

## Prospect Resources Signs Mining Agreement over Bucks Reef Gold Mine.

### HIGHLIGHTS

- Prospect Resources has secured the mining rights to the Bucks Reef Gold Mine, which lies some 600m west of its Prestwood Gold Mine.
- Company aims to bring the project into production as a high-grade gold mine as part of the overall development of the Prestwood/Bucks gold play.
- The two main Bucks ore shoots lie on parallel structures to that hosting the Prestwood.
- The increased artisanal mining activity occurring on additional parallel structures sit between Prestwood and Bucks.
- The Bucks-Prestwood area is a highly prospective area for deposits amenable to open cast mining in addition to the historically mined high grade veins

Southern African focused exploration company Prospect Resources Limited (ASX: PSC) (Prospect, the Company) is pleased to announce it has a mining agreement over the Bucks Reef Gold Mine, which is adjacent to the Company's Prestwood Gold Project in Gwanda East, Zimbabwe.

### Recent gold mining activity adjacent to Bucks.

The Company recently announced the results of artisanal activity, in the vicinity of the historic Bucks Mine, has continued to expose high grade gold mineralisation of up to 16.4g/t within a structure parallel to that hosting the Bucks and the Prestwood Mines (in between Bucks and Prestwood). These results are consistent with the intercepts from the Company's 2014 RC drilling programme, and the current geological model.

### About the Bucks Reef Gold Mine

The historic Bucks Reef Gold Mine is located approximately 112km south east of Bulawayo in Zimbabwe, and historically produced approximately 1,443kg of gold (approx. 46,168oz) at 27.0g/t. It is situated within an almost contiguous block of claims covering approximately 25km<sup>2</sup> of the gold bearing Gwanda Greenstone Belt. These claims cover more than nine historic gold mines.

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, including the West and Bucks Main Shaft. 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.

The mine consists 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.

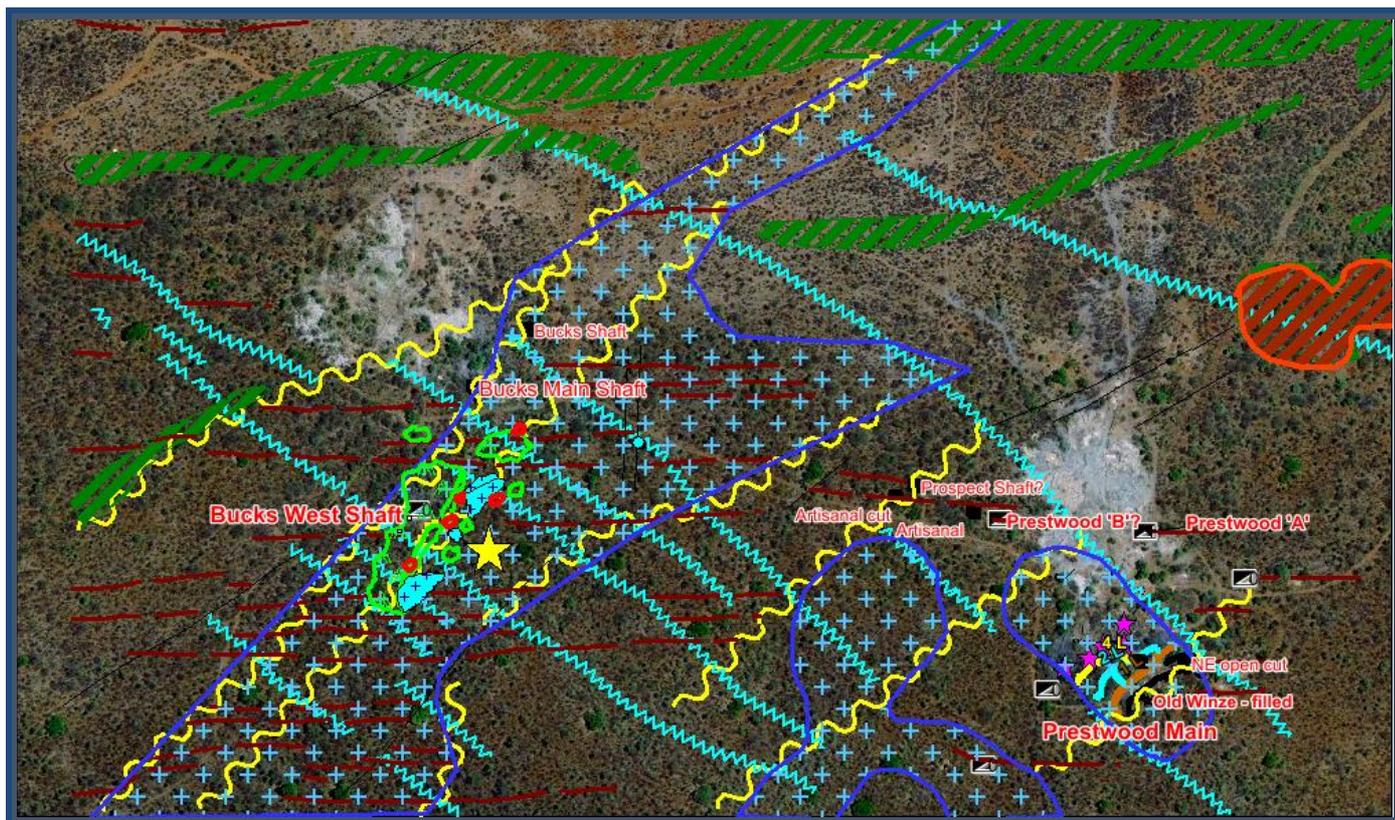


Figure 1: Simplified Geological Model for the Bucks and Prestwood projected over Quick Bird Satellite.

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 in Figure 1.

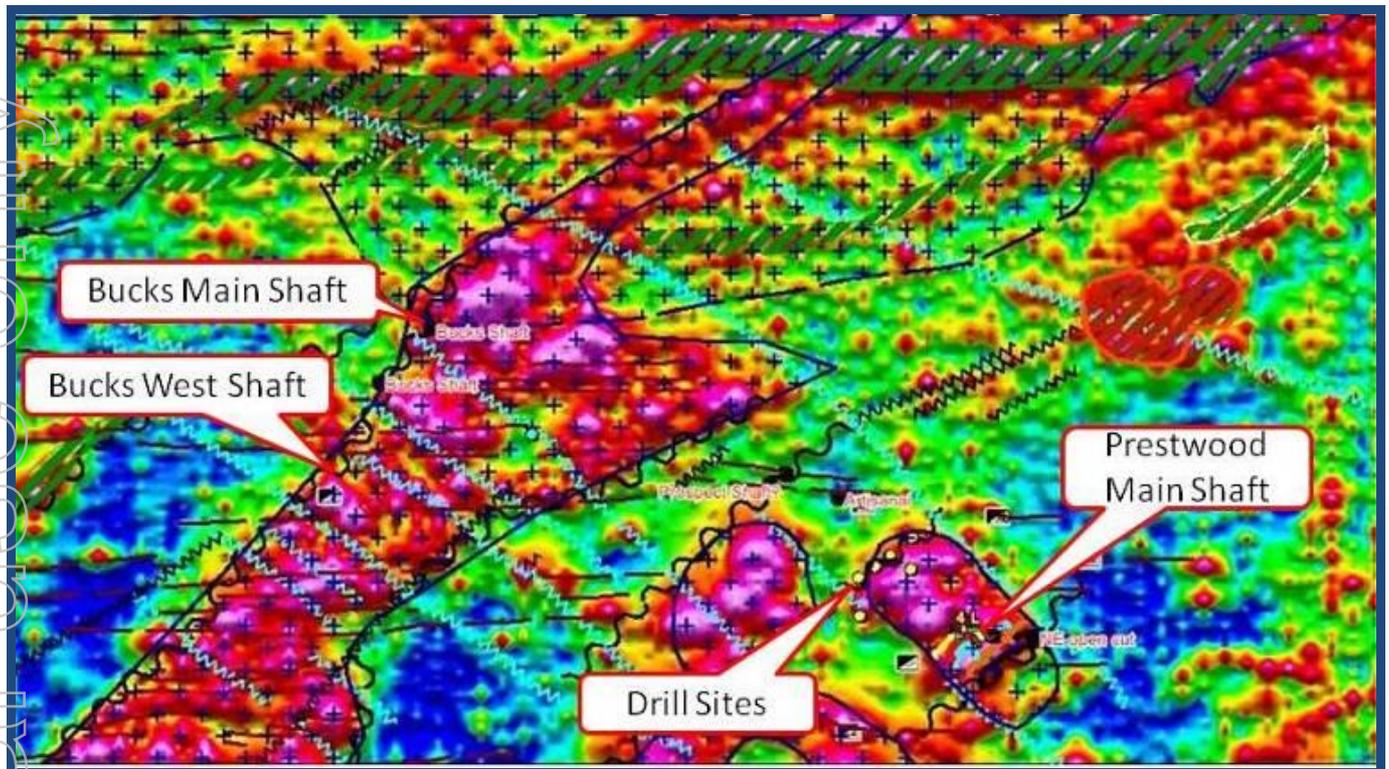


Figure 2: Geological Interpretation Projected over Magnetic Image (Analytical Signal).

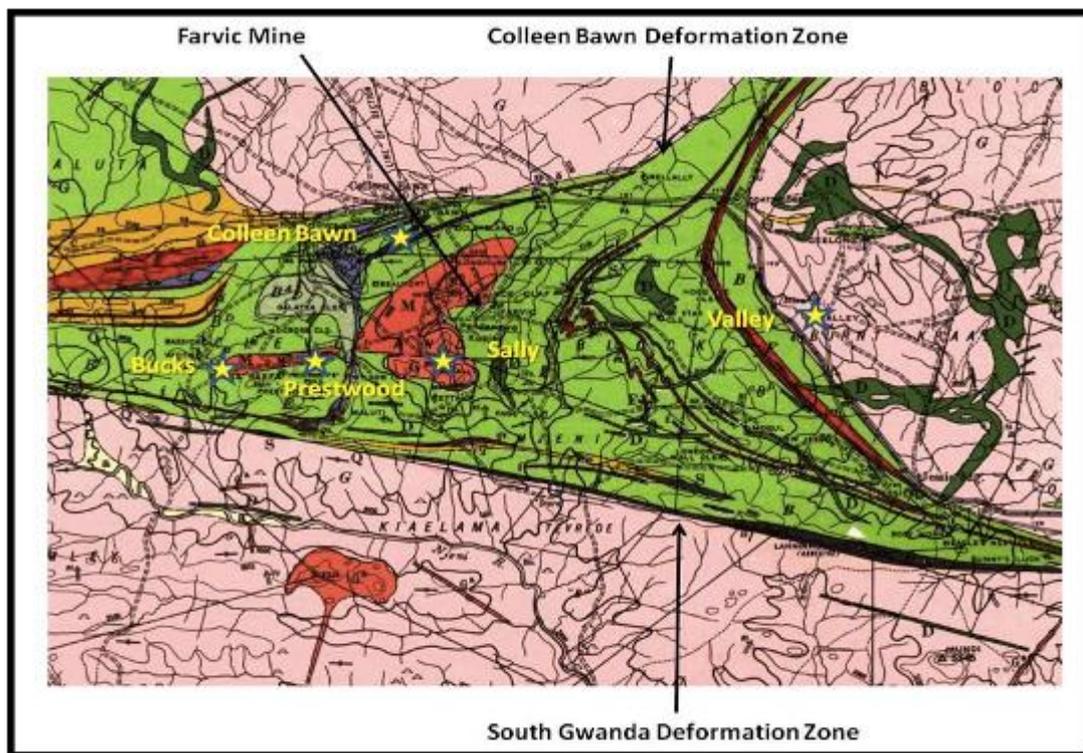
The magnetic high areas represent monzonite at, or just under the surface (dark red /purple in Figure 2). The northern third of the area is also thought to be underlain by monzonite, covered with thicker residual soils. The SW-NE shearing which hosts the Bucks, Prestwood and Prestwood B deposits is readily apparent. The more subtle SE-NW direction is also thought to have significance for deposit location.

#### Future Plans

- Shaft rehabilitation at Prestwood is on-going and once complete, underground drilling for parallel reefs is planned along with commencement of limited gold production.
- In conjunction with the underground drilling of parallel structures from Prestwood, it is expected that Prospect will undertake another drilling programme to test the down dip strike extension of both the main shoots, by the main & West shafts.
- Assuming that the drilling programme produces positive results, it is expected the existing shafts will be rehabilitated and all lower levels of the mine will be mapped and sampled, and underground drilling to test the extent of the parallel and cross-cutting structures will commence.
- Further evidence of parallel reefs is supported by the ground magnetic survey completed in January and the existing artisanal surface mining, largely concentrated at the Bucks. This remains a target for a shallow but broad RAB programme.

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 3: 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 rheological contrast. The known strike extent of the monzonites is almost 6km.

#### Details of the Mining Agreement

The Company's 70% owned Hawkmoth Mining and Exploration (Pvt) Ltd, has entered into a mining agreement on terms standard within Zimbabwe. The mining agreement relates to Claim Number 33269 and is for a period of 15 years with 2 renewal periods of 15 years and then 3 years each. A royalty of 5% of gross value of gold and/or other valuable products won from the claim is payable in consideration for entering into the mining agreement.

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**Competent Person's Statement**

The information in this announcement 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 "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.

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