-
R. Tyler	7,500,000	-	-	(7,500,000)*	-	-	-	-
C. Rees	7,500,000	-	-	(7,500,000)*	-	-	-	-
C. Hilbrands	10,500,000	-	-	(10,500,000)*	-	-	-	-

* Options expired on 30 June 2015

(End of Remuneration Report)

Additional Information

(a) Shares under option

At the date of signing this report, there were Nil ordinary shares under option (2014: 134,500,000). No options were exercised during the year and 134,500,000 options expired on 30 June 2015. Refer to Note 14(b) of the financial statements for details of movements in options.

(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 Corporation 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.

DIRECTORS' REPORT (continued)

(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

Deloitte Touche Tohmatsu is the appointed auditor.

(f) Indemnity of Auditor

The auditor (Deloitte Touche Tohmatsu) has not been indemnified under any circumstance.

(g) Audit Services

During the financial year \$29,750 (excluding GST) was paid or payable for audit services provided by Deloitte Touche Tohmatsu (2014: \$30,500).

(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 2015 or 30 June 2014.

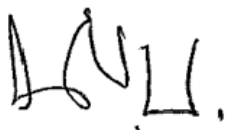
(i) Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 37 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 30 September 2015 released to ASX and posted on the Company's website www.prospectresources.com.au/corporate-governance.

Signed in accordance with a resolution of the Directors



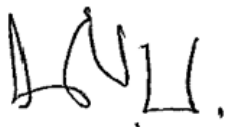
Hugh Warner
Director

Perth, Western Australia
Dated 30 September 2015

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 2015 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) as set out in note 2(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.
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 2015.

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



Hugh Warner
Director

Perth, Western Australia
Dated 30 September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Consolidated	
		2015 \$	2014 \$
Continuing operations			
Interest received	5	9,661	3,302
Depreciation expense		(14,720)	-
Employee benefits expenses		(53,688)	(108,487)
Exploration and evaluation expenditure expensed		(57,086)	-
Impairment of exploration and evaluation expenditure		(754,001)	-
Occupancy expenses		(50,392)	(67,208)
Project generation Zimbabwe expense		(15,165)	(287,931)
Share based payment – consultants	15(a)	(36,000)	(24,000)
Share based payment – exclusivity agreement	15(a)	-	(1,140,000)
Share based payment – options expense	15(a)	-	(401,535)
Other administrative expenses		(337,281)	(468,211)
Loss before tax		(1,308,672)	(2,494,070)
Income tax benefit	6	-	-
Loss after tax		(1,308,672)	(2,494,070)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	14(e)	(59,841)	4,481
Other comprehensive income/(loss) for the year, net of tax		(59,841)	4,481
Total comprehensive income/(loss) for the year		(1,368,513)	(2,489,589)
Profit/(loss) attributable to:			
Equity holders of the Company		(1,281,661)	(2,429,822)
Non-controlling interests		(27,011)	(64,248)
		(1,308,672)	(2,494,070)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		(1,341,502)	(2,425,341)
Non-controlling interests		(27,011)	(64,248)
		(1,368,513)	(2,489,589)
Earnings/(loss) per share			
From continuing and discontinued operations			
Basic earnings per share (cents)	22	(0.19)	(0.52)
Diluted earnings per share (cents)	22	(0.19)	(0.52)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	Consolidated	
		2015	2014
		\$	\$
Current Assets			
Cash and cash equivalents	7	100,256	304,865
Trade and other receivables	8	6,476	7,191
Other current assets		20,705	19,022
Total Current Assets		<u>127,437</u>	<u>331,078</u>
Non-Current Assets			
Plant and equipment	9	139,488	6,516
Exploration and evaluation expenditure	10	1,001,922	937,472
Total Non-Current Assets		<u>1,141,410</u>	<u>943,988</u>
Total Assets		<u>1,268,847</u>	<u>1,275,066</u>
Current Liabilities			
Trade and other payables	11	127,002	96,349
Provision	12	200,000	-
Total Current Liabilities		<u>327,002</u>	<u>96,349</u>
Total Liabilities		<u>327,002</u>	<u>96,349</u>
Net Assets		<u>941,845</u>	<u>1,178,717</u>
Equity			
Contributed equity	13(b)	18,163,021	17,031,380
Reserves	14(a)	1,245,825	1,305,666
Non-controlling interests		(91,248)	(64,237)
Accumulated losses	14(f)	(18,375,753)	(17,094,092)
Total Equity		<u>941,845</u>	<u>1,178,717</u>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	Notes	Consolidated	
		2015 \$	2014 \$
Cash flows from operating activities			
Payments to suppliers and employees		(399,762)	(767,563)
Payments for exploration expenditure expenses		(57,086)	(171,437)
Net cash flows used in operating activities	7(a)	(456,848)	(939,000)
Cash flows from investing activities			
Interest received		9,661	3,302
Payment for plant and equipment		(147,474)	(6,516)
Payments for exploration expenditure and acquisition of tenements		(775,000)	(207,578)
Net cash flows used in investing activities		(912,813)	(210,792)
Cash flows from financing activities			
Proceeds from issue of shares		1,182,473	1,025,000
Capital raising costs		(86,832)	(63,750)
Proceeds from share application not issued		-	600,000
Repayment of share applications not issued		-	(600,000)
Proceeds from related party loan		20,954	93,416
Net cash flows from financing activities		1,116,595	1,054,666
Net decrease in cash and cash equivalents		(253,066)	(95,126)
Cash and cash equivalents at beginning of year		304,865	399,991
Effects of exchange rate changes on the balance of cash held in foreign currencies		48,457	-
Cash and cash equivalents at end of year	7	100,256	304,865

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Issued Capital	Option Reserve	Foreign currency Translation reserve	Accumulated Losses	Attributable to owners of the parent	Non-controlling interests	Total Equity
Balance at 30 June 2013	14,831,130	899,650	-	(14,664,270)	1,066,510	-	1,066,510
Loss for the year	-	-	-	(2,429,822)	(2,429,822)	(64,248)	(2,494,070)
Other comprehensive income	-	-	4,481	-	4,481	-	4,481
Total comprehensive income for the year	-	-	4,481	(2,429,822)	(2,425,341)	(64,248)	(2,489,589)
Non-controlling interest arising on acquisition of Hawkmoth Mining & Exploration (Pvt) Ltd	-	-	-	-	-	11	11
Issue of ordinary shares for cash	1,100,000	-	-	-	1,100,000	-	1,100,000
Issue of ordinary shares for exclusivity agreement	1,140,000	-	-	-	1,140,000	-	1,140,000
Issue of ordinary shares for consulting fees	24,000	-	-	-	24,000	-	24,000
Share capital raising costs	(63,750)	-	-	-	(63,750)	-	(63,750)
Issue of options	-	401,535	-	-	401,535	-	401,535
Balance at 30 June 2014	17,031,380	1,301,185	4,481	(17,094,092)	1,242,954	(64,237)	1,178,717
Loss for the year	-	-	-	(1,281,661)	(1,281,661)	(27,011)	(1,308,672)
Other comprehensive income	-	-	(59,841)	-	(59,841)	-	(59,841)
Total comprehensive income for the year	-	-	(59,841)	(1,281,661)	(1,341,502)	(27,011)	(1,368,513)
Issue of ordinary shares for cash	1,182,473	-	-	-	1,182,473	-	1,182,473
Issue of ordinary shares for consulting fees	36,000	-	-	-	36,000	-	36,000
Share capital raising costs	(86,832)	-	-	-	(86,832)	-	(86,832)
Balance at 30 June 2015	18,163,021	1,301,185	(55,360)	(18,375,753)	1,033,093	(91,248)	941,845

The accompanying notes form part of these financial statements

1 CORPORATE INFORMATION

The financial report of Prospect Resources Limited ("the Company") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 30 September 2015.

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 Group. For the purposes of preparing the consolidated financial statements the Company is a for-profit entity.

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

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.

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(s).

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) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2015, the Consolidated Entity recorded a loss of \$1,308,672 (2014: loss \$2,494,070) and had net cash outflows from operating and investing activities of \$1,369,661. As at reporting date, the Consolidated Entity had cash and cash equivalents of \$100,256. These conditions indicate a material uncertainty that may cast significant doubt about the Consolidated Entity's and the Company's ability to continue as going concerns.

As disclosed in note 18, subsequent to balance date, the Consolidated Entity and the Company raised A\$653,460 from the issue of new ordinary shares via a rights issue (of which A\$171,633 is expected to be received in October 2015).

The directors have prepared a cash flow forecast which indicates that the consolidated entity will have sufficient cash flows to continue their planned business activities for the 12 month period from the date of signing the financial report including:

- Funding exploration of the Bushtick and Penhalonga projects including a feasibility study to reach a decision to mine within 5 years;
- Working capital to commence the proposed production rate at the Prestwood Gold Mine; and
- General working capital requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Going Concern (continued)

Under the above scenario, the Consolidated Entity's and the Company's ability to continue as going concerns is dependent upon:

- (a) Completion of a capital raising of at least an additional \$400,000 by the end of November 2015 from the issue of new ordinary shares via the rights issue shortfall;
- (b) Group commencing gold production at the Prestwood Gold Mine in December 2015, producing 3,300 oz of gold in its first year of production with an average head grade of 6g/t; and
- (c) Managing and deferring costs where applicable to coincide with the capital raising activity and gold production activity outlined above to ensure all obligations can be met.

The directors are pursuing a number of capital raising initiatives in order to have sufficient funds to allow for the commencement of production at Prestwood, and fund additional exploration and feasibility study work on the Bushtick and Penhalonga projects. The Directors have reviewed the consolidated entity's overall position and outlook in respect of the matters identified above and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable.

In the event that the Consolidated Entity is unable to achieve the matters set out above, the Board of Directors are aware of the Consolidated Entity's need to access additional working capital funds as and when they are required to enable the Consolidated Entity and the Company to meet minimum operating overheads and committed expenditure requirements.

The directors are confident that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate. The financial report has therefore been prepared on the going concern basis.

Should the Consolidated Entity and the Company not be successful in achieving the matters set out above, there is material uncertainty whether the Consolidated Entity and the Company will be able to continue as going concerns and therefore, whether they will realise their assets and discharge their liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded assets amounts, or to the amounts and classification of liabilities that might be necessary should the Consolidated Entity and the Company not continue as going concerns.

(c) Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured 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 relevant 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New, revised or amending Accounting Standards and Interpretations adopted

In the current year, the Group has applied all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period beginning 1 July 2014.

AASB 2012-3 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities' The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality) The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

(e) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
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At the date of publication, there have been no IASB Standards or IFRIC Interpretations that are issued but not yet effective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue recognition

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

(g) 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.

(h) 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.

(i) Other receivables

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

(j) 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.

(k) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trade and other payables

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

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) Impairment of Assets

At each reporting date, the Company 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.

(r) 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.

(s) Critical Accounting Judgement and Key Sources of Uncertainty

In the application of the Company's accounting policies which are described above in Note 2, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Critical Accounting Judgement and Key Sources of Uncertainty (continued)

Key Estimates

Impairment

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company 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 Company 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 13(a).

NOTE 3. FINANCIAL RISK MANAGEMENT

Risk management is the role and responsibility of the board. The Company'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 Company'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	1 year or less	Over 1 year to 5 years	More than 5 years	Non interest bearing	Total
	\$	\$	\$	\$	\$	\$
30 June 2015						
Financial Assets						
Cash and deposits	82,394	-	-	-	17,862	100,256
	<u>82,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,862</u>	<u>100,256</u>
Weighted average interest rate	1.45%	-	-	-	-	1.19%
Financial liabilities						
Trade and other payables	-	-	-	-	127,002	127,002
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,002</u>	<u>127,002</u>
Weighted average interest rate	-	-	-	-	-	-
30 June 2014						
Financial Assets						
Cash and deposits	78,236	-	-	-	226,629	304,865
	<u>78,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,629</u>	<u>304,865</u>
Weighted average interest rate	2.40%	-	-	-	-	0.62%
Financial liabilities						
Trade and other payables	-	-	-	-	96,349	96,349
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,349</u>	<u>96,349</u>
Weighted average interest rate	-	-	-	-	-	-

The Company 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 Company. A movement in interest rates of +/- 100 basis points will result in less than a +/- \$1,000 (2014: \$3,000) impact on the Company's income and operating cash flows. At this time, no detailed sensitivity analysis is undertaken by the Company.

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

(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 commodity price risk as it operates in the exploration phase. However, future operational cash flows are affected by fluctuations in the gold 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:

	2015 USD\$	2014 USD\$
Cash and cash equivalents	12,059	219,306
Trade and other payables	(56,384)	(24,691)
Total Exposure	(44,325)	194,615

Assuming all other variables remain constant, a 10% strengthening of the Australian dollar at 30 June 2015 against the USD would have resulted in an increased loss of \$4,000. A 10% weakening of the AUD would have resulted in a decreased loss of \$4,000, 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 Company manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Company 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 Company 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 Company.

(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.

PROSPECT RESOURCES LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

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 Company engaged in exploration for minerals in Australia and Zimbabwe. The operations were located in Australia and Zimbabwe with the head office being in Australia.

Geographical segments	Australia		Zimbabwe		Consolidated	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Revenue						
Other external revenue	9,661	3,302	-	-	9,661	3,302
Total segment revenue	9,661	3,302	-	-	9,661	3,302
Results						
Segment net profit/(loss) before tax	(1,203,087)	(2,270,803)	(105,585)	(223,267)	(1,308,672)	(2,494,070)
Assets						
Segment assets	108,183	1,016,310	1,160,664	258,756	1,268,847	1,275,066
Liabilities						
Segment liabilities	261,868	71,658	65,134	24,691	327,002	96,349
Depreciation	-	-	14,720	-	14,720	-

The amount of non-current assets added during the year is Australia \$Nil and Zimbabwe \$930,356 (2014: Australia \$3,070 and Zimbabwe \$194,995)

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

Consolidated	
2015	2014
\$	\$

NOTE 5. REVENUE

Interest	9,661	3,302
	<u>9,661</u>	<u>3,302</u>

NOTE 6. INCOME TAX

	2015	2014
	\$	\$
a) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(1,308,672)	(2,494,070)
	<u>(1,308,672)</u>	<u>(2,494,070)</u>
Tax at the Australian tax rate of 30%	(392,602)	(748,221)
Tax effect of differential corporate tax rates	40,419	18,296
Tax effect of amounts which are not deductible (taxable) income:	390,211	512,491
Under recognition of prior year tax expense	223,849	69,681
Tax losses recognised	(261,877)	147,753
Income tax benefit	-	-
b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	6,260,611	6,643,028
Potential tax benefit at 30%	<u>1,878,183</u>	<u>1,992,908</u>

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 \$300,577 relating to capitalised exploration costs claimed for tax in the year ended 30 June 2015 (2014: \$281,242). These are offset with the deferred tax assets that have been recognised to the extent of the deferred tax liabilities.

PROSPECT RESOURCES LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

NOTE 7. CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	\$	\$
Cash at bank	100,256	304,865
(a) Reconciliation of operating loss after income tax to net cash flows used in operating activities		
Operating profit/(loss) after tax	(1,308,672)	(2,494,070)
Non-cash items		
Depreciation	14,720	-
Share based payments - options	-	401,535
Share based payments - shares	36,000	1,164,000
Impairment of capitalised exploration and evaluation expenditure	754,001	-
Foreign exchange difference	(152,108)	4,481
Interest received	(9,661)	(3,302)
Changes in operating assets and liabilities, net of effects from purchase of controlled entities		
Decrease/(increase) in receivables	715	(4,055)
(Increase) in other assets	(1,683)	(10,022)
Increase in payables	9,840	2,433
Increase in provision	200,000	-
Net cash flows (used in)/from operating activities	(456,848)	(939,000)

NOTE 8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015	2014
	\$	\$
GST receivable	6,476	7,191
	<u>6,476</u>	<u>7,191</u>

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	
	2015	2014
	\$	\$
Plant & equipment	139,488	6,516
	<u>139,488</u>	<u>6,516</u>
Opening balance	-	-
Additions	155,497	6,516
Depreciation	(14,720)	-
Effect of foreign currency exchange differences	(1,289)	-
Closing balance	<u>139,488</u>	<u>6,516</u>

NOTE 10. EXPLORATION, EVALUATION AND DEVELOPEMENT

	Consolidated	
	2015	2014
	\$	\$
Opening balance	937,472	745,923
Acquisition of tenements	522,360	-
Expenditure incurred	252,499	191,549
Impairment of exploration and evaluation expenditure	(754,001)	-
Effect of foreign currency exchange differences	43,592	-
Closing balance	<u>1,001,922</u>	<u>937,472</u>
Total expenditure incurred and carried forward in respect of specific projects:		
Australia		
- Northampton Project	-	748,993
Zimbabwe		
- Bushtick	409,251	188,479
- Prestwood	591,225	-
- Greater Farvic farm-in	1,446	-
Total carried forward exploration expenditure	<u>1,001,922</u>	<u>937,472</u>

The Board of Directors undertook an impairment review of the Company's exploration and evaluation assets as at 30 June 2015 resulting in an impairment charge for the current year of \$754,001 (2014: \$Nil), with \$600,000 relating to tenements surrendered during the year and \$154,001 relating to the Mary Springs exploration license (E66/56) which the Company currently holds.

NOTE 11. TRADE AND OTHER PAYABLES

	Consolidated	
	2015	2014
	\$	\$
Trade payables	54,534	50,600
Accruals	32,014	26,275
Related party payable (refer to Note 21)	39,370	18,416
Other payables	1,084	1,058
	<u>127,002</u>	<u>96,349</u>

Trade payables are normally settled on 30 – 60 day terms.

NOTE 12. PROVISION

	Consolidated	
	2015	2014
	\$	\$
Provision for legal fees	<u>200,000</u>	-

Refer to note 17 below for description of this provision.

NOTE 13. CONTRIBUTED EQUITY

	2015	2014
	Shares	Shares
(a) Issued share capital		
Ordinary shares fully paid	687,424,820	604,593,287
(b) Movement in ordinary share capital		
Details	Number of shares	\$
Opening balance	372,593,287	14,831,130
Issue of shares for exclusivity agreement	60,000,000	720,000
Issue of shares under exclusivity agreement	60,000,000	420,000
Issue of shares for consulting fees	2,000,000	24,000
Issue of shares via placement	110,000,000	1,100,000
Cost of capital raising	-	(63,750)
Balance at 30 June 2014	604,593,287	17,031,380
Issue of shares for consulting fees	4,000,000	36,000
Issue of shares via placement	78,831,533	1,182,473
Cost of capital raising	-	(86,832)
Balance at 30 June 2015	687,424,820	18,163,021

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

	2015	2014
	\$	\$
(a) Reserves		
Option reserve	1,301,185	1,301,185
Foreign currency translation reserve	(55,360)	4,481
Total reserves	1,245,825	1,305,666

(b) Movement in options

Date	Details	Number of option	Fair value issue price	\$
Opening balance		60,857,500		899,650
25/09/2013	Options issued	74,500,000	\$0.00539	401,535
05/11/2013	Options expired	(857,500)		-
Balance at 30 June 2014		134,500,000		1,301,185
30/06/2015	Options expired	(134,500,000)		-
Balance at 30 June 2015		-		1,301,185

(c) Option Premium Reserve

	2015 Number of Options	2015 \$	2014 Number of Options	2014 \$
Movement in reserve				
Balance at the beginning of the year	60,000,000	1,500	60,000,000	1,500
Options expired	(60,000,000)	-	-	-
Balance at the end of the year	-	1,500	60,000,000	1,500

NOTE 14. RESERVES AND ACCUMULATED LOSSES (continued)

(d) Share Based Payments Reserve

	2015 Number of Options	2015 \$	2014 Number of Options	2014 \$
Movement in reserve				
Balance at the beginning of the year	74,500,000	1,299,685	857,500	898,150
Options issued	-	-	74,500,000	401,535
Options expired	(74,500,000)	-	(857,500)	-
Balance at the end of the year	-	1,299,685	74,500,000	1,299,685

(e) Foreign Currency Translation Reserve

	2015 \$	2014 \$
Movement in reserve		
Opening balance	4,481	-
Currency translation differences	(59,841)	4,481
Closing balance	(55,360)	4,481

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	
	2015 \$	2014 \$
Accumulated losses at beginning of year	(17,094,092)	(14,664,270)
Net loss attributable to equity holders of the Company	(1,281,661)	(2,429,822)
Accumulated losses at end of year	(18,375,753)	(17,094,092)

NOTE 15. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expense

Options

The share based payments expense was \$Nil (2014: \$401,535). The following table lists the inputs to the model used:

No. of options	74,500,000
Grant date	23/09/13
Share price	\$0.012
Exercise price	\$0.015
Interest rate	2.68%
Expiry date	30/06/15
Volatility	176.71%
Value per option	\$0.0054

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 5 Nov 2008 (i)*	857,500	5/11/2008	5/11/2013	\$0.20	\$0.0381
Issued 23 Sept 2013 (i)*	74,500,000	23/09/2013	30/06/2015	\$0.015	\$0.0054

(i) Options vest at the date of their issue.

* These options have expired.

NOTE 15. SHARE-BASED PAYMENTS (continued)

Shares

The share based payments expense was \$36,000 (2014: \$1,164,000). The following table lists the inputs used

	Consultant fees (i)	Introduction fee (ii)	Exclusivity agreement (iii)	Performance - exclusivity agreement (iv)
Number of shares issued	4,000,000	2,000,000	60,000,000	60,000,000
Valuation date – shareholder approval	24/07/14	23/09/13	23/09/13	14/05/14
Grant date	24/07/14	24/09/13	14/10/13	26/05/14
Share price	\$0.009	\$0.012	\$0.012	\$0.007
Share based payment expense	\$36,000	\$24,000	\$720,000	\$420,000

- (i) Issued 4,000,000 to Somerley International as part of appointment as Exclusive Financial Advisor in Greater China capital market.
- (ii) Issued 2,000,000 to Paul West for procuring the Company's entry into the Zimbabwe transaction documents.
- (iii) The Exclusivity Agreement is for a period of 3 years whereby the above parties will present all Zimbabwe mining opportunities that they become aware of to Prospect for acquisition and/or investment. If Prospect decides not to participate in these opportunities, then the parties shall be free to exploit the opportunity themselves. If certain specified opportunities result in an acquisition by Prospect, a performance fee will be payable subject to shareholder approval.
- (iv) The Greater Farvic Farm-in Agreement was subject to the Exclusivity Agreement. Accordingly, a performance fee was paid to Continental Minerals Limited. The Company issued 60 million shares for no consideration to Continental Minerals Limited.

(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:

	2015 No	2015 WAEP	2014 No	2014 WAEP
Outstanding at the beginning of the year	74,500,000	0.015	857,500	0.200
Granted during the year	-	-	74,500,000	0.015
Exercised during the year	-	-	-	-
Expired during the year	(74,500,000)	(0.015)	(857,500)	(0.200)
Outstanding at the end of the year	-	-	74,500,000	0.015

(c) Weighted average of remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is Nil years (2014: 1.00 years).

(d) Range of exercise price

The range of exercise prices for options outstanding at the end of the year was \$Nil (2014: \$0.015).

(e) Weighted average fair value

The weighted average fair value of options granted during the year was \$Nil (2014: \$0.0054).

(f) Share options exercised during the year

No options were exercised in 2015 or 2014.

(g) Issue of shares during the year

During the year, the Company issued in total 82,831,533 fully paid ordinary shares (2014: 232,000,000). 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 company is involved, the company is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the company are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report and are payable.

Outstanding exploration commitments are as follows (other than detailed below, no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the Directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations):

	Consolidated	
	2015	2014
	\$	\$
Not longer than 1 year	225,885	179,090
Longer than 1 year and not longer than 5 years	1,567,080	1,431,810
Longer than 5 years	-	-
	<u>1,792,965</u>	<u>1,610,900</u>

(b) Operating Lease Commitments

The Company has no operating lease commitments.

NOTE 17. CONTINGENT LIABILITIES

The Company undertook proceedings against a Singapore based consortium in relation to the subscription of \$3.9m of shares. The Court dismissed the Company's application and ordered that it pay the defendants' costs. The Company will have to pay the consortium's costs of the litigation, which may be as high as several hundred thousand dollars. These costs are being assessed and the outcome is not yet known. The Company estimates these costs to be \$200,000 and has provided for this amount (refer note 12).

NOTE 18. SUBSEQUENT EVENT

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

- 1) The Company issued a rights issued document and raised \$653,460 before costs via the issue of 163,365,062 new ordinary shares at \$0.004.

NOTE 19. AUDITOR'S REMUNERATION

	Consolidated	
	2015	2014
	\$	\$
Auditor of the parent entity		
Audit services	29,750	30,500
	<u>29,750</u>	<u>30,500</u>
Network firm of the parent auditor		
Audit services	13,742	-
	<u>13,742</u>	<u>-</u>

NOTE 20. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits	208,376	207,624
Post employment benefits	4,338	7,408
Share based payments	-	638,225
	<u>212,714</u>	<u>853,257</u>

NOTE 21. RELATED PARTY TRANSACTIONS

Pager Partners Corporate Advisory Pty Ltd

The company paid \$Nil (2014: \$17,500) to Pager Partners Corporate Advisory Pty Ltd for the services of Mr Jonathon Pager as Non-Executive Director. In addition, the company paid \$Nil (2014: \$3,500) for rent. Mr Pager is a Director and beneficiary of Pager Partners Corporate Advisory Pty Ltd.

Anglo Pacific Ventures Pty Ltd

The company paid \$44,400 (2014: 57,500) to Anglo Pacific Ventures Pty Ltd for rent. Mr Warner is a Director and beneficiary of Anglo Pacific Ventures Pty Ltd.

Farvic Consolidated Mines (Private) Limited

The Group owes Farvic Consolidated Mines (Private) Limited ('Farvic') \$39,370 (2014: \$18,416). This amount payable is interest free and repayable on demand. Harry Greaves and Zed Rusike are directors and shareholders of Farvic.

The Company completed an agreement to acquire certain mining claims for US\$400,000 from Mixnote Investments (Pvt) Limited (Mixnote), a subsidiary of Farvic. The Company paid US\$12,000 to extend an exclusivity option by three months. In the previous year, the Company paid an option fee of US\$24,000 for six months exclusivity.

Continental Minerals Limited

The Company issued 120,000,000 new ordinary shares to Continental Minerals Limited during the prior year, 60,000,000 to enter into an exclusivity agreement with a fair value of \$720,000 and 60,000,000 for performance fee in accordance with the exclusivity agreement with a fair value of \$420,000. Harry Greaves, Zed Rusike, Roger Tyler and Chris Rees are advisors to Continental Minerals Limited.

Hawkmoth Mining and Exploration (Private) Limited

The Company has entered into two loan facility agreements to provide up to a total US\$3,950,000 (AUD\$5,158,305) to its 70% owned subsidiary Hawkmoth Mining and Exploration (Private) Limited ('HME'). At 30 June 2015, HME has utilised US\$1,062,109 (AUD\$1,387,008) of this facility. The remaining 30% of HME is owned by Farvic.

NOTE 22. EARNINGS PER SHARE

	Consolidated	
	2015	2014
Basic profit/(loss) per share (cents per share)	(0.19)	(0.52)
Amount used in the calculation of basic EPS		
- Profit/(loss) after income tax from members	(1,281,661)	(2,429,822)
- Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	674,676,850	465,533,013

The options of the Company are not considered dilutive for the purpose of the calculation of diluted earnings 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 earnings per share is the same as basic earnings per share.

NOTE 23. SUBSIDIARIES

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

	Principal activity	Country incorporation	Ownership and voting interest	
			2015	2014
Prospect Minerals Pte Ltd	Holding company	Singapore	100%	100%
Hawkmoth Mining & Exploration (Pvt) Ltd	Exploration & evaluation	Zimbabwe	70% ⁽ⁱ⁾	70% ⁽ⁱ⁾
Coldawn Investments (Private) Limited	Exploration & evaluation	Zimbabwe	70% ⁽ⁱ⁾	70% ⁽ⁱ⁾
Prospect Resources (UK) Limited	Holding company (dormant)	United Kingdom	- ⁽ⁱⁱ⁾	100%

(i) Prospect Minerals Pte Ltd has Zimbabwe Investment Authority approval to own 70% of Hawkmoth Mining & Exploration (Pvt) Ltd (which owns 100% of Coldawn Investments (Private) Limited) 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 carrying a commercial rate of interest having regard to operating risks of the company;
- 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.

(ii) Prospect Resources (UK) Limited was dissolved during the year.

PROSPECT RESOURCES LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

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	
		2015	2014	2015	2014	2015	2014
		%	%	\$	\$	\$	\$
Hawkmoth	Zimbabwe	30%	30%				
Coldawn	Zimbabwe	30%	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 summarized financial information below represents amounts before intragroup eliminations.

Zimbabwe Subsidiaries

	2015	2014
	\$	\$
ASSETS		
Current assets	10,899	56,973
Non-current assets	1,141,410	194,995
Current liabilities	(56,384)	(24,691)
Non-current liabilities	(1,387,008)	(384,159)
Equity attributable to owners of the Company	199,835	92,645
Non-controlling interest	91,248	64,237
	Year ended 2015	Year ended 2014
	\$	\$
Revenue	-	-
Expenses	(90,037)	(214,160)
Profit / (loss) for the year	(90,037)	(214,160)
Profit / (loss) attributable to owners of the Company	(63,016)	(149,912)
Profit / (loss) attributable to the non-controlling interests	(27,021)	(64,248)
Profit / (loss) for the year	(90,037)	(214,160)
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 income attributable to owners of the Company	(63,016)	(149,912)
Total comprehensive income attributable to the non-controlling interests	(27,021)	(64,248)
Total comprehensive income for the year	(90,037)	(214,160)
Dividends paid to non-controlling interests	-	-
Net cash inflow / (outflow) from operating activities	(64,578)	(207,885)
Net cash inflow / (outflow) from investing activities	(962,424)	(194,995)
Net cash inflow / (outflow) from financing activities	20,954	18,416
Net cash inflow / (outflow)	(1,006,048)	(384,464)

PROSPECT RESOURCES LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24. PROPECT RESOURCES LIMITED PARENT COMPANY INFORMATION

	2015	2014
	\$	\$
ASSETS		
Current Assets	108,183	267,317
Non-current Assets	1,095,530	983,058
TOTAL ASSETS	<u>1,203,713</u>	<u>1,250,375</u>
LIABILITIES		
Current Liabilities	261,868	71,658
TOTAL LIABILITIES	<u>261,868</u>	<u>71,658</u>
EQUITY		
Contributed equity	18,163,021	17,031,380
Reserve	1,301,185	1,301,185
Retained earnings	(18,522,361)	(17,153,848)
	<u>941,845</u>	<u>1,178,717</u>
FINANCIAL PERFORMANCE		
Loss for the year	(1,368,512)	(2,489,578)
Other comprehensive income	-	-
Total comprehensive income	<u>(1,368,512)</u>	<u>(2,489,578)</u>

For personal use only

The Board of Directors
Prospect Resources Limited
Suite 6, 245 Churchill Ave
Subiaco, WA 6008

30 September 2015

Dear Board Members

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.

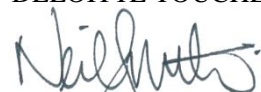
As lead audit partner for the audit of the financial statements of Prospect Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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 sincerely



DELOITTE TOUCHE TOHMATSU



Neil Smith
Partner
Chartered Accountants

Independent Auditor's Report to the members of Prospect Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Prospect Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 15 to 36.

Directors' Responsibility 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 Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Prospect Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Prospect Resources Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(b) in the financial report which indicates that the Consolidated Entity incurred a loss of \$1,308,672 and had cash outflows from operating and investing activities of \$1,369,661 during the year ended 30 June 2015. These conditions, along with other matters as set forth in Note 2 (b), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company and the Consolidated Entity to continue as going concerns and therefore, the Consolidated Entity and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the directors' report for the year ended 30 June 2015. 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

In our opinion the Remuneration Report of Prospect Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



Neil Smith

Partner

Chartered Accountants

Perth, 30 September 2015

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 21 September 2015.

(a) Substantial Shareholders

The substantial shareholders are:

Name	Number Held	Percentage of Issued Shares
MBM CAP PTNRS LLP	141,250,000	16.60%
ELLIOT HOLDINGS PTY LTD – HD & DM WARNER	114,450,000	13.45%
ARMOURED FOX CAP PL	107,874,800	12.68%
CONTINENTAL MINERALS LTD	73,699,066	8.66%

(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	3,360	0.00
1,001 – 5,000	326,904	0.04
5,001 – 10,000	1,020,896	0.12
10,001 – 100,000	17,074,732	2.01
100,001 and over	832,363,990	97.83
Total	850,789,882	100.00

There were 664 holders of less than a marketable parcel of ordinary shares.

ASX Additional Information (continued)

(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. MBM CAP PTNRS LLP	141,250,000	16.60%
2. ARMOURED FOX CAP PL	107,874,800	12.68%
3. CONTINENTAL MINERALS LTD	73,699,066	8.66%
4. WARNER HUGH + DIANNE <CBM S/F A/C>	59,700,000	7.02%
5. ELLIOT HLDGS PL <CBM FAM A/C>	51,750,000	6.08%
6. STEPHENS B O + E J <STEPHENS GRP S/F A>	40,000,000	4.70%
7. HOLLOWAY COVE PL <HOLLOWAY COVE S/F>	23,900,000	2.81%
8. UNITED EQUITY PTNRS PL <POLYCORP FAM A/C>	21,000,000	2.47%
9. LEILANI INV PL <RICE FAM INV A/C>	20,000,000	2.35%
10. SIRIUS TTEES LTD <ABANGANE A/C>	15,000,000	1.76%
11. RUSIKE ZIVANAYI	12,403,738	1.46%
12. DING BENJAMIN	10,000,000	1.18%
13. TALLTREE HLDGS PL <NERD FAM S/F A/C>	9,000,000	1.06%
14. SIBANDA PHILEMON	9,000,000	1.06%
15. POLFAM PL <POLLAK SUPER A/C>	8,333,333	0.98%
16. WEST PAUL	8,250,000	0.97%
17. HSBC CUSTODY NOM AUST LTD	7,038,302	0.83%
18. 38 NORTH INV PVT LTD	6,950,000	0.82%
19. NEFOLOVHODWE ENGELINAH N	6,915,000	0.81%
20. RUSIKE Z L + SIBANDA P <FARVIC WORKERS A/C >	6,000,000	0.71%
TOTAL	638,064,239	75.01%

Unquoted equity securities

	Number on Issue	Number of Holders
Options	Nil	Nil

PROSPECT RESOURCES LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015

Exploration licenses granted:

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

- 1) Prospect Resources Limited ("Prospect")
- 2) Coldawn Investment (Private) Limited ("Coldawn")
- 3) Hawkmoth Mining and Exploration (Private) Limited ("Hawkmoth")
- 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
E66/56	Australia	Mary Springs	Prospect	100%
20560 BM	Zimbabwe	Penhalonga	Coldawn	70%
10675	Zimbabwe	Penhalonga	Coldawn	70%
21795 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%
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%
G2335	Zimbabwe	Penhalonga	Coldawn	70%
Special Grant	Zimbabwe	Bushtick	Hawkmoth	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%
33154	Zimbabwe	Starling	Hawkmoth	70%
32570	Zimbabwe	Starling	Hawkmoth	70%
36975	Zimbabwe	Starling	Hawkmoth	70%
36976	Zimbabwe	Starling	Hawkmoth	70%
36974	Zimbabwe	Starling	Hawkmoth	70%
36973	Zimbabwe	Starling	Hawkmoth	70%
36972	Zimbabwe	Starling	Hawkmoth	70%
32716	Zimbabwe	Starling	Hawkmoth	70%
33280	Zimbabwe	Starling	Hawkmoth	70%
36983	Zimbabwe	Starling	Hawkmoth	70%
33181	Zimbabwe	Starling	Hawkmoth	70%
36978	Zimbabwe	Starling	Hawkmoth	70%
36979	Zimbabwe	Starling	Hawkmoth	70%
36982	Zimbabwe	Starling	Hawkmoth	70%
36980	Zimbabwe	Starling	Hawkmoth	70%
36981	Zimbabwe	Starling	Hawkmoth	70%
GA1190	Zimbabwe	Starling	Hawkmoth	70%
32936	Zimbabwe	Starling	Hawkmoth	70%
32935	Zimbabwe	Starling	Hawkmoth	70%
140300 J	Zimbabwe	Greater Farvic	Farvic	-(i)
140297 J	Zimbabwe	Greater Farvic	Farvic	-(i)
140295 J	Zimbabwe	Greater Farvic	Farvic	-(i)

PROSPECT RESOURCES LIMITED
ASX ADDITIONAL INFORMATION
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Tenement Type & Number	Country	Project	Registered Company Name	% Held
140299 J	Zimbabwe	Greater Farvic	Farvic	-(i)
140298 J	Zimbabwe	Greater Farvic	Farvic	-(i)
179176 J	Zimbabwe	Greater Farvic	Farvic	-(i)
174178 J	Zimbabwe	Greater Farvic	Farvic	-(i)
435131 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435129 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435130 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435132 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435125 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435124 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435123 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435126 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435128 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435127 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482950 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482951 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482952 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482953 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482954 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482955 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482956 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482957 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482958 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482959 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482904 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482905 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482906 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482907 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482908 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482909 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482912 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482913 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482914 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482916 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482915 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482917 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482918 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482919 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482920 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482940 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482941 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482942 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482943 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482944 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482945 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482946 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482947 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482948 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482949 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482901 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482902 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435235 J	Zimbabwe	Greater Farvic	Tannahill	-(i)

PROSPECT RESOURCES LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015

Tenement Type & Number	Country	Project	Registered Company Name	% Held
435236 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435237 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435238 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435239 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435240 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435241 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435242 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435243 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435244 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435245 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435246 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435247 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435248 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435249 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435250 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435251 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435252 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435253 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435254 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435255 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482903 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483034 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483033 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483035 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483047 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483048 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483045 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483016 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483055 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483056 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483057 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483058 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483059 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483005 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483006 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483007 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483062 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483061 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483004 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483003 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435227 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483000 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483008 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483060 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483009 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483010 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483012 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483011 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483054 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483053 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483014 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483051 J	Zimbabwe	Greater Farvic	Tannahill	-(i)

PROSPECT RESOURCES LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015

Tenement Type & Number	Country	Project	Registered Company Name	% Held
483052 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483050 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483049 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483019 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483018 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483017 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483015 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483013 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482999 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482997 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482996 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482995 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435234 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435233 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435232 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435231 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435230 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435229 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435228 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435211 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435209 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435210 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435196 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435197 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435199 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435198 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435200 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435201 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435214 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435213 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435215 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435217 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435219 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435221 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435216 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435218 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435220 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483222 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435224 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435223 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435203 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435212 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435204 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435205 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435206 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435202 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435207 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435208 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483020 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483021 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483023 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483025 J	Zimbabwe	Greater Farvic	Tannahill	-(i)

PROSPECT RESOURCES LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015

Tenement Type & Number	Country	Project	Registered Company Name	% Held
483043 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483044 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483032 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483030 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483041 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483042 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483029 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483028 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483026 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483027 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483040 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483036 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483037 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483038 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483039 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482994 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482992 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482991 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482993 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482990 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482983 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482984 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482982 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482989 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482988 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482985 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482987 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482986 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482981 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482980 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482979 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482978 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482977 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482975 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
482974 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483024 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435225 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
435226 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483063 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483064 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483065 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483066 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483067 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483068 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483464 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483465 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483466 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483469 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483467 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483468 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483471 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483470 J	Zimbabwe	Greater Farvic	Tannahill	-(i)

PROSPECT RESOURCES LIMITED
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015

Tenement Type & Number	Country	Project	Registered Company Name	% Held
483473 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483472 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483508 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483507 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483518 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483515 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483514 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483511 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483513 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483512 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483510 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483509 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483475 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483476 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483478 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483479 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483480 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483481 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483482 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483506 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483505 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483504 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483502 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483501 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
483500 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
063742 J	Zimbabwe	Greater Farvic	Tannahill	-(i)
003509 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003530 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003527 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046672	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046681	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046682	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046676	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046675	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046674	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046673	Zimbabwe	Greater Farvic	Mixnote	-(i)
003524 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003525 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046677	Zimbabwe	Greater Farvic	Mixnote	-(i)
003522 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046678	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 46679	Zimbabwe	Greater Farvic	Mixnote	-(i)
003508 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
H 046680	Zimbabwe	Greater Farvic	Mixnote	-(i)
003523 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003510 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003511 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003512 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003513 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003514 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003515 M	Zimbabwe	Greater Farvic	Mixnote	-(i)

PROSPECT RESOURCES LIMITED
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Tenement Type & Number	Country	Project	Registered Company Name	% Held
003516 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003517 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003518 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003519 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003520 M	Zimbabwe	Greater Farvic	Mixnote	-(i)
003583 M	Zimbabwe	Greater Farvic	Farvic	-(i)

- (i) Hawkmoth can earn a 51% interest by spending US\$1.5m within 24 months. Hawkmoth can earn the remaining 49% interest by spending a further US\$1.5m within the next 12 months.

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