



# Prospect Resources

## Acquisition of Zimbabwe Mining Projects

July 2013  
ACN 124 354 329

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The information in this presentation that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Roger Tyler. Mr Tyler is a consultant to Prospect Resources.

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 2004 Edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Tyler consents to the inclusion of the matters based on information in the form and context in which it appears.



- **Build an ASX listed, Zimbabwe Mining Company of an international scale**
- **Build the most competent Zimbabwe Mining Team available**
  - Use our local team's detailed knowledge of the Zimbabwe mining industry to target geographic regions of interest;
  - Target mine owners within those regions - most of which are personally known to our team;
  - Aggregate land holdings to generate economies of scale and invest sufficient capital to take advantage of such economies; and
  - Be critical with acquisitions and do not acquire legacy issues
- **Acquire equity interests in existing gold projects, both currently producing and historic gold mines**
- **Generate early cashflows from operations:**
  - re-invest cashflows into exploration programmes to delineate minerals resources to JORC standards;
  - expand production from existing facilities; and
  - build new operations
- **Partner with other local operators who have a history of successful in-country operations**
- **Use cashflows and equity to acquire additional projects**
- **Target other minerals and mining associated industries in and around Zimbabwe**

# Exec Management & Board of Directors



- **Duncan (Harry) Greaves (47) Executive Director** Mr Greaves is a 4<sup>th</sup> generation Zimbabwean and a resident of Zimbabwe. He holds a B.Sc (agriculture) from University of Natal. 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. *He is a shareholder in Farvic Consolidated Mines and Prospect Resources.*
- **Hugh Warner (44) Executive Chairman** Mr Warner is an Australian resident and holds a B.Econ from the University of Western Australia. He has been a director of numerous companies listed on the ASX and AIM, primarily focused on the resources industry.
- **Gerry Fahey (61) Non-executive** Mr 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 in Zimbabwe and the following Australian gold projects: Kanowna Belle, Golden Feather, Sunrise and Wallaby. Gerry is currently a Director of CSA Global Pty Ltd and Focus Minerals Ltd and a member of the Joint Ore Reserve Committee (JORC).

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# Senior Management



- **Chris Rees (44) Chief Operating Officer** Chris Rees is a Zimbabwean based Project Manager and Engineer with experience of building and operating mines in the Southern African region, especially Zimbabwe. He has worked with large corporates like IAMGold, New Dawn Mining and Pretoria Portland Cement. He holds a BSc Eng from Natal University. He was the principal engineer behind the design, procurement and construction of the Farvic Gold Mine Expansion in 2012, the Nicholson Gold Mine in 2011, the Farvic Gold Mine in 2010 and African Chrome Fields plant in 2009.
- **Roger Tyler, (48) Chief Geologist** He is a British geologist, who after almost 25 years working experience in Africa, is now Technical Director for Farvic. He has an Honours degree in Mining Geology from the Royal School of Mines and a Master of Engineering in Mineral Resource Estimation from Witwatersrand University. Roger worked for 15 years as a geologist in various African countries and later as a Senior Resource Analyst for Anglo American Corporation. Most recently however, he was Anvil Mining's DRC exploration manager and led the programme which resulted in the development of the new Kinsevere mine. *He is a shareholder in Farvic Consolidated Mines and Prospect Resources.*
- **Chris Hilbrands (34) Chief Financial Officer** Chris has worked as Chief Financial Officer for a number of public companies listed on the ASX and AIM, primarily resources focused. He has been responsible for the day to day financial and administrative operations together with the statutory reporting and compliance obligations of these organisations. He has a B.Com and is a Chartered Accountant.

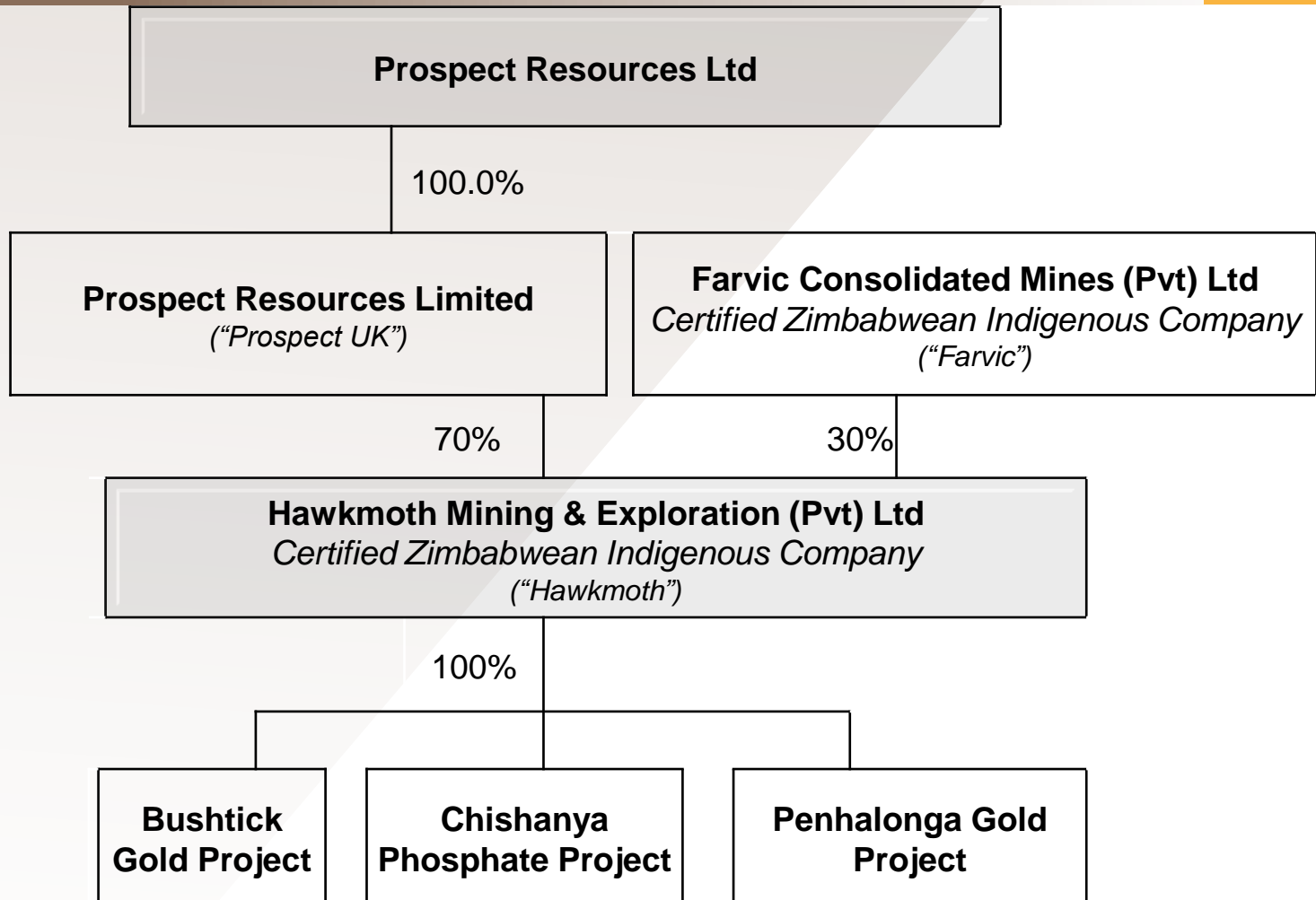
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# Advisory Team



- **Andrew Halsted (46)** is a fourth generation Zimbabwean, who was educated at Michaelhouse and returned to Zimbabwe having qualified as a Chartered Accountant in Australia. Since 1992, he has managed his family owned trading business, Halsted Brothers (Pvt) Ltd. In 2002, Andrew was a founding shareholder of Farvic Consolidated Mines (Pvt) Ltd which operates the Prince Olaf, Farvic and Nicolson gold mines in southern Zimbabwe. In 2003, he established Titan Drilling, a company which provides exploration drilling services in Zimbabwe, Mozambique, Zambia and the Democratic Republic of Congo. *He is a shareholder in Farvic Consolidated Mines and Prospect Resources.*
- **Stuart Comline (63)** (*Technical Consultant to Prospect Resources and Advisor to Falcon College*) was educated at Falcon College in Zimbabwe, and has degrees in geology from the University of Natal (BSc) and Western Ontario (MSc). He was formerly general manager of exploration for JCI Ltd and more recently chairman of AfriOre a TSX listed company, until it was sold in 2007. He is currently independent director of Talon Metals, a Brazilian gold exploration company listed on the TSX.
- **Zivanayi (Zed) Rusike (55)** (*Proposed Chairman of Prospect UK & current Chairman of Hawkmoth*) Mr Rusike is a qualified accountant and a resident of Zimbabwe. He was Managing Director of United Builders Merchants before being promoted to Group MD for Radar Holdings Limited, a large quoted company on The Zimbabwe Stock Exchange. He retired from the Radar Group of companies to pursue his personal interests and sits on the boards of Cairns Holdings, TSL Limited, Dulux Paints Limited and Halsted Brothers (Pvt) Limited amongst others. Zed is a former President of and current Chairman of the board of The Confederation of Zimbabwe Industries. *He is a shareholder in Farvic Consolidated Mines and Prospect Resources.*

# Corporate Structure



## Notes:

- Shareholders of Farvic include: Messrs Greaves, Tyler, Halsted, Huddleston, Rusike and others
- Farvic may claw back a 21% interest in Hawkmoth on the basis that it acquires the interest from Prospect UK for cash consideration at market value or 5x EBIT, which ever is higher, subject to certain conditions.

# Zimbabwe Indigenization Approvals



- Zimbabwe Investment Authority has approved the Company's application to own a 70% equity interest in Hawkmoth (via Prospect UK) with the following conditions:
  - The Company 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 interest having regard to operating risks of the company
  - All loans have priority for repayment in front of any payments of dividends
  - After repayment of all loan funds, dividends may be payable
  - Farvic has the right to claw back a 21% equity interest in Hawkmoth via the purchase of shares from Prospect UK. 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 the higher).
  - *Background:* Under the laws of Zimbabwe, all operating companies must be either 51% owned by indigenous parties or have the capability to be 51% owned.

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# First Acquisitions



- **Bushtick Project - Old Workings & Exploration**

- Historic underground production of 15,000kg of gold (~470,000oz) at 5.4g/t cut-off
- Mine closed due to lack of water in 1950's
- Part of the Bulawayo Greenstone Belt
- Exploration target of 8Mt – 12Mt at 2.0g/t – 4.0g/t for 0.5M – 1.5M oz of gold near surface

(note that the potential tonnes and grades are conceptual in nature and that there is insufficient exploration to estimate a Mineral Resource at this stage and that it is uncertain if further exploration will result in the estimation of a Mineral Resource).

- **Penhalonga Project – Old Workings & Exploration**

- Shear and vein hosted gold deposits along the southern side of the Penhalonga Valley (~3.6km strike)
- Mine closed in 1943 due to collapse of main shaft (183,000 oz produced)
- Exploration target of 8Mt – 12Mt at 2.0g/t – 4.0g/t for 0.5M – 1.5M oz of gold to a depth 150m

(note that the potential tonnes and grades are conceptual in nature and that there is insufficient exploration to estimate a Mineral Resource at this stage and that it is uncertain if further exploration will result in the estimation of a Mineral Resource).

- **Chisanya Phosphate Project**

- Un-exploited phosphate deposit within the Chisanya Carbonatite, South East Zimbabwe.
- One of 5 known phosphate bearing carbonatites in the country

# Acquisition Terms



- Prospect Resources Limited (**Prospect UK**), the Company's 100% owned subsidiary has entered into an agreement, subject to shareholder approval, to subscribe for a 70% interest in Hawkmoth Mining & Exploration (Pvt) Limited (**Hawkmoth**), the material terms of which are summarized below:
- **Bushtick Project & Chisanya Phosphate Project**
  - Acquisition of a 70% interest in Hawkmoth (via a subscription for new shares)
  - in consideration for:
    - Subscription of new shares in Hawkmoth to the value of US\$50,000
    - Prospect UK agreeing to fund exploration up to completion of a feasibility study to produce 25,000 oz per annum from the Bushtick Project
  - *Hawkmoth Mining & Exploration (Pvt) Limited (HME) owns a senior prospecting & mining agreement to exploit the mineral resources of certain mineral tenements known as the Bushtick Project, subject to a Special Mining Grant being issued; and*
  - *HME owns the Chisanya Phosphate Project*
- **Penhalonga Project**
  - Acquisition by Hawkmoth of Coldawn Investments (Pvt) Limited, which owns 100% of the tenements comprising the Penhalonga Project
  - in consideration for:
    - US\$20,000
    - Prospect UK agreeing to fund exploration up to completion of a feasibility study to produce at least 25,000 oz per annum of gold for 10 years from the Penhalonga Project

# Exclusivity Agreement



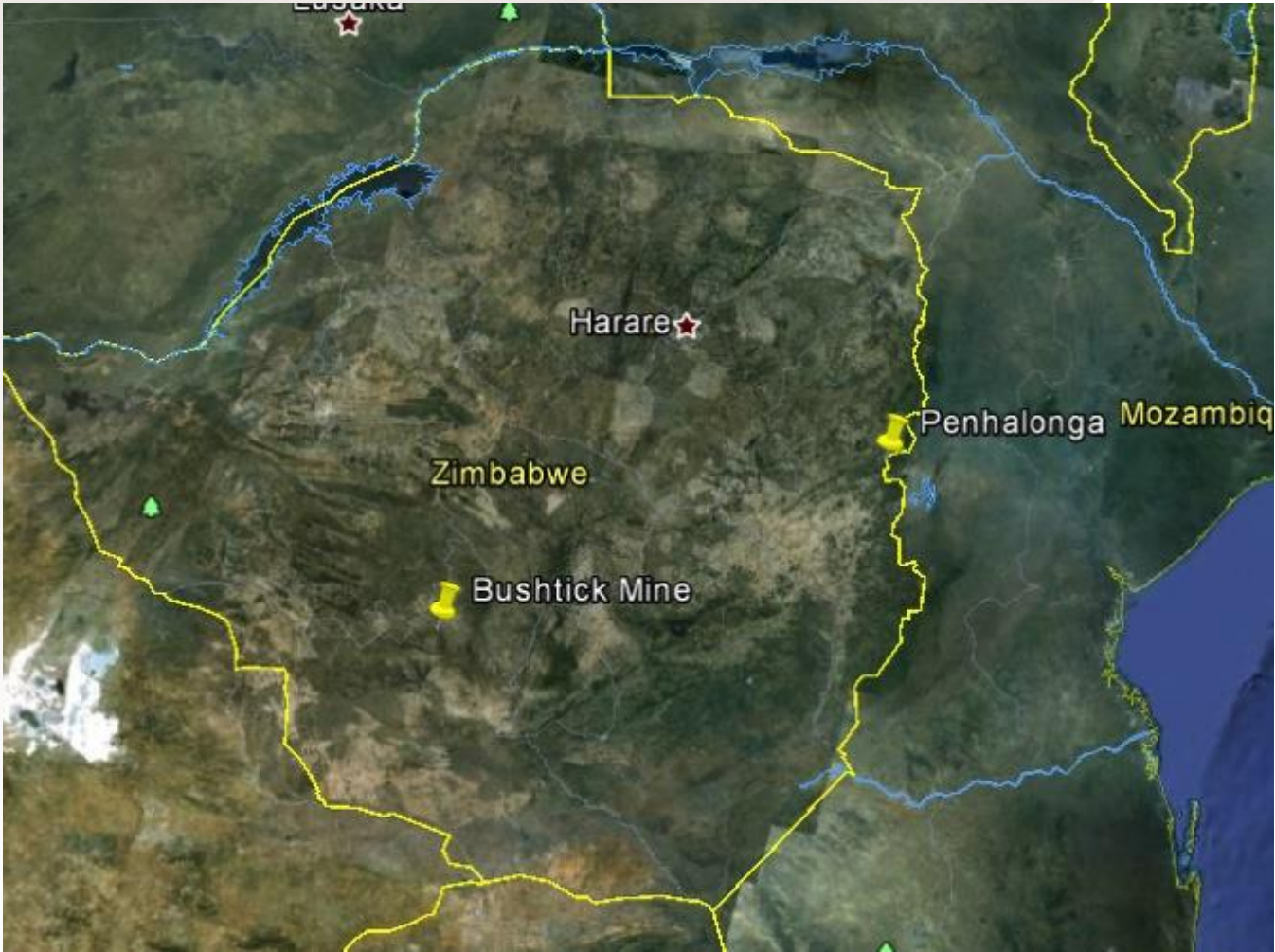
- Prospect Resources has entered into a conditional Exclusivity Agreement with Continental Minerals Limited (**Continental Minerals**), representing amongst others, Harry Greaves, Roger Tyler, Chris Rees, James Huddleston, Andrew Halsted and Zed Rusike on the following terms:
- In consideration of 60 million fully paid shares in Prospect Resources Mr Greaves, Mr Tyler and Mr Rees (the introducing parties) will for a period of 3 years, present all Zimbabwe mining opportunities that they become aware of to Prospect Resources for acquisition and/or investment.
- If Prospect Resources decides not to participate, then the introducing parties shall be free to exploit the opportunity without Prospect Resources.
- There are four current opportunities (specified in the contract but confidential for the purposes of this presentation) that the introducing parties and Prospect Resources have determined are outside this Exclusivity Agreement due the timing of when such opportunities were presented to them. If any of these specified opportunities results in an acquisition by Prospect, a performance fee shall be payable to the introducing parties, subject to negotiation.
- The issue of the above 60 million shares and the payment of any performance fee will be subject to shareholder approval. It is anticipated that any performance fee payable will be in the form of a share issue in Prospect Resources.

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# Location of First Acquisitions

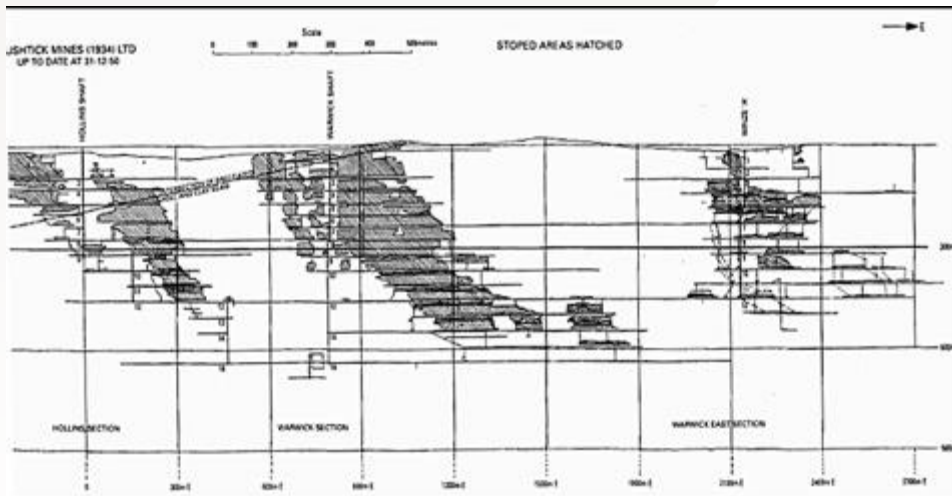
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# Bushtick Project – Historic Production

- Historic production was from four shafts; down to 12 level ; approx 300m depth; 470,000oz Au, at 5.4 g/t cut-off, to 1950
- High cut-off grade, resulted in preferential mining of 4 high grade shoots.
- Not subject to artisanal mining
- The Prospect team re-entered the Warwick East Shaft down to 2 level in March 2013 using existing head frame and lifting infrastructure - all in good order
- Further levels will be accessed once levels are de-watered



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# Bushtick Project - Exploration Potential



- Bulawayo Greenstone Belt, SW of Bulawayo is highly prospective ground. Vein and shear hosted high grade gold deposits.
- Potential open cut, along Bushtick Shear, recent grab sampling indicates 2 – 3g/t material in altered country rock schists.
- Exploration targets also include splay structures off the main Bushtick Fault/ Reef Zone.
- Target gold zones in the old workings left behind because of the 5g/t cut-off



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# Bushtick Exploration Plan



- **Underground Exploration**

- De-water underground workings down to 4 level.
- Map old workings.
- Identify mineralized zones below historic cut-offs.
- Commence drill programme on mineralized zones.

- **Above Ground Exploration**

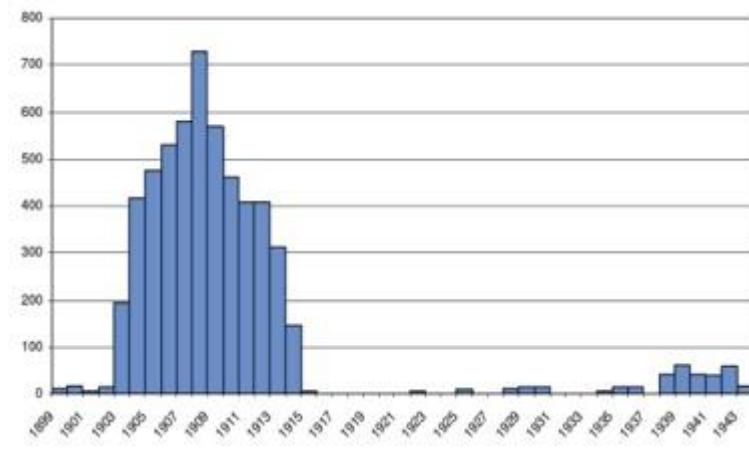
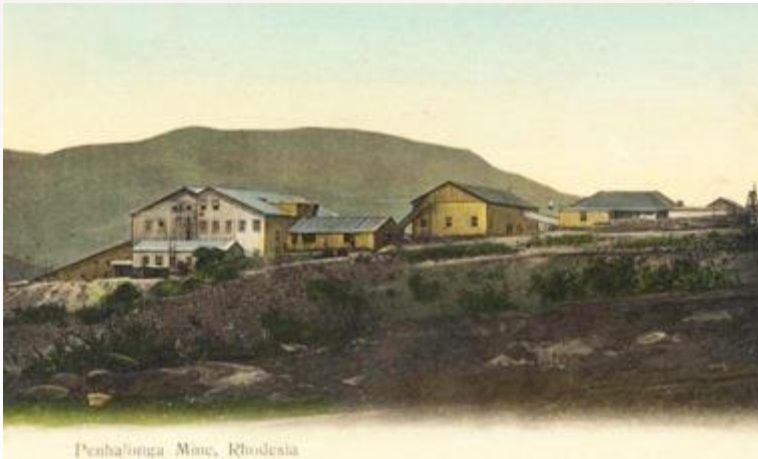
- Fly detailed airborne magnetics and radiometrics.
- Analysis of Aster Imagery to ascertain alteration anomalies.
- BLEG geochem sampling and mapping of anomalies.
- Detailed Ground Magnetics and GPR.
- Drilling
  - 6,000m short hole RAB/aircore.
  - 2,500m of approx 50m deep RC holes.

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# Penhalonga Project - Background



- Historic Production – 185,000 Oz produced from 1895 – 1943 from 2 main shafts & numerous adits within talc-schist zone.
- Geological Setting - *“In terms of production, the host Mutare Greenstone Belt at 122kg Au/km<sup>2</sup> is one of the richest belts within Zimbabwe”*. The E- W belt trends into Mozambique.
- Current artisanal grades – 10g/t ; 1- 2 kg monthly production.
- Potential - open cut on oxides. Only 750 m strike tested to date. Sulphide zone open down dip beyond 1km depth.





# Penhalonga Project - Exploration



- Deep hole drilling by RTZ in 1962 confirmed eastward strike extent and that reefs were open down dip.
- Adit Sampling by Casmyn/New Dawn in 2000 indicated high grade zones  $>10\text{g/t}$ , in old '60' s prospect adits.
- Magnetic survey by ZMI in 2009, defined 100m wide shear zone, striking at least 1.5km.
- 2,400m scope drilling by ZMI indicated  $>0.5\text{mt}$  @  $2.2\text{g/t}$ . to 30m depth. (Oxide – transition zone)

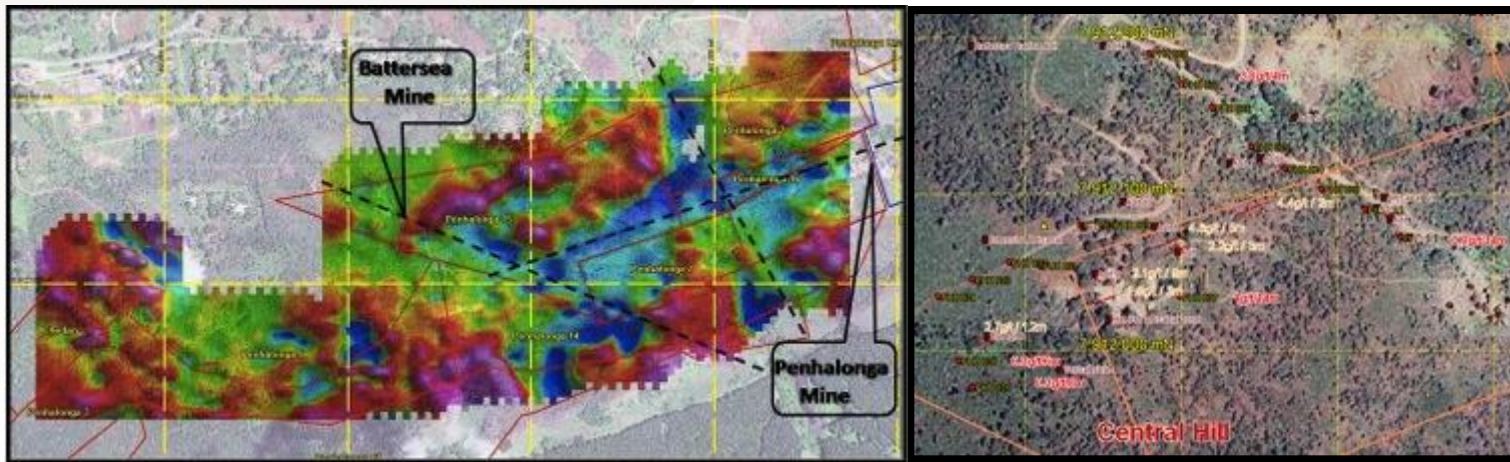


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# Penhalonga Exploration Plan



- Finish Adit Sampling; – adits newly re-opened by artisanals.
- Detailed Ground Magnetic and GPR surveys ; cross-cutting faults.
- 7,500m RC targeting Penhalonga Pit & Central Hills anomalies.
  - 6,500m ; indicated resource ; < 50m deep oxides.
  - 1,000m ; inferred resource > 100m+ sulphide zone.



# Corporate Snapshot



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## Summary

- ASX Code: PSC
- Shares on issue: 809.6 m *Assumes issue of 60m shares to Continental Minerals & 375m shares at 1.2c per share to raise A\$4.5m in cash*  
*the placement of*
- Options (1.5c ex): 160 m *Assumes issue of 80m management options*
- Share Placement Price : 1.2c
- Market Cap at Completion: \$ 9.70 m *Inclusive of A\$4.5m share placement*
- Cash: \$4.8 m *approx. at completion*

## Top Shareholders (post to issue of the above shares and options)

- Directors & Management 100.3m (12.4% undiluted and 15.7% fully diluted)
- Top 50 Shareholders 727.9m shares 89.9%

## Contact Information

- Hugh Warner hugh@anglopacific.com.au +61 413 621 652
- Harry Greaves harry@zimbabwemining.com +263 772 144 669



## Background information on Zimbabwean Team

- The Company's Zimbabwe Team, led by Harry Greaves and including, Chris Rees, Roger Tyler, Zed Rusike, Andrew Halstead and Stuart Comline are a practical mix of operations, geology, engineering and finance personnel.
- They represent over 100 years of combined experience operating in Africa
- They consist of both indigenous and non-indigenous Zimbabweans with the majority of the team having spent most of their lives living in Zimbabwe
- The team has been successful in identifying strategic ground positions and acquiring the corresponding tenements
- Since 2009, the team has designed, built and operated the following gold mines and chrome mines in Zimbabwe:
  - Farvic Gold Mine Expansion 2012: Engineering, Procurement, Construction & Operation
  - Nicholson Gold Mine 2011 : Engineering, Procurement & Construction & Operation
  - Turk Gold Mine 2011/12: Engineering & Project Management
  - Farvic Gold Mine 2010 : Engineering, Procurement & Construction & Operation
  - African Chrome Fields 2009 : Engineering, Procurement, Construction & Operation



# Appendix

Location of projects referred to in Appendix

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# Appendix



## Farvic Mine Expansion - 2012

- Engineering, Procurement, Construction & Operation
  - 20T/H Dump Recovery Plant – Hydraulic sluicing and screening
  - 10T/H Re grind Mill – 6 x 10 Ball mill (130KW)
  - 20 T/H Carousel CIP plant – 7 x 100m<sup>3</sup> Steel tanks with mechanical agitators.
  - New Power and water reticulation (500KVA transformer and new Boreholes)



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# Appendix



## Nicholson & Olympus Mines - 2011

- Engineering, Procurement, Construction & Operation
  - Shaft cleaning & refurbish (3 to 6 level) - Nicholson Shaft
  - Shaft cleaning & refurbish (Surface to 4 level) - Olympus Shaft
  - Refurbish Hoist for Nicholson Shaft & new Hoist and re timber collar - Olympus Shaft
  - 10T/H Crushing circuit & 4T/H closed circuit Primary Milling & Gravity Separation
  - 15T/H CIP Plant
  - 15 T/H Dump Recovery & 15 T/H Tailings Storage Facility.
  - Power 2 x 315KVA Transformers & a 500KVA standby generation

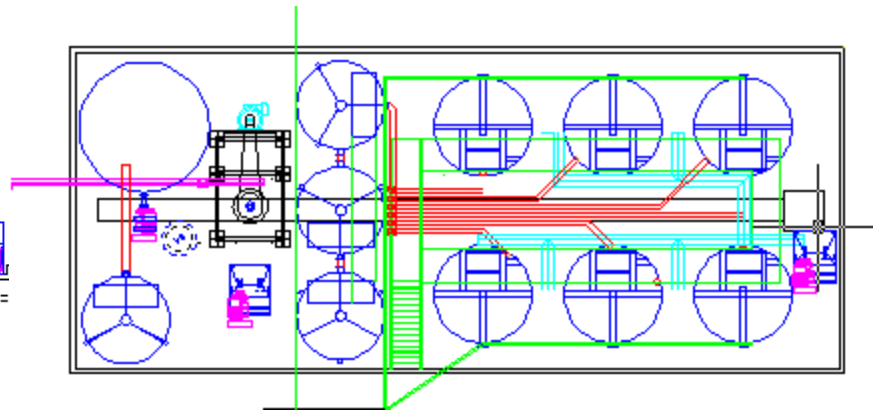
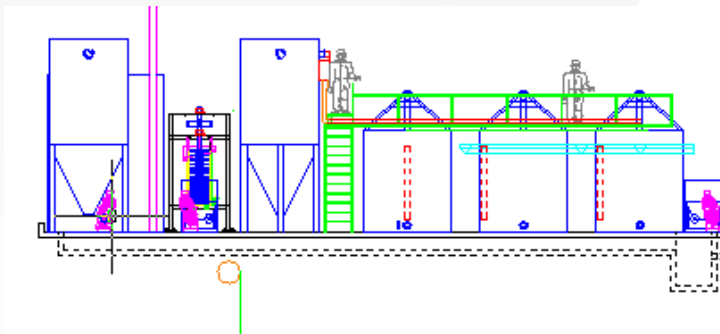


# Appendix



## Farvic Mine 2010

- Engineering, Procurement & Construction & Operation
  - 4T/H Gravity Separation – KC-CD12 Knelson & Querl Bowls.
  - 6T/H Tertiary Milling Plant - Deswik D250 Vertical Bead Mill (110KW VSD).
  - 8T/H CIP Plant Steel tank with air agitated leach & mechanically agitated CIP.
  - 20T/H deposition rate Tailings Storage Facility (TSF).
  - Additional 315KVA transformer.
  - 500KVA Standby Generator.





# Appendix



## Great Dyke Chrome Mine - 2009

- Engineering, Procurement, Construction & Operation
  - Complete Greenfield Chrome sands washing Plant
  - treating 30-40k T/month producing 2.5-3kT/month of >50% Chromite with >2:1 Chrome:Iron & < 2% Si.
  - Scrubber, Spirals, Bagging & Loading facilities
  - Power (transformer & back up generator).
  - Water reticulation & tailings facility



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# Appendix



## Turk Mine – 2011/12

- Engineering & Project Management
  - Refurbish existing CIP Circuit 30T/H
  - New 500m<sup>3</sup> leach tank
  - New FLSK2500 Vertical Bead Mill (750 KW Variable Speed Drive & Motor)
  - Dump Recovery plant 45T/H



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