

ASX Code: PSC

31 July 2012

June Quarterly Report

The Directors of Prospect Resources Limited (**Prospect**) are pleased to report that your securities were re-instated to trading on Thursday 19 July 2012.

Activities during the quarter related to completing the process of recapitalising the Company and completing all statutory requirements for the Company to be successfully re-instated to trading on ASX.

Prospect is a multi-commodity exploration company.

The Company's exploration assets are prospective for lead, zinc and copper mineralization and iron ore formations. The exploration assets comprise: a 100% interest in one exploration licence, an 80% interest in a further 3 exploration licences and 5 Mining Access Agreements to 6 Queen Victoria Crown Grants as well as two mining applications pending.

The Company's most developed asset and lead prospect is the historical Mary Springs Mine (100% owned by the Company, tenement E66/56). As announced to the market on 25 October 2010, the Mary Springs project hosts a JORC compliant Indicated and Inferred Mineral Resource of 394,419 tonnes @ 6.5% Pb for approximately 25,637 tonnes of contained lead metal. The resource is open in all directions. (Please refer to the Company's Activity Report released to the market on 17 July 2012 for further details on the Company's exploration assets).

Future Exploration Activities of the Company

The Company intends to continue minerals exploration over its existing fully and partly owned Exploration Licences and those licenses the subject of mining access agreements (Northampton Project). This contiguous project area of approximately 900km² is surrounding the town of Northampton, Western Australia. All the licences are accessible via a network of public and private roads. Historical reports and production figures indicate over 100 historical base metal workings within the Northampton mineral field.

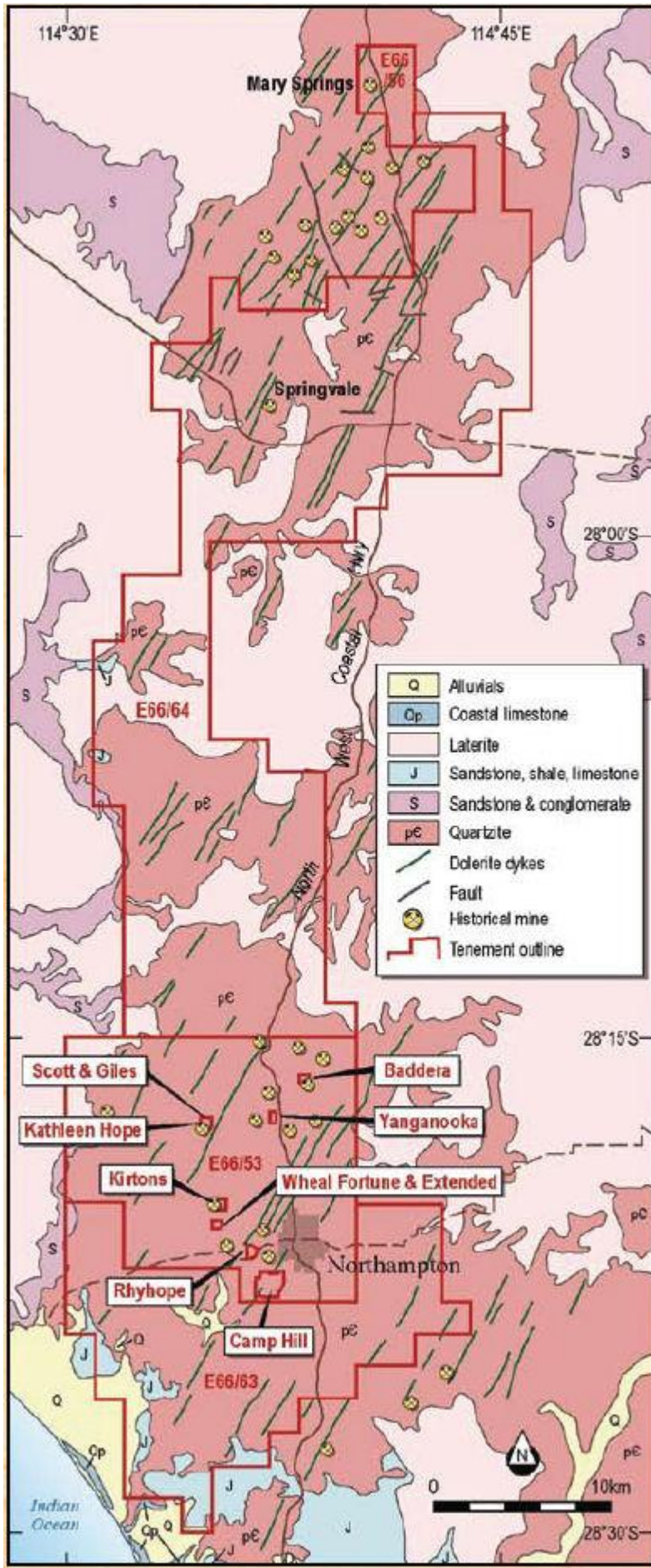


The following is a map of Northampton Project area:

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The Northampton Project is prospective for lead, zinc and copper mineralisation of similar style to past producers. Previous exploration has focused on the outcropping veins and breccias, however other styles of mineralisation (including other metals such as iron ore) may be present under shallow cover.

As discussed above, the Company's lead prospect is the historical Mary Springs Mine. As announced to the market on 25 October 2010, the Mary Springs project hosts a JORC compliant Indicated and Inferred Mineral Resource of 394,419 tonnes @ 6.5% Pb for approximately 25,637 tonnes of contained lead metal. The resource is open in all directions.

The Company is currently proposing to undertake exploration activities initially based on the work program designed by the Company's independent geological consultants Jemda Pty Ltd as outlined below:

- Complete the digital data compilation of all available historic exploration and mining data including drilling, underground development, sampling and geophysics;
- Planning a reconnaissance-sampling program seeking other metals such as iron ore and other new base metal discoveries;
- The acquisition and interpretation of available geophysical data; and
- Stream sediment sampling across the entire tenement package to occlude non-prospective areas and hence reduce holding costs and focus on hot spots in 2013.

Other opportunities

The Company intends to maintain an active program of identifying additional mineral projects that are in line with the Company's strategy and that complement the existing tenement portfolio of the Company.