

ASX Announcement

ASX Code: PSC

29 May 2014

Share Placement at 1.5c per Share to Raise US\$1,000,000

Prospect Resources Limited ("Prospect" or "the Company") is pleased to announce that it has entered into a placing agreement to raise US\$1,000,000 (A\$1,078,748) via the issue of approx. 71.9m shares at 1.5c each.

The share placement is to Armoured Fox Capital (Pty) Ltd, an investment vehicle represented by Sithembiso Mthethwa and Manana Nhlanhla who are successful South African business people. Completion of the share placement is planned to occur within 14 calendar days of this announcement and is subject to receiving approval from the South African Reserve Bank for an 'outward capital transfer'.

The directors are pleased to secure Armoured Fox Capital (Pty) Ltd as a future shareholder. It is a South African based company with a regional outlook and as such they understand the growing opportunities in Zimbabwe.

The Company intends to use part of its shareholder approved placement capacity to complete the above placement.

The funds raised will be used:

1. For general working capital;
2. To fund exploration on the Company's Zimbabwe gold assets; and
3. To progress the previously announced (29 November 2013) litigation against Alexander Molyneux, Blumont Group Ltd and Pacific Advisers Pte Ltd in relation to a subscription for A\$3.9m worth of shares in Prospect at an issue price of 1.2c per share.

The Company has an active 2014 exploration and development programme and we do not intend for the above mentioned litigation to distract us from the job of developing our mineral assets in Zimbabwe and Australia.

Contact Details

For further information, please contact:

Hugh Warner

Executive Chairman
Prospect Resources Limited (Aus)
Ph: +61 413 621 652

Harry Greaves

Non-Executive Director
Prospect Resources Limited (Zim)
Ph: +263 772 144 669