

Prospect Resources

ANNUAL REPORT 2025

For personal use only

For personal use only

Table of Contents

Corporate Directory

Overview

Chairperson's Report 2

Review of Operations

Highlights 4
Projects 7

Directors' Report

Directors' Report 14
Directors' Declaration 27

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income 29
Consolidated Statement of Financial Position 30
Consolidated Statement of Cash Flows 31
Consolidated Statement of Changes in Equity 32
Notes to the Consolidated Financial Statements 33
Consolidated Entity Disclosure Statement 65
Auditor's Independence Declaration 66
Independent Auditor's Report 67

ASX Additional Information 72

For personal use only



Chairperson's Report

Dear Shareholders,

It is my pleasure to present our Annual Report for 2025. It has been another year of substantial progress for Prospect, as we continue to leverage our core skillset of exploring, advancing, developing and delivering battery and electrification metals projects in sub-Saharan Africa, with a clear focus on copper in Zambia.

The rapid development of our flagship Mumbezhi Copper Project in the world-class Zambian Copperbelt has been very rewarding as we continue to drill and explore this large tenement, after successfully converting the entire area into mining licences in March 2025.

We remain very excited about the future at Mumbezhi, after generating a maiden Indicated and Inferred Mineral Resource estimate here earlier this year, defining 107 million tonnes at 0.5% copper for the Nyungu Central and Kabikupa deposits (Prospect Resources ASX release dated 11 March 2025, *Maiden Mineral Resource Estimate for Mumbezhi Exceeds 500kt Contained Copper*). The comprehensive work being completed by the team is outlining the potential scale of the mineral asset we are developing.

The project is exhibiting all the geological and metallurgical characteristics required to prove up a long-life, large-scale, open-pit copper mining and processing operation. Regionally, Zambia is also recognised as a leading jurisdiction to explore and develop mining operations in Africa, with strong Government support for the copper industry to expand expeditiously to 3 million tonnes of output by 2031.

The potential of Mumbezhi was also recognised by our neighbour and global copper producer, First Quantum Minerals in April, with a $15.2m strategic placement into the Company for a 15% stake moving forward. Importantly, Prospect's largest and long standing investment partner, Eagle Eye Assets also followed its rights and invested a further $2.8m into the Company to help develop Mumbezhi.

After a successful Stage 1 drilling campaign during 2024, our fully-funded Stage 2 exploration programmes kicked off in May 2025, with 50 holes of diamond and aircore drilling for 18,000m budgeted. This year's work is targeting extensions to the defined copper resources at Nyungu Central and Kabikupa, but also evaluating a number of exciting regional prospects identified last year like West Mwombezhi and Nyungu North.

Shareholders can look forward to the continued announcement of results from this year's drilling and tenement wide exploration activities over the course of this calendar year. A huge data base of information has been generated which will be fully assessed with our partners and I feel confident that that this will lead to another exciting drilling campaign in 2026.

For personal use only

Leading the way in the electrification metals revolution

The initial results of our metallurgical test work programmes for Nyungu Central and Kabikupa have proven to be exceptional, with high-grade copper concentrates being produced at high recoveries from relatively coarse grinds, which should have the effect of decreasing both capital and operational costs for any future mining operation at Mumbezhi.

Concurrent with driving our field activities forward, we are fully focused on Mumbezhi Large-scale mining licence management as per Zambian Mines and Minerals development act, as well as Environmental and Social Impact Assessment (ESIA) approval compliance. Environmental baseline studies, community engagement, and permitting to align with Zambia Environmental Management Agency (ZEMA) and local stakeholder expectations continue to receive full attention.

I am really pleased with our progress at Mumbezhi and the Company is fully invested in advancing this very promising copper asset at a time of significant tailwinds for the red metal.

With our focus now directed towards the rapid development of the Mumbezhi Project, and as advised last year, we have put on hold our exploration spending at the Step Aside and Omaruru Projects. The Company is however continuing to look at potential commercialisation routes for these two lithium assets and with Step Aside in particular, we have had significant interest, despite the prevailing subdued commodity price environment.

Our credentialled team is always willing to act on other value-accretive opportunities that present to us across the highly prospective sub-Saharan African region. The Prospect team has a proven ability to acquire and advance such assets for the benefit of all stakeholders.

Again, I would like to offer a heartfelt thank you to all our people and consulting partners around the world for their endeavours over the past year. I would also like to thank you, our shareholders, for your sustained support over this period, and into the future. Just as I said at this time last year, you can rest assured that the entire Prospect team remains resolutely focused on delivering sustainable, value-accretive outcomes for all shareholders.

Stay safe and well.

Yours faithfully



Mark Wheatley
Non-Executive Chairperson

26 September 2025



Review of Operations

For personal use only

Highlights

Highlights during and subsequent to the end of the year were as follows:

08 Jul 24	Appointment of Executive Director Ian Goldberg who has been Prospect's Chief Financial Officer (CFO) and Joint Company Secretary since February 2021. He played a crucial role in the advancement of the Arcadia Lithium Project, most particularly during the strategic financing process which was successfully sold to Zhejiang Huayou Cobalt in April 2022 for US$378 million in cash.
11 Jul 24	Drilling commences at Zambian Copper Project - Maiden drilling programme comprising approx. 30 holes of reverse circulation (RC) and diamond drilling for a total of approx. 7,000m drilling is underway.
02 Aug 24	Well-Supported Equity Raising to Advance Mumbezhi Cu Project - approximately A$8 million (before costs) raised through the issue of approximately 80 million new ordinary shares, strongly supported by new and existing Australian and international institutional and sophisticated investors, including substantial shareholder, Eagle Eye Assets.
12 Aug 24	Share Purchase Plan launched to reward the continued support of existing shareholders.
09 Sep 24	Impressive Drill Intercepts returned from Zambian Cu Project with Phase 1 diamond drilling producing wide, high-tenor intersections that have extended high-grade copper mineralisation at the key Nyungu Central deposit.
04 Nov 24	Substantial Extensions at Nyungu Central with new intersections from the current drilling include: · 36.1m @ 0.95% Cu from 381.0m and 17.0m @ 0.88% Cu from 59.0m (NCRD004R) · 35.0m @ 0.84% Cu from 60.0m (NCRD006) 31.2m @ 0.60% Cu from 177.0m and · 23.0m @ 0.78% Cu from 71.0m (NCRD007) 26.0m @ 0.53% Cu from 177.0m (NCRD005)
25 Nov 24	Non-Executive Director Zed Rusike retires from the board. He was a founding director of Prospect and under his directorship saw the discovery and drill-out of the Arcadia Lithium Project. Zed played a strategic role throughout Prospect's journey from discovery through to the eventual sale of Arcadia to Huayou Cobalt in 2022 and was instrumental in Prospect Resources establishing itself in Zambia as it went on to acquire the Mumbezhi Copper Project.
11 Dec 24	Geophysical Induced Polarisation (IP) surveys at the Nyungu North and Kabikupa prospects have defined significant chargeable anomalies that extend the potential footprint of copper mineralisation at the Mumbezhi Copper Project.
22 Jan 25	Final Results for Nyungu Central deliver thick intersections including: · 67.0m @ 0.69% Cu from 187m and 34.5m @ 0.85% Cu from 384m (NCMT002) · 73.0m @ 0.46% Cu from 263m, incl. 20.5m @ 0.53% from 298m (NYDD055) · 18.9m @ 0.75% Cu from 81.0m, incl. 9.52m @ 1.13% Cu from 90.4m (NCRD011) · 13.0m @ 0.62% Cu from 294m (NCRD023) · 12.1m @ 0.63% Cu from 96.4m (NCRD022)



30 Jan 25	Kabikupa returns outstanding exploratory drilling results include: · 31.4m @ 0.60% Cu from 118m, incl. 10.5m @ 1.05% Cu from 129m (KKDD002) · 29.0m @ 0.50% Cu from 106m, incl. 8.0m @ 0.77% Cu from 126m (KKDD005) · 15.0m @ 0.69% Cu from 171m, incl. 6.0m @ 1.09% Cu from 179m (KKDD004) · 27.0m @ 0.83% Cu from 92m, incl. 10.0m @ 1.76% Cu from 108m (KBDD001) · 20.4m @ 0.67% Cu from 151m (KBDD004)
11 Mar 25	Mumbezhi Mineral Resources Exceed 500kt Contained Copper with the MRE totalling 107.2 million tonnes (Mt) at an average grade of 0.5% Cu across the Nyungu Central and Kabikupa deposits (at a cut-off grade of 0.2% Cu).
17 Mar 25	Mumbezhi Mining Licences granted which marks a significant transition for Mumbezhi and Prospect. It delivers an initial tenure security of 25 years, which is renewable for successive 25-year periods, significantly de-risking the project.
19 Mar 25	High-Priority Drill Target Identified at Nyungu South.
15 Apr 25	A$15.2 million Strategic Investment from First Quantum Minerals. Prospect enters into an investment agreement with established global copper miner, First Quantum, to make a placement of shares to raise approx. A$15.2 million in new equity proceeds.
14 May 25	Phase 2 drilling commences at Mumbezhi Copper Project.
19 May 25	Mumbezhi testwork returns excellent flotation results.
16 Jun 25	Non-executive director appointment, Mr Matt Pascall who is the nominee director of Prospect's major shareholder, technical partner and global copper miner, First Quantum Minerals (First Quantum). Mr Pascall is a mining engineer and brings with him a distinguished career spanning decades in the mining industry, and his contributions have been widely acknowledged as foundational to the success and international standing of First Quantum Minerals.
17 Jun 25	Following the receipt of shareholder approval, Prospect raised a further A$3.3 million (before costs) in equity by issuing 18,863,198 new shares to substantial shareholder, Eagle Eye Asset Holdings Pte Ltd and 3,328,800 new shares to First Quantum Minerals Ltd.
01 Jul 25	Company secretary appointment with Mr Lee Tamplin and Ms Jenny Macasarte appointed as Joint Company Secretaries with Mr Ian Goldberg stepping down from the role.
17 Jul 25	Compelling results from ongoing Mumbezhi metwork noting high-grade copper concentrates with strong recoveries have now been produced from several tested mineralised zones, meeting industry standards.
05 Aug 25	Strike extensions to Nyungu Central deposit continue in the phase 2 drill program.

For personal use only

A$15 million Strategic Investment from First Quantum Minerals

For personal use only

On 15 April 2025, Prospect announced it had executed a placement subscription agreement with First Quantum Minerals Ltd to raise new equity proceeds of approximately A$15.2 million (before costs) (Strategic Investment).

Under the Strategic Investment, First Quantum become a 15% shareholder in Prospect through its subscription to a placement of 101.06 million new ordinary Prospect shares at an issue price of A$0.15 per share. This issue price represented a 36% premium to Prospect's last closing price of A$0.11 and 28% premium to Prospect's 20-day Volume Weighted Average Price (VWAP) of A$0.117.

Upon completion of the Strategic Investment, First Quantum will have the right to nominate an appointee to the Prospect Board. Participation rights, voting support, standstill and escrow provisions will also apply to the First Quantum shareholding in Prospect.

Prospect and First Quantum went on to establish a technical working group for the purposes of guiding the exploration and development of Mumbezhi, which will remain in place whilst First Quantum continues to hold an interest in Prospect of at least 10%. First Quantum will also have limited information rights whilst it holds an interest in Prospect of at least 5% and below 10%.

The FQM Strategic Investment offers significant advantages to both parties, with First Quantum also set to work closely with Prospect as a technical partner across future exploration and evaluation workstreams for Prospect's 85%-owned Mumbezhi Copper Project in north-west Zambia (Mumbezhi). Prospect has agreed to apply at least US$2.5m of the amount raised towards agreed exploration activity at Mumbezhi outside Nyungu Central.

First Quantum possesses a breadth of regional expertise as a substantial and long-established copper explorer and producer in Zambia (and globally). Its portfolio includes two owned and operated copper mining and processing operations in Zambia, being the Sentinel and Kansanshi Copper Mines. These two operations combined produced a total of 402kt[1] of copper-in-concentrate during 2024 (100% basis). First Quantum has also invested significantly in ramping up its copper smelting capacity in Zambia, including as part of the recent Kansanshi S3 expansion, with capacity now standing at over 400ktpa of copper.

With a long-standing track record in Zambia, including deep technical, commercial, environmental, and social expertise, First Quantum's entry as both a strategic investor and technical partner is a significant milestone for Prospect. The FQM partnership enhances Prospect's capacity to accelerate exploration across the wider Mumbezhi Project area, fast-track future development scenarios with experienced input and leverage FQM's regional geological expertise and proven approach to resource growth.

Notably, Mumbezhi lies in the same regional geological setting as FQM's Sentinel operations, reinforcing the technical alignment between the companies and the potential for scalable copper discovery.

As part of the investment agreement, Mr Matt Pascall was appointed to the Prospect Board as a Non-Executive Director.

Mr Pascall's is a mining engineer and brings with him a distinguished career spanning decades in the mining industry, and his contributions have been widely acknowledged as foundational to the success and international standing of First Quantum Minerals.

As a senior leader and founding Director within First Quantum, Mr Pascall played a defining role in the company's expansion, particularly in Zambia, where his operational oversight and strategic direction were critical to the delivery of major mining developments. His expertise in managing complex, large-scale projects and his ability to navigate multifaceted operational and regulatory environments, have set a benchmark in the industry.

Mr Pascall's appointment comes at an important stage in Prospect's growth, as the Company commences the next phase of exploration at Mumbezhi. Mr Pascall's experience in advancing exploration through feasibility, development and into production adds significant depth to the skill set of the Prospect board. His proven leadership and strategic insight strongly align with Prospect's vision of developing a responsible, high-quality copper business in Zambia that delivers enduring value to both shareholders and local stakeholders.

1 https://www.first-quantum.com/English/announcements/announcements-details/2025/First-Quantum-Minerals-Reports-Fourth-Quarter-2024-Results/default.aspx

For personal use only

Mumbezhi Copper Project (Zambia); 85% PSC

Expanded Phase 1 Drilling Programme

Prospect's Phase 1 drilling programme commenced at Mumbezhi in July 2024. The programme was primarily focused on Mineral Resource definition drilling and extensional opportunities at Nyungu Central where historical drill hole intersections previously produced impressive results. The programme also encompassed some scout exploratory drilling at the Kabikupa Prospect, 11km northeast of Nyungu Central where historical drilling by the previous operators had returned high-grade copper intersections near surface.

Following promising initial results, the Phase 1 programme was both accelerated and expanded. Additional diamond drill rigs were mobilised to site to advance the programme, with two rigs targeting the Nyungu Central deposit and two rigs targeting the Kabikupa Prospect late into the December Quarter.

Phase 1 drilling was subsequently completed, prior to the commencement of the wet season in Zambia. In total, the programme consisted of 47 mixed RC and diamond drill holes for a total of 9,516 metres.

Strong intercepts returned from drilling at Nyungu Central

Nyungu Central

Drill holes NCRD004R and NCRD007 on cross section 8630200mN returned exceptional intersections at depth and extended the copper sulphide mineralisation down dip and importantly, extended the strike beyond 250m on the lower zone opening up the northern corridor in this part of the deposit to potentially delineate substantial new resource volumes (see Figures 1 and 2).

These intercepts produced results of:

- 36.1m @ 0.95% Cu from 381.0m (NCRD004R)
- 31.2m @ 0.60% Cu from 177.0m and 23m @ 0.78% Cu from 71.0m (NCRD007)

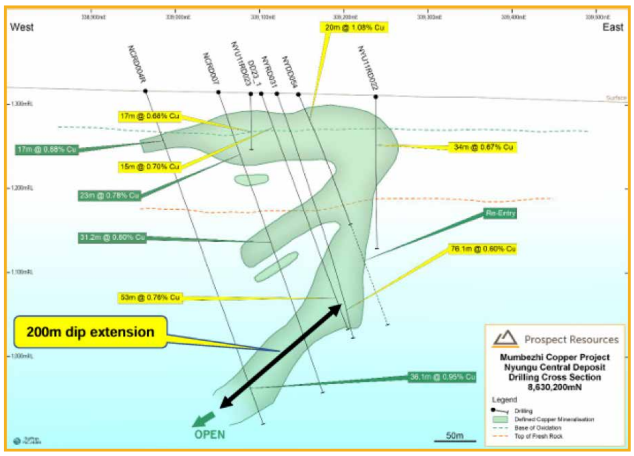


Figure 1. Drilling cross section at 8630200mN

What emerged over the course of drilling at Nyungu Central was a geological model less influenced by structural folding, towards one describing more thickened tabular thrust sheets of repeatable copper-bearing horizons with significant extent down plunge and trending shallowly to the northeast (see long section in Figure 2).

The model led to a re-evaluation of historical drilling, which previously relied on interpreted fold closures up dip to the east and did not test continuity of the thrusted sheets now being more predictively observed to the west.

As a result, Prospect re-entered a number of historical drill holes completed in 2021 to capture the interpreted position of the defined copper mineralisation up dip.

Expanded drilling at Mumbezhi also showed that copper mineralisation was more prevalent at Nyungu Central than originally modelled for the oxidised and transitional materials, allowing the zones to be domained far more accurately for the upcoming maiden Mineral Resource estimates.

This is thought to be due to supergene processes of formation, with 17.0m @ 0.88% Cu from 59.0m being returned from the RC pre-collar for NCRD004R, extending the horizontal interpretation of that mineralisation an additional 130m laterally to the west.

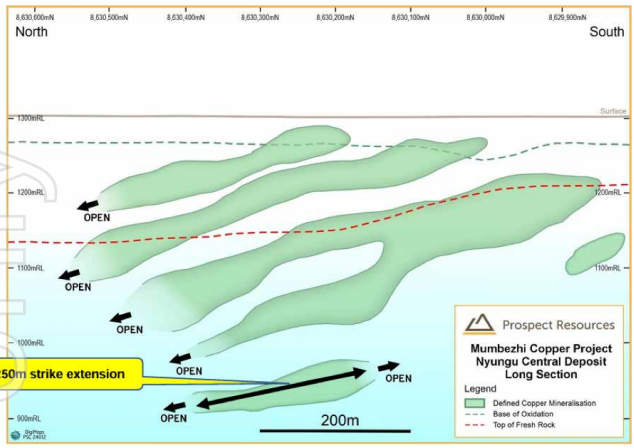


Figure 2. Long Sectional Projection for Nyungu Central looking East

Drill hole NCRD005 was completed on drilling section 8630500mN, which is the northernmost position targeted by Prospect at Nyungu Central to date. Results were impressive with 26m @ 0.53% Cu being returned from 177m downhole and opening the deposit position up dip to the east, based on the new geological interpretation of flat-lying and extensive thrust sheeting as the main structural mechanism controlling emplacement of mineralisation, rather than folding.

RC pre-collar drill hole NCRD006, targeted up dip positions of the historical hole NYRD046 and returned:

- 35.0m @ 0.84% Cu from 60.0m; and
- 11.0m @ 0.43% Cu from 31.0m

These intersections are contained within the oxide and transitional zones and have extended the copper mineralisation near surface and support the geological model of a thrusted sheet emplacement, rather than a fold closure in that region of the deposit.

Kabikupa Prospect

All assay results from the five exploratory diamond holes (for 1,104m) drilled at Kabikupa were announced on 30 January 2025. The results and consistency of the intercepts returned from this scout exploratory drilling by Prospect are considered highly encouraging and have defined regionally medium- to high-grade copper within at least two mineralised zones, dipping shallowly to the northeast and open up dip, and importantly, along strike in a direction from northwest to southeast.

The results have strongly endorsed the potential, prospectivity and scale of the Kabikupa opportunity, particularly when combined with the strong sub-surface geophysical IP chargeable response and supporting termite hill geochemical sampling, which covered approximately 1.5 km of the northwest-southeast strike (see Prospect ASX Announcement 4 November 2024).

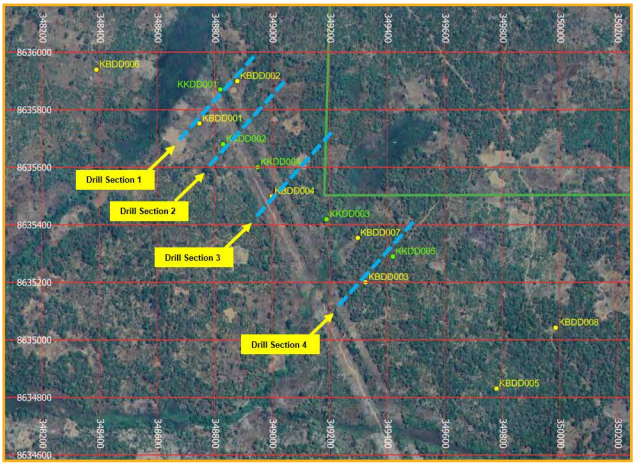


Figure 3. Kabikupa drill hole collar plan showing Phase 1 exploration drill holes (green), historical holes (yellow) and drilling sections targeted in this release (dashed blue lines)

Figure 4 (below) shows a 3.88m section of the upper high-grade zone in KKDD002, with disseminated copper mineralisation (geologically logged as chalcopyrite-bornite) from 133.74m down hole, contained within a banded, mica-rich biotite feldspathic gneiss host rock.



Figure 4. Drill hole KKDD002 showing high-grade disseminated Cu mineralisation (from 133.74m – 137.62m)

For personal use only

A further approximately 250m to the southeast, historical drill hole KBDD004, returned 20.4m @ 0.67% Cu from 150.59m down hole, with a weakly mineralised, thinner upper zone interpreted (see Figure 5 showing Drill Section 3).

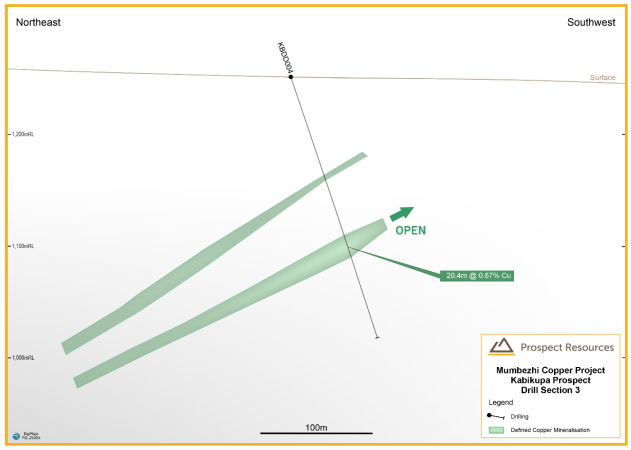


Figure 5. Drilling Cross Section 3 for Kabikupa

The last hole completed for the Phase 1 drilling at Kabikupa, KKDD005, was drilled to test the down dip extent of historical hole KBDD003, which assayed 0.66% Cu over 3.55m from 59.45m.

This zone, whilst narrow, was important because it is located just 55m vertically from natural surface and therefore represents the shallowest copper mineralisation identified to date at Kabikupa.

Prospect hole KKDD005, which targeted the historical hole down dip by another 130m, was successful in defining a thickened section of the same mineralised zone, returning 29m @ 0.50% Cu from 106m, including a higher-grade interval of 8m @ 0.77% Cu from 126m.

There appears to be a single mineralised zone in the south-east area of the Kabikupa deposit.

Prospect's Phase 1 drilling at Kabikupa has therefore defined high-grade copper mineralisation on at least one continuous zone over 820m on a north-west to south-east strike, with an average downhole thickness of about ~25m and average grade of ~0.7% Cu.

The same zone remains open up dip for all drilling sections tested to date, and along the full length of the 1.5 km of strike already defined by an underlying chargeable IP anomaly (see Figure 6).

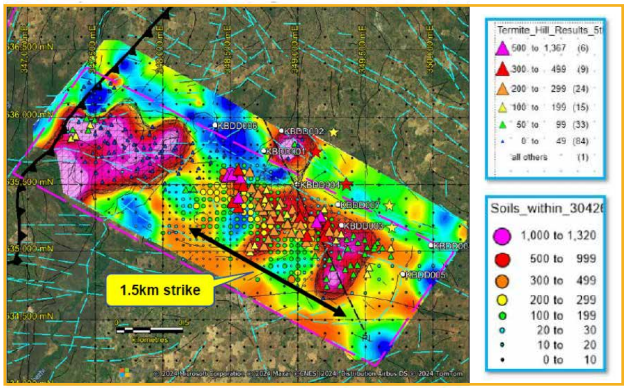


Figure 6. Strong Chargeable IP anomaly at Kabikupa showing surface geochemistry and hole locations

Prospect's limited Phase 1 scout/exploratory drilling at the Kabikupa deposit validated the potential for an extensive medium- to high-grade disseminated copper system that remains open in most directions, as was previously indicated by strong geophysical IP responses, supporting surface geochemistry and the encouraging historical drilling results.

Extending the limit of the current surface IP surveying further to the south-east is warranted, with follow up termite geochemical sampling also planned to delineate potential extensions and drill targets for this developing copper system.

Mumbezhi ESIA approved

The Mumbezhi ESIA was approved in March 2025 by the relevant Zambian Government authorities.

In preparing the Mumbezhi ESIA, the Company engaged the services of well-known environmental consultant, MVC Consulting Engineers Ltd (MVC), a multi-disciplinary firm with broad experience in the environmental and water resources sectors in the region. MVC has worked extensively within the environmental sector in Zambia and DRC in environmental management and compliance, water resources management, training, and engineering design.

The ESIA covers a range of potential future mining and operations scenarios across the Mumbezhi tenure, commencing with an initial open pit mine at the key Nyungu Central deposit. It contemplates an additional four satellite open pits, including the Kabikupa deposit.

In addition, the ESIA details areas set aside for a crushing plant, waste rock dumps, metallurgical processing plant and tailings storage facility (TSF). All design parameters are considered in line with a typical open pit mining and mineral processing operation in this north-western region of Zambia.

Following approval of the ESIA, Prospect has received the statutory reporting guidelines, and all conditional items have been noted. In response, the Company has formulated a comprehensive statutory reporting checklist to ensure full compliance with all environmental and regulatory requirements.

For personal use only

For personal use only

Mumbezhi Mining Licences granted

The grant of two Large-Scale Mining Licences (LMLs) on 31st March 2025 marked a significant transition for Mumbezhi and Prospect. It delivered initial tenure security of 25 years, which is then renewable for successive 25-year periods. This provides a strong legal and permitting framework for further project advancement, early development works, targeted financing and/or strategic partnership initiatives, and long-term operational planning.

The LMLs provide for full-scale commercial mining, processing and export of minerals. They also qualify Prospect for aligned treatment with Zambia's mining tax regime, which includes capital allowances, royalty structures, and VAT benefits. Finally, grant of the LMLs provides the opportunity for Prospect to negotiate investment incentives under the Zambia Development Agency (ZDA) framework.

With both the successful grant of the ESIA permit and the approval of the Mumbezhi LML applications, Prospect holds the highest level of licence tenor available to support any planned future extractive and mineral processing operations within Zambia.

Maiden Mineral Resource estimate declared for Mumbezhi

On 11 March 2025, Prospect released a maiden JORC-reportable MRE for the Mumbezhi Copper Project. This initial resource is limited to the Nyungu Central and Kabikupa deposits, which were the subject of Prospect's recently completed Phase 1 drilling programme.

The MRE totals 107.2 million tonnes (Mt) at an average grade of 0.5% Cu across the Nyungu Central and Kabikupa deposits (at a cut-off grade of 0.2% Cu). It includes a higher-grade component (at a 0.3% Cu cut-off) of 69 Mt at 0.53% Cu for Nyungu Central (with 43% being classified as Indicated) and 18 Mt at 0.57% Cu for Kabikupa (all classified as Inferred).

The copper grades defined in this resource are equivalent to world-class operating mines in the region.

Table 1: Mumbezhi Copper Project Mineral Resource at 0.2% Cu cut-off grade

Deposit	Resource Classification	Tonnes (millions)*	Copper (%)*	Tonnes Contained Cu*
Nyungu Central	Indicated	37.5	0.5	178,100
	Inferred	49.2	0.5	228,700
Kabikupa	Inferred	20.5	0.5	107,800
	TOTAL	**107.2**	**0.5**	**514,600**

* Rounding has been applied

Cobalt and gold were also estimated in the Nyungu Central MRE model; however, they have not been classified as JORC-reportable at present owing to inconsistent assaying of cobalt historically and limited assaying for gold more broadly within the deposit.

Additionally, no comprehensive metallurgical test work has been conducted to ascertain processing or potential recoveries of cobalt or gold as by-products to date, but this met work is currently underway.

The Grade-Tonnage curve analysis of the Nyungu Central and Kabikupa copper mineral resources below highlights the robustness of grade continuity with a reduction in tonnes and increase in copper grade with increasing cut-off. Figure 7 shows the global Mineral Resource Grade-Tonnage relationship for the Nyungu Central MRE and Figure 8 shows the global Mineral Resource Grade-Tonnage relationship of the Kabikupa MRE.

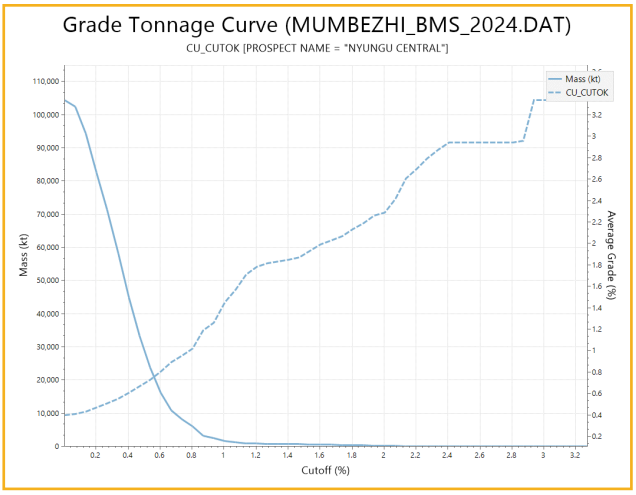


Figure 7. Grade-Tonnage relationship of Nyungu Central MRE

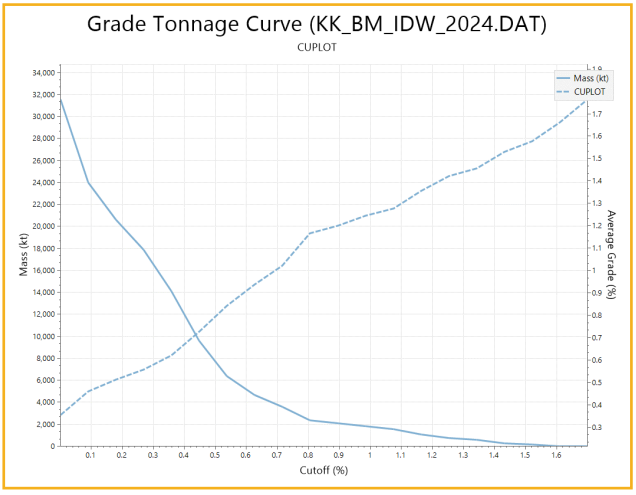


Figure 8. Grade-Tonnage relationship of Kabikupa MRE

For personal use only

Mumbezhi Project Exploration Target

As part of the release of the Mumbezhi MRE, Prospect also declared an updated Exploration Target for Mumbezhi of 420Mt to 1,050Mt at 0.4 to 0.6% Cu (inclusive of the maiden MRE).

The updated Exploration Target is based on the current geological understanding of the copper mineralisation and endowment at Mumbezhi, supported by over 30,000 metres of resource development and exploratory scout drilling, of which approximately 9,520 metres were completed by Prospect during the Phase 1 drilling programme. The updated Exploration Target also incorporates data from ground-based geophysical IP surveys and follow-up surface geochemistry (via termite hill sampling) undertaken in the second half of 2024 (see Prospect ASX Announcements 4 November 2024 and 11 December 2024).

In addition, historical IP survey data collected in 2000-01 by Anglo American and purchased by Prospect from Orpheus Uranium, as part of the Mumbezhi Project acquisition (see Prospect ASX Announcement 7 May 2024), was unlocked, georeferenced and re-interpreted by GeoFocus geophysical consultants. This work covered some ~34km^2 of the current Mumbezhi licence holdings and therefore, a significantly larger areal region than Prospect's recent more detailed IP surveys (21km^2).

Table 2 outlines individual Exploration Targets by prospect area on the Mumbezhi licence and are reported inclusive of the recent MRE for the Nyungu Central and Kabikupa deposits. The Exploration Targets with the widest range between Lower tonnes and Upper tonnes reflect the much lower amount of drilling data available for these prospects, and the more conceptual the targets located there are.

Table 2: Mumbezhi Copper Project Exploration Target

Exploration Target	Range Lower (million tonnes)	Range Upper (million tonnes)	Lower Grade Range (Cu%)	Upper Grade Range (Cu%)
Nyungu Central*	170	350	0.5	0.6
Nyungu North	120	350	0.4	0.6
Kabikupa**	30	80	0.5	0.6
West Mwombezhi	100	270	0.4	0.7
Total	**420**	**1050**	**0.4**	**0.6**

* Inclusive of Nyungu Central MRE

** Inclusive of Kabikupa MRE

Cautionary Statement: The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource in the area considered an Exploration Target (except where noted) and it is uncertain if further exploration will result in the estimation of additional Mineral Resources. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

This Exploration Target provided an assessment of the potential scale of the Mumbezhi Copper Project mineralisation beyond the existing MRE (except where noted for Nyungu Central and Kabikupa) and of the work programmes needed to convert this Target into at least an Inferred Mineral Resource estimate in the future.

For further details, figures and tables, refer to Prospect ASX Announcement dated 11 March 2025.

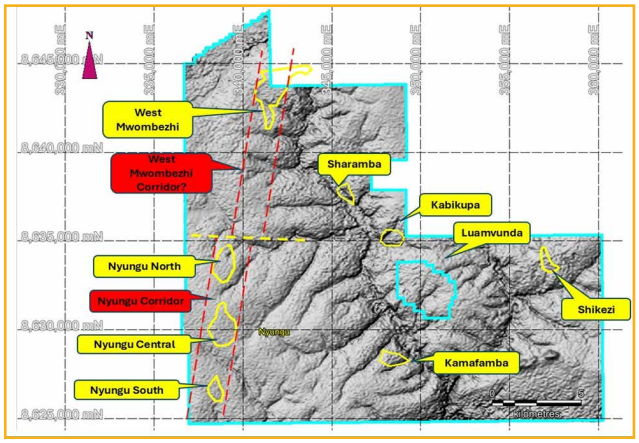


Figure 3. Mumbezhi Copper Project licence outline (blue) showing location of main Prospects against greyscale topographical imagery



For personal use only

Omaruru Lithium Project (Namibia); 100% PSC

Forward strategy

With the completion of the Phase 2 drilling programme at Omaruru, and acquisition of 100% interest (Prospect ASX Announcement 21 March 2024), Prospect has been re-assessing its priorities at Omaruru, free of the original earn-in obligations of the preceding JV Agreement with Osino Resources. Exploration activities have ceased with expenditure scaled back to minimum holding commitments. Consequently, the Company is now pursuing commercialisation strategies to unlock the project's longerterm value as lithium markets improve.

Colga Step Aside Lithium Project (Zimbabwe); 90% PSC

Forward strategy

Exploration activities at Step Aside have ceased and expenditure has been pared back to minimum holding commitments. Prospect has instigated a process to potentially monetise this lithium asset in 2025. A digital Data Room was prepared with all supporting technical, logistical and legal documentation pertaining to Step Aside collated specifically for this purpose.

A sales process for Step Aside was launched in the March 2025 quarter, with Nurture Investments (Harare, Zimbabwe) being contracted to complete this work during Q3 2025.

For personal use only

Directors' Report



Directors' Report

For personal use only

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" or "Prospect") for the financial year ended 30 June 2025. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report as follows:

Directors and Officers

The names of the Company's directors and officers in office during the year and until the date of this report are as below.

Directors and officers were in office for this entire period unless otherwise stated:

Name	Particulars
Mark Wheatley	Non-Executive Director and Chairperson
Sam Hosack	Managing Director
Gerry Fahey	Non-Executive Director
Zivanayi (Zed) Rusike	Non-Executive Director (resigned 26 November 2024)
Gaurav Gupta	Non-Executive Director
Matt Pascall	Non-Executive Director (appointed 16 June 2025)
Ian Goldberg	Executive Director Finance (appointed 8 July 2024) Chief Financial Officer Joint Company Secretary (resigned 1 July 2025)
Harry Miller	Joint Company Secretary (resigned 1 July 2025)
Lee Tamplin Jenny Macasarte	Joint Company Secretaries (appointed 1 July 2025)

Principal Activity

The principal activity of the Group is exploration, evaluation and development of mineral resources.

Review of Operations and Results

The Group has recognised an overall loss after tax of $8.120 million (2024: loss after tax $7.019 million).

Additional information on the operations and financial position of the Group is set out in the Review of Operations.

Significant Changes in State of Affairs

The review of operations section in the annual report sets out a number of matters that have had a significant effect on the state of affairs of the consolidated entity. Other than those matters, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Environmental Regulations

The Group is aware of its environmental obligations with regards to its exploration and development activities and ensures that it complies with all regulations when carrying out exploration and development work.

Apart from regulatory compliance initiatives, the Group takes pride in maintaining active engagement with the authorities in determining how the Group can best support the local community. The Mumbezhi Copper Project onsite operation has prioritised the local community in its recruitment drives and will continue to do so to the extent skills are available locally. As part of the ongoing corporate social investment initiatives to deliver meaningful socio-economic, environmental, and community benefits to the local community, the Group sponsored the two boreholes for the supply of water and the construction of the local court. The two boreholes were completed in September 2025 and the local court is expected to be completed in the following quarter.



For personal use only

Risks Specific to the Group

The following are the key business risks impacting the business and how the group mitigates these risks:

(a) Funding Risk

Funds are required for the exploration programs and operational expenditure. In the absence of a producing asset, the cash inflows are mainly sourced from capital raising activities. The Group may require additional funding and there is no assurance that this can be obtained as and when required and on reasonable terms. Inability to secure fundings timely may result to delays in unlocking the optimum potential of the exploration projects, which may adversely impact the operational and financial performance of the business.

The Group mitigates this risk by strategically planning the exploration activities into phases and sequences that will optimise the available funds and accelerate the value creation of the projects. This will generate positive news flows, which will naturally attract investors come the time when additional funding is required.

(b) Permits, licences, and other regulatory risk

The Group has obtained licences and permits for each of its projects and must adhere to a range of laws and regulatory requirements to continue to hold and operate these projects. Non-compliance with these could lead to the revocation of the relevant permits and licences. There is also no guarantee that current permits and licences will be renewed or future permits will be granted timely.

The Group has implemented a rigid process of monitoring the compliance measures regularly. Management is actively engaged with external advisors to ensure clarity on complex compliance matters, including any interpretation with any potential changes to the laws and regulations impacting the project, if any. Furthermore, the Group continuously develop government engagement frameworks and in country capacity to actively engage with the relevant government departments.

(c) Exploration risk

The business focuses on the exploration of the projects and aims towards the discovery of economically viable resources. There is a risk that the Group may not find sufficient resources and reserves that are economic to develop and commercialise. There are various contributing factors to this such as the drilling locations, the depth of the holes, the quality of the intercept, the geological complexity of the resource, availability of drilling and other equipment suitable for the project, technical capabilities, and environmental restrictions.

The Group mitigates this risk through exploration programmes that strategically target high commercial value impact and running in stages to allow programme modification based on the information gathered as it progresses. Technical assessments and feasibility studies are also commissioned in advance to provide information on the viability of the project. The Group has well experienced technical team and occasionally engages with external specialists, where necessary, to further validate the technical data and interpretation. Furthermore, there is a diligent selection process for key service providers and their performances are actively managed and monitored.

Matters Subsequent to the End of the Financial Year

Other than as stated below, no matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

- On 21 July 2025, a total of 1,741,274 performance rights have lapsed which equate to the ratio of the 2025 short term incentive performance hurdles that have not been met.
- On 25 July 2025, a non-binding offer to buy the assets held for sale was received, which the Company accepted on 7 August 2025. The offer price is US$2.2 million, which is comprised of US$0.85 million upfront payment and US$1.35 million additional payment conditional upon the asset materially enhanced or monetised within 24 months through either of (a) technical resource upgrade, (b) new commercial agreements, (c) regulatory unlock or infrastructure improvements, and (d) third party sale or uplifted valuation event. The final commercial terms governing the additional payment are still being refined. The excess of the cost over the offer price, net of the cost to sell, was recognised as impairment loss for the year ended 30 June 2025.

Dividends and Capital Returns

No dividends or capital returns have been declared, provided for or paid in respect of the financial year ended 30 June 2025 (2024: NIL).

Likely Developments / Strategies and Prospects

The Group's future strategy is to be an electrification minerals focused explorer and developer.

Information on Directors

Mark Wheatley
Non-Executive Director and Chairman

Experience and expertise

Mr Wheatley is an experienced listed resources company director including roles as CEO, MD, non-executive director and chairman since 2003. He has operated on the ASX, TSX, JSE and NASDAQ across the gold, base and battery metals sectors at all stages of the mining life cycle within companies with markets caps ranging from $5 million to $7 billion. His executive experience began as an undergraduate trainee at a major miner and development across a number of disciplines, then investment banking before moving to a large gold miner and later into the junior mining sector as MD/CEO in uranium and gold.

Mr Wheatley is well known to institutional investors and has served as a nominee director for a leading private equity group across a number of their listed and private portfolio companies. He brings strong corporate experience and in depth understanding of equity markets and has led successful turnaround stories and several highly accretive merger and acquisition transactions.

Mr Wheatley holds a Bachelor of Engineering (Chemical Engineering Hons 1) from the University of New South Wales and a Master of Business Administration from West Virginia University.

Other current listed directorships

None

Former listed directorships in the last three years

Peninsula Energy Limited (resigned 29 July 2025)
Ora Banda Mining Ltd (resigned 28 September 2022)

Special responsibilities

Chairman and member of the Remuneration and Nominations Committee

Interest in shares, options, and rights of the Company at the date of this report

4,300,000 ordinary shares, 1,600,000 options, and Nil performance rights

Sam Hosack
Managing Director

Experience and expertise

Mr Hosack is a senior mining leader and executive with over 20 years' experience within the global resources sector. During his tenure as Managing Director at Prospect Resources he was instrumental in leading the advancement, feasibility evaluation, early piloting operations and subsequent strong value realisation of the Arcadia Lithium Project in Zimbabwe via its cash sale to Huayou Cobalt in 2021 on 100% basis for US$422m. Mr Hosack was key in ensuring a very high proportion of the sale proceeds were returned to shareholders locking in substantial value realisation.

Prior to joining Prospect Resources, Mr Hosack held senior managerial and operational roles over 12+ years at leading global miner, First Quantum Minerals Ltd. This included lead project management of major infrastructure copper projects in North Western Zambia, later the construction of the Minera Panama Project, including a copper and coal handling port facility, 128km transmission line and 300MW power station with multi-billion dollar capex. His broader project development, mining and operations experience encompasses North Western Zambia, central and southern Africa, Europe, Australia and Central America.

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

None

Interest in shares, options, and rights of the Company at the date of this report

19,253,342 ordinary shares, 7,286,000 options, and 568,750 performance rights

For personal use only

For personal use only

Ian Goldberg
Executive Director Finance
appointed 8 July 2024

Experience and expertise

Mr Goldberg has some 28 years' experience through the accounting profession and several listed Australian public companies. He has extensive experience in the disciplines of financial accounting, project development, mine site operations management, corporate finance and company secretarial functions.

Mr Goldberg has previously held the role as CFO/Director in operating mining businesses across Africa and Australia where he has led several mining projects through the securement of project financing and development into profitable commercial operations. He has also had extensive experience with debt restructuring, business rescue and other corporate actions.

Mr Goldberg is well known for generating shareholder value by maximising returns, through a focus on disciplined investment processes, reporting, people and systems, financing, and operational performance. He is a Chartered Accountant and holds a Bachelor of Commerce degree (Commercial law, Business Administration).

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

None

Interest in shares, options, and rights of the Company at the date of this report

7,314,720 ordinary shares, 5,519,857 options, and 443,181 performance rights

Gerry Fahey
Non-Executive Director

Experience and expertise

Mr Fahey has over 40 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 in Zimbabwe 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)

Battery Age Minerals Ltd (appointed 2 February 2023)

Former listed directorships in the last three years

None

Special responsibilities

Member of the Remuneration and Nominations Committee

Interest in shares, options, and rights of the Company at the date of this report

2,000,000 ordinary shares, 1,000,000 options, and Nil performance rights

For personal use only

Zivanayi (Zed) Rusike

Non-Executive Director
resigned 26 November 2024

Experience and expertise

Mr Rusike has a Bachelor of Accountancy Degree (Birmingham) and is a resident of Zimbabwe. He was previously the 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 to pursue personal interests and currently sits on the boards of ZB Capital Limited, Dulux Paints Limited and Halsted Brothers (Pvt) Limited. Mr Rusike is a former President of the Confederation of Zimbabwe Industries (2000 – 2001).

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

Member of the Remuneration and Nominations Committee, and Chairman of the Audit and Risk Committee

Interest in shares, options, and rights of the Company at the date of this report

3,040,374 ordinary shares, 666,666 options, and Nil performance rights

Gaurav Gupta

Non-Executive Director

Experience and expertise

Mr Gupta has over 25 years' experience in international trade and is a qualified Chartered Accountant. He holds a Bachelor of Commerce Degree from the University of Delhi. He also manages high-growth investment holdings across the mineral and biotech industries. Within the mining sector, these investments encompass base and precious metals, coloured gemstones, and the broader Electric Vehicle (EV) supply chain, including a major holding in Prospect Resources through Eagle Eye Asset Holdings Pte Limited (Eagle Eye).

Other current listed directorships

Canyon Resources Limited (appointed 29 November 2023)

Former listed directorships in the last three years

None

Special responsibilities

Member of the Audit and Risk Committee

Interest in shares, options, and rights of the Company at the date of this report

Nil ordinary shares, options, or performance rights

Matt Pascall

Non-Executive Director
appointed 16 June 2025

Experience and expertise

Mr Pascall is a mining engineer and brings with him a distinguished career spanning decades in the mining industry, and his contributions have been widely acknowledged as foundational to the success and international standing of First Quantum Minerals.

As a senior leader and founding Director within First Quantum, Mr Pascall played a defining role in the company's expansion, particularly in Zambia, where his operational oversight and strategic direction were critical to the delivery of major mining developments. His expertise in managing complex, large-scale projects and his ability to navigate multifaceted operational and regulatory environments, have set a benchmark in the industry.

Mr Pascall is equally recognised for his advocacy of sustainable mining and the integration of community development into core business practices. His long-standing involvement in initiatives supporting infrastructure, education, and healthcare reflects a deep commitment to ensuring that mining activities generate lasting benefits for host communities.

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

None

Interest in shares, options, and rights of the Company at the date of this report

Nil ordinary shares, options, or performance rights

Company Secretary

Mr Ian Goldberg and Mr Harry Miller were appointed on 8 March 2021 and 22 September 2023, respectively. Mr Goldberg is the Company's Director – Finance and Chief Financial Officer and Mr Miller is an employee of Automic Group and is currently the company secretary of several other listed companies.

On 1 July 2025, Mr Lee Tamplin and Ms Jenny Macasarte were appointed and Mr Goldberg and Mr Miller resigned, respectively. Ms Macasarte has over 18 years' experience in audit and assurance services in big four audit firms both in Australia and international before joining the Company as Group Financial Controller in January 2023. Mr Tamplin has served as company secretary for multiple companies and has managed the largest outsourced company secretaries in Australia prior to establishing his own professional services company providing company secretarial and corporate advisory services.

For personal use only

Meetings of Directors

The number of Board and Committee meetings of the Company's board held during the year ended 30 June 2025 that each Director was eligible to attend, and the number of meetings attended by each Director were:

	Number of Meetings					
	Board		Audit & Risk		Remuneration & Nomination	
Director	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mark Wheatley	10	10	-	-	1	1
Sam Hosack	10	10	-	-	-	-
Ian Goldberg	10	10	-	-	-	-
Gerry Fahey	10	9	-	-	1	1
Zed Rusike	3	3	1	1	1	1
Gaurav Gupta	10	10	2	2	-	-
Matt Pascall	1	1	-	-	-	-

Remuneration Report (Audited)

The Remuneration Report is set out under the following main headings:

(1) Principles used to determine the nature and amount of remuneration;

(2) Details of remuneration;

(3) Service agreements; and

(4) Share-based compensation.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

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.

1) Principles used to determine the nature and amount of remuneration

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 and senior executive's emoluments to the Group's financial and operational performance. The intended outcomes of this remuneration structure are:

- Retention and motivation of directors and executives
- Performance rewards to allow directors and executives 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 equity incentives issued.

In the prior years, external consultants were used for providing advice on remuneration.

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 and is set at $500,000. The appointment of non-executive director remuneration within that maximum amount will be made by the Board having regard to the development of the company and benchmarking of fees paid to peer group companies.

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 is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.



For personal use only

Performance Based Remuneration

The Board may pay bonuses to executive directors and executives at its discretion.

The issue of options and performance rights to executive 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 Company.

The Company has operated a long-term incentive (LTI) programme for all executives and management which historically utilised Premium Exercise Price Options (PEPOs). The PEPOs were subject to two performance hurdles being:

- an agreed upon compound annual growth rate of 35% over the three-year performance period using a 30-day VWAP, to be attained for a continuous period of 30 days; and
- a service condition of three years from date of award.

At the end of three years if the conditions were met the PEPO would vest.

The first three year term will end this October 2025. Despite strong Company performance, the LTI options will not vest because the 35% annual share price growth hurdle (246% growth over three years) has not been met. The Board has reviewed the structure of the LTI program and has approved a revised scheme going forward whereby vesting of LTI options will depend on a measure of relative share price performance compared to a basket of peer group companies. The Board considers this to be a fairer approach and a better long term incentive for staff compared to use of an arbitrary compound annual share price growth rate hurdle. The maximum value of the potential LTI equity award will remain as a percentage of fixed remuneration but the new LTI scheme will adopt zero exercise price options (ZEPOs) rather than PEPOs to provide a better incentive should relative share price performance stay strong in a weaker copper price environment. Full details of the new approach will be outlined in this year's AGM Notice of Meeting.

Group Performance, Shareholder Wealth and Key Management Personnel Remuneration

The Group is currently undertaking exploration and development activities and does not expect to be undertaking profitable operations (other than by way of material asset sales) 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 Key Management Personnel.

For personal use only

The remuneration policy has been tailored to maximise the commonality of goals between shareholders, directors, and executives. The method applied in achieving this aim to date is to issue options and performance rights to executive directors and executives to encourage the alignment of personal and shareholder interests while also allowing cash based compensation to be moderated until operating cashflow is achieved. The Group believes this policy will be the most effective in increasing shareholder wealth. In addition, non-executive directors have received options in their remuneration mix to keep cash fees lower, but importantly they vest based on time served and are not subject to the performance hurdle that applies to executive management. The Board has also received recent advice and will in future years use service rights to augment cash fees for directors rather than the use of options.

Performance of the Group

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the financial year ended 30 June 2024 and prior.

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Revenue ($'000)	**200**	801	825	1,405	442
Net loss after tax from continuing operation ($'000)	**(7,472)**	(6,947)	(5,207)	(17,882)	(2,509)
Net gain / (loss) from discontinued operations ($'000)	**(648)**	(72)	(349)	415,389	(1,236)
Net (loss) / profit after tax ($'000)	**(8,120)**	(7,019)	(5,556)	397,507	(3,745)
Share price at end of year (cents)	**17.0**	15.5	16.0	97.0	21.0
Dividends paid (cents)	**-**	-	79.0	-	-
Basic earnings per share (cents per share)	**(1.40)**	(1.50)	(1.19)	(4.29)	(1.06)
Diluted earnings per share (cents per share)	**(1.40)**	(1.50)	(1.19)	(4.20)	(1.06)

Remuneration of Key Management Personnel

The following persons were identified as Key Management Personnel of Prospect Resources Limited during the financial year:

Name	Role	Particulars
Mark Wheatley	Director	Non-Executive Director and Chairperson
Gerry Fahey	Director	Non-Executive Director
Zivanayi (Zed) Rusike	Director	Non-Executive Director (resigned 26 November 2024)
Gaurav Gupta	Director	Non-Executive Director
Matt Pascall	Director	Non-Executive Director (appointed 16 June 2025)
Sam Hosack	Director	Managing Director
Ian Goldberg	Director	Executive Director Finance and Chief Financial Officer (appointed 8 July 2024)
Duncan (Harry) Greaves	Executive	Senior Consultant
David Broomfield	Executive	Corporate Development Manager

2) Details of remuneration

	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS		OTHER[ii]	Total	
	Salary & Fees	Bonus[iii]	Superannuation	Rights[iii]	Options[iv]	Leave provision movements		Performance related
2025	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors								
M Wheatley	79,821	-	9,179	-	34,160	-	123,160	0%
G Fahey	34,380	-	3,954	-	21,350	-	59,684	0%
Z Rusike	15,000	-	-	-	(17,894)	-	(2,894)	0%
G Gupta	38,333	-	-	-	-	-	38,333	0%
M Pascall	1,667	-	-	-	-	-	1,667	0%
Executive Directors								
S Hosack	340,571	-	10,032	109,484	216,443	(2,169)	674,361	48%
I Goldberg	279,356	-	25,292	74,239	102,656	(1,187)	480,356	37%
Other Key Management Personnel								
H Greaves	208,333	-	-	55,957	82,646	-	346,936	40%
D Broomfield	217,308	52,466	28,724	-	72,358	2,035	372,891	33%
Total	**1,214,769**	**52,466**	**77,181**	**239,680**	**511,719**	**(1,321)**	**2,094,494**	

	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS		OTHER[ii]	Total	
	Salary & Fees	Bonus[iii]	Superannuation	Rights[iii]	Options[iv]	Leave provision movements		Performance related
2024	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors								
M Wheatley	78,919	-	8,681	-	82,875	-	170,475	0%
G Fahey	32,432	-	3,568	-	51,797	-	87,797	0%
Z Rusike	36,000	-	-	-	51,797	-	87,797	0%
H Chen[i]	13,513	-	1,487	-	(9,430)	-	5,570	0%
G Gupta	36,000	-	-	-	-	-	36,000	0%
Executive Directors								
S Hosack	340,498	-	9,955	140,340	163,336	(447)	653,682	46%
Other Key Management Personnel								
I Goldberg	274,708	-	27,399	70,999	71,736	(7,453)	437,389	33%
H Greaves	250,000	-	-	59,361	60,334	-	369,695	32%
D Broomfield	228,402	46,453	27,838	-	53,344	6,843	362,880	28%
Total	**1,290,472**	**46,453**	**78,928**	**270,700**	**525,789**	**(1,057)**	**2,211,285**	

(i) Mr Chen fees were paid or are payable to his alternate director, Ms Sun, until his resignation on 23 November 2023.

(ii) Other represents movement of the annual leave and long service leave provisions.

(iii) The short term incentives (STI) during the year were through either cash bonus or performance rights granted to relevant executive directors and other key management personnel. These were subjected to the satisfaction of targets as defined by the company's annual scorecard which is based on both exploration and corporate targets and approval by the board of directors. At yearend the performance was assessed and 65% (2024: 55%) was deemed achieved. This was formally approved by the board on 21 July 2025 (2024: 3 September 2024). The cash bonus becomes payable at the date of approval for the first half and the other half will be payable 12 months thereafter provided the personnel remains employed by the Group. For the performance rights, 50% will vest one year from grant date and the remaining will vest two years after the grant date provided in both instances the personnel remain employed by the Group. The total expense recognised during the year is based on the actual incentives that will eventually vest.

(iv) These options were part of the long term incentives (LTI). The options for executive directors and management will vest 3 years from grant dates and are subject to two performance hurdles such as (a) the Company's underlying share price attaining 35% compounded annual growth rate over the three-year performance period from the grant dates and (b) remaining in employment of the Group 3 years after grant dates.

For personal use only

For personal use only

3) Service agreements

Non-Executive Directors

The non-executive director remuneration in the prior year was $36,000 per annum inclusive of superannuation (if applicable). This was increased to $40,000 per annum commencing 26 November 2024.

The Chairperson Mr Wheatley has a service agreement with a total annual salary of $87,600 inclusive of super. This was increased to $90,000 per year effective 26 November 2024. Days worked beyond 6 full days per month, which when agreed by the Managing Director prior, are billable at $1,000 per day. A total of $Nil was incurred for the financial year ended 30 June 2025 (2024: $Nil).

Executive Directors

Mr Hosack entered into an executive service agreement commencing 13 May 2018. He was appointed as Managing Director on 14 July 2018 with a total remuneration of $350,000 per annum inclusive of superannuation. Other than the increase in the required superannuation guarantee contribution, there were no further adjustments made.

Mr Goldberg entered into an executive services agreement commencing 6 February 2021 with a total salary of $300,000 per annum inclusive of superannuation. Other than the increase in the required superannuation guarantee contribution, there were no further adjustments made.

Other Executives

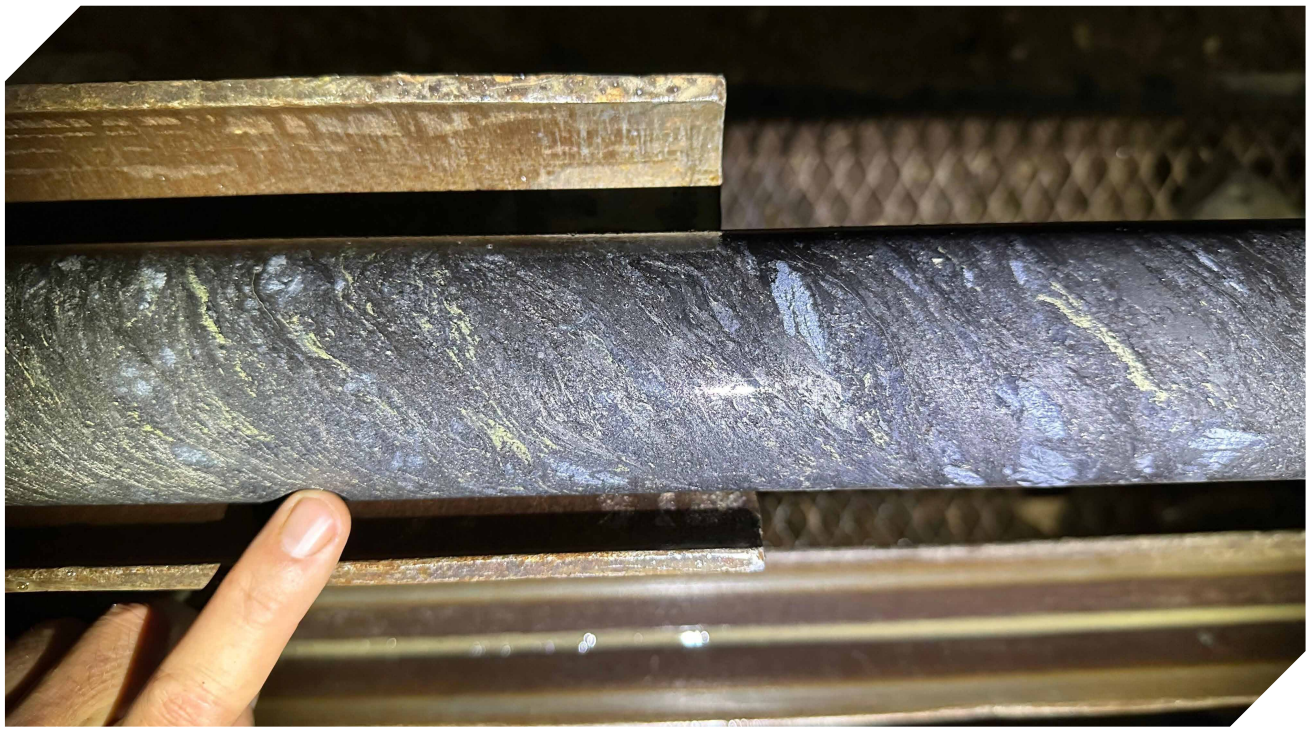
Mr Greaves entered into a consultancy agreement commencing 1 September 2022 to continue to work closely with the Group following his resignation as executive director. His agreed remuneration was $250,000 per annum and subject to yearly review. Effective 1 May 2025, Mr Greaves varied his services to providing special advisory services to the Board and senior management of the Company and agreed to no longer receive the remuneration but will continue to be eligible to participate in the short term and long term incentive schemes.

Mr Broomfield entered into an executive services agreement for the Business Development Manager role commencing 26 April 2022. His total salary was $250,000 per annum inclusive of superannuation. His role was changed to Corporate Development Manager effective 1 July 2024 and his remuneration was adjusted to $240,000 per annum inclusive of superannuation.

Termination

The non-executive directors, executive director, and other executives may terminate their employment by giving three months' written notice.

The Company can terminate the employment of the executives by giving written notice of six months for the executive director finance and three months for the managing director and other executives. This notice period is reduced to one month if the executive commits or becomes guilty of gross misconduct or summarily without notice if convicted of any major criminal offence.



4) Share-based compensation

During the year, the Company issued 7,696,428 share options and 4,079,545 performance rights to directors and other key management personnel. The terms and conditions of each grant of options and rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Series	No. of shares	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Options						
Issued 26/11/24	7,696,428	26-Nov-24	$0.060	$0.16	3-Sep-28	3-Sep-27
	7,696,428					
Rights						
Issued 26/11/24	2,039,773	26-Nov-24	$0.096	$0.00	3-Sep-27	3-Sep-25
Issued 26/11/24	2,039,772	26-Nov-24	$0.096	$0.00	3-Sep-27	3-Sep-26
	4,079,545					

Subsequent to 30 June 2025, 1,427,841 of the performance rights above have lapsed resulting from the portion of vesting conditions not being satisfied.

Key Management Personnel Equity Holdings

Ordinary Shares held at 30 June 2025	Opening balance	Purchases	Exercise of rights	Disposal	Closing balance
M Wheatley	4,000,000	300,000	-	-	4,300,000
G Fahey	1,700,000	300,000	-	-	2,000,000
Z Rusike[(i)]	3,040,374	-	-	-	3,040,374
G Gupta	-	-	-	-	-
M Pascall	-	-	-	-	-
S Hosack	16,618,054	600,000	1,058,269	-	18,276,323
I Goldberg	5,172,500	735,000	693,269	-	6,600,769
H Greaves	5,517,954	-	-	-	5,517,954
D Broomfield	-	-	-	-	-
	36,048,882	**1,935,000**	**1,751,538**	**-**	**39,735,420**

(i) The balance of shares presented represents the shareholdings as at the last day as director.

For personal use only

Options held at 30 June 2025	Opening balance	Granted as compensation	Exercised	Forfeited	Closing balance	Vested during the year	Vested and exercisable
M Wheatley	1,600,000	-	-	-	1,600,000	533,333	1,066,666
G Fahey	1,000,000	-	-	-	1,000,000	333,333	666,666
Z Rusike	1,000,000	-	-	(333,334)	666,666	333,333	666,666
G Gupta	-	-	-	-	-	-	-
M Pascall	-	-	-	-	-	-	-
S Hosack	5,076,000	2,750,000	-	-	7,826,000	-	-
I Goldberg	3,377,000	2,142,857	-	-	5,519,857	-	-
H Greaves	2,840,000	1,517,857	-	-	4,357,857	-	-
D Broomfield	2,511,000	1,285,714	-	-	3,796,714	-	-
	17,404,000	**7,696,428**	**-**	**(333,334)**	**24,767,094**	**1,199,999**	**2,399,998**

Performance Rights held at 30 June 2025	Opening balance	Granted as compensation	Vested and converted	Forfeited	Closing balance	Vested during the year	Vested and exercisable
M Wheatley	-	-	-	-	-	-	-
G Fahey	-	-	-	-	-	-	-
Z Rusike	-	-	-	-	-	-	-
G Gupta	-	-	-	-	-	-	-
M Pascall	-	-	-	-	-	-	-
S Hosack	2,134,615	1,750,000	(1,058,269)	(668,077)	2,158,269	408,269	-
I Goldberg	1,407,115	1,363,636	(693,269)	(443,077)	1,634,405	270,769	-
H Greaves	1,530,385	965,909	(939,231)	(366,923)	1,190,140	224,231	-
D Broomfield	-	-	-	-	-	-	-
	5,072,115	**4,079,545**	**(2,690,769)**	**(1,478,077)**	**4,982,814**	**903,269**	**-**

(End of Remuneration Report)

For personal use only

Additional Information

(a) Shares under option

At 30 June 2025 the Company had 58,014,952 unlisted options over ordinary shares under issue (30 June 2024: 37,667,033).

(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 by such a director, secretary or executive officer to the extent permitted by the *Corporations 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 and company secretaries 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.

(d) Proceedings on behalf of the Company

To the best of the directors' 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) Indemnity of auditor

The appointed auditor (Stantons) has not been indemnified under any circumstance.

(f) Audit services

During the financial year $88,148 (excluding GST) was paid or payable for audit services provided by Stantons (2024: $82,823). Non related audit firms have been paid or are payable $7,023 for audit services of subsidiaries (2024: $3,472).

(g) Non-audit Services

There were no non-audit services provided to the Group by the appointed auditors.

(h) 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 66 of the Annual Report.

(i) 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 26 September 2025 released to ASX and posted on the Company's website.

www.prospectresources.com.au/company/corporate-governance.

Signed in accordance with a resolution of the directors.



Sam Hosack
Managing Director

Perth, Western Australia
Dated 26 September 2025

For personal use only

For personal use only

Directors' Declaration

(1) In accordance with a resolution of the directors of Prospect Resources Limited, I state that:

(a) the financial statements and 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 2025 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) 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(b) to the financial statements;

(c) the consolidated entity disclosure statement is true and correct;

(d) 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

(e) the audited remuneration report included in the Directors' Report complies with section 300A of the *Corporations Act 2001*.

(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 2025.

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



Sam Hosack
Managing Director

Perth, Western Australia
Dated 26 September 2025

For personal use only



Financial Report

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Continuing operations			
Revenue			
Other income	4	**200**	801
Expenses			
Depreciation expense	12	**(155)**	(133)
Employee benefits expenses		**(3,762)**	(3,491)
Foreign currency exchange gain		**171**	100
Interest expense		**(4)**	(5)
Share based payments expense	18(a)(ii)(iii)	**(1,339)**	(1,087)
Share of net loss in joint venture	11	**-**	(94)
Impairment of property, plant and equipment		**(40)**	-
Impairment of goodwill	11	**-**	(298)
Expected credit losses on trade and other receivables	8	**(284)**	-
Other administrative expenses		**(2,259)**	(2,740)
Loss from continuing operations before income tax		**(7,472)**	(6,947)
Income tax expense	5	**-**	-
Loss from continuing operations after tax		**(7,472)**	(6,947)
Loss from discontinued operations	20(b)	**(648)**	(72)
Loss for the year		**(8,120)**	(7,019)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**187**	(72)
Other comprehensive income / (loss) for the year net of tax		**187**	(72)
Total comprehensive loss for the year		**(7,933)**	(7,091)
Loss attributable to:			
Equity holders of the Company		**(8,106)**	(7,013)
Non-controlling interests	20(a)	**(14)**	(6)
		(8,120)	(7,019)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(7,919)**	(7,085)
Non-controlling interests	20(a)	**(14)**	(6)
		(7,933)	(7,091)
Loss per share from continuing operations			
Basic loss per share (cents)	28	**(1.29)**	(1.49)
Diluted loss per share (cents)	28	**(1.29)**	(1.49)
Loss per share from discontinuing operations			
Basic loss per share (cents)	28	**(0.11)**	(0.01)
Diluted loss per share (cents)	28	**(0.11)**	(0.01)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

AS AT 30 JUNE 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	**21,062**	8,337
Trade and other receivables	8	**781**	286
Other current assets	9	**113**	144
Assets held for sale	10	**3,311**	3,802
Total Current Assets		**25,267**	12,569
Non-Current Assets			
Property, plant and equipment	12	**1,049**	733
Exploration and evaluation expenditure	13	**22,115**	14,011
Total Non-Current Assets		**23,164**	14,744
Total Assets		**48,431**	27,313
LIABILITIES			
Current Liabilities			
Trade and other payables	14	**2,028**	847
Liabilities directly associated with the assets held for sale	10	**11**	18
Lease liability	15	**56**	41
Provisions	16	**121**	123
Total Current Liabilities		**2,216**	1,029
Non-Current Liabilities			
Lease liability	15	**44**	-
Provisions	16	**40**	20
Total Non-Current Liabilities		**84**	20
Total Liabilities		**2,300**	1,049
Net Assets		**46,131**	26,264
EQUITY			
Contributed equity	17	**55,952**	29,312
Reserves	18	**30,960**	29,613
Accumulated losses	19	**(40,761)**	(32,655)
Total Equity Attributable to Shareholders of Parent Company		**46,151**	26,270
Non-controlling interests	20(a)	**(20)**	(6)
Total Equity		**46,131**	26,264

The accompanying notes form part of these financial statements

For personal use only

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000
Cash flows from operating activities			
Payments to suppliers and employees		**(6,296)**	(6,420)
Income tax paid		**-**	-
Net cash outflow from operating activities	7(a)	**(6,296)**	(6,420)
Cash flows from investing activities			
Interest received		**200**	801
Payments for capitalised exploration and evaluation expenditure	13	**(7,056)**	(2,397)
Payments for investment in joint venture	11	**-**	(930)
Payment for property, plant and equipment	12	**(640)**	(505)
Payment for acquisition of Mumbezhi Copper Project	13	**-**	(8,292)
Payment for acquisition of a subsidiary, net of cash acquired	11	**-**	(89)
Net cash outflow from investing activities		**(7,496)**	(11,412)
Cash flows from financing activities			
Payment for lease		**(60)**	(58)
Interest paid		**(4)**	(5)
Proceeds from issuance of shares		**27,566**	-
Capital raising costs		**(1,171)**	-
Net cash inflow / (outflow) from financing activities		**26,331**	(63)
Net increase / (decrease) in cash and cash equivalents		**12,539**	(17,895)
Cash and cash equivalents at beginning of year		**8,337**	26,191
Effects of exchange rate changes on the balance of cash held in foreign currencies		**186**	41
Cash and cash equivalents at end of year	7	**21,062**	8,337

The accompanying notes form part of these financial statements

For personal use only

For personal use only

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Contributed equity $'000	Share based payments reserves $'000	Foreign currency translation reserves $'000	Other reserves $'000	(Accumulated losses) / retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interests $'000	Total Equity $'000
Balance at 30 June 2023		26,646	10,703	18,236	(877)	(25,642)	29,066	-	29,066
Loss for the year from continuing operations		-	-	-	-	(6,947)	(6,947)	-	(6,947)
Loss for the year from discontinued operations		-	-	-	-	(66)	(66)	(6)	(72)
Loss for the year		-	-	-	-	(7,013)	(7,013)	(6)	(7,019)
Other comprehensive income		-	-	(72)	-	-	(72)	-	(72)
Total comprehensive income for the year		-	-	(72)	-	(7,013)	(7,085)	(6)	(7,091)
Issue of shares on exercise of performance rights	18(a)	151	(151)	-	-	-	-	-	-
Issue of shares on acquisition of exploration asset	13	2,515	-	-	-	-	2,515	-	2,515
Issue of options on acquisition of exploration asset	13	-	687	-	-	-	687	-	687
Share based payments	18(a)	-	1,087	-	-	-	1,087	-	1,087
Balance at 30 June 2024		**29,312**	**12,326**	**18,164**	**(877)**	**(32,655)**	**26,270**	**(6)**	**26,264**
Loss for the year from continuing operations		**-**	**-**	**-**	**-**	**(7,461)**	**(7,461)**	**(11)**	**(7,472)**
Loss for the year from discontinued operations		**-**	**-**	**-**	**-**	**(645)**	**(645)**	**(3)**	**(648)**
Loss for the year		**-**	**-**	**-**	**-**	**(8,106)**	**(8,106)**	**(14)**	**(8,120)**
Other comprehensive income		**-**	**-**	**187**	**-**	**-**	**187**	**-**	**187**
Total comprehensive income for the year		**-**	**-**	**187**	**-**	**(8,106)**	**(7,919)**	**(14)**	**(7,933)**
Issue of shares from capital placements	17(b)	**27,566**	**-**	**-**	**-**	**-**	**27,566**	**-**	**27,566**
Transaction costs related to issue of shares	17(b)	**(1,664)**	**400**	**-**	**-**	**-**	**(1,264)**		**(1,264)**
Payment of director fees through shares	17(b)	**159**	**-**	**-**	**-**	**-**	**159**		**159**
Issue of shares on exercise of performance rights	18(a)	**404**	**(404)**	**-**	**-**	**-**	**-**	**-**	**-**
Issue of shares on exercise of share options	18(a)	**175**	**(175)**	**-**	**-**	**-**	**-**	**-**	**-**
Share based payments	18(a)	**-**	**1,339**	**-**	**-**	**-**	**1,339**	**-**	**1,339**
Balance at 30 June 2025		**55,952**	**13,486**	**18,351**	**(877)**	**(40,761)**	**46,151**	**(20)**	**46,131**

The accompanying notes form part of these financial statements

For personal use only

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

1) CORPORATE INFORMATION

The consolidated financial statements of Prospect Resources Limited ("the Company") and its subsidiaries (collectively "the Group") for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 26 September 2025.

Prospect Resources Limited is a company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company and its subsidiaries are for-profit entities.

The principal activity of the Group is exploration, evaluation and development of mineral resources.

2) SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for certain financial instruments, which have been measured at fair value.

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.

The Group has prepared the financial statements on the basis that it will continue to operate as going concern.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(c) Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group 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 in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

For personal use only

(e) Application of new and revised accounting standards

New and revised standards that are effective for these financial statements

In the current year, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for the current reporting period.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

  A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB issued AASB 2020-1 Amendments to AASB 101 to clarify the requirements for classifying liabilities as current or non-current, specifically (a) the amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, (b) management intention or expectation does not affect the classification of liabilities, and (c) in cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or noncurrent.

- AASB 2022-6 *Amendments to Australian Accounting Standards –Non-current Liabilities with Covenants*

  A consequence of the AASB 2020-1 is that a liability would be classified as current if its repayment conditions failed their test at reporting date, despite those conditions only becoming effective in the 12 months after the end of the reporting period. In response to this possible outcome, the AASB has issued AASB 2022-6 in December 2022 clarifying that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current, adding presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months, and clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date.

- AASB 2022-5 *Amendments to AASs –Lease Liability in a Sale and Leaseback*

  The amendment specifies that the seller-lessee measures the lease liability arising from the leaseback in such a way that they would not recognise any gain or loss on the sale and leaseback relating to the right-of-use asset retained.

The amendments have not had a material impact on the Group's financial statements.

New and revised standards issued but not yet effective and not early adopted by the Group

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the year ended 30 June 2025. The Group is yet to assess the impact of the adoption of these standards and amendments on the financial statements.

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

  The AASB amends AASB 121 *The Effects of Changes in Foreign Exchange Rates* and AASB 1 *First-time Adoption of Australian Accounting Standards*, requiring entities to apply a consistent approach to determining:

  » Whether a currency is exchangeable into another currency
  » The spot exchange rate to use when it is not exchangeable

  The amendments create a new definition of exchangeable, which explains that a currency is exchangeable into another currency when:

  » An entity can obtain the other currency within a time frame that allows for a normal administrative delay, and
  » A market or exchange mechanism creates enforceable rights and obligations over an exchange transaction

  The amendments also clarify that a currency is not exchangeable into another currency:

  » If an entity can only obtain an insignificant amount of the other currency
  » At the measurement date for the specified purpose

  When a currency is not exchangeable:

  » An entity shall estimate the spot exchange rate
  » The estimate would reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions
  » The entity must also disclose information on how the lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

  The AASB also extends the exemption from the disclosure requirements of AASB 121 for entities applying AASB 1060. This ensures Tier 2 entities are not required to comply with the new disclosure requirements in AASB 121 when preparing their Tier 2 financial statements.

  The Group will adopt this amendment in the financial year ending 30 June 2026.

For personal use only

- AASB 2014-10 *Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The Group will adopt this amendment in the financial year ending 30 June 2029.

- AASB 2024-3 *Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 10 - de facto agents*

  This amendment clarifies that the de facto agent relationship described in AASB 10 is just one example that might exist between the investor and other parties. The intention of this amendment is to remove an inconsistency with the requirement in AASB 10for an entity to use judgement to determine whether other parties are acting as de facto agents. The Group will adopt this amendment in the financial year ending 30 June 2027.

- AASB 2024-2 *Amendments to AASs – Classification and Measurement of Financial Instruments*

  These amendments to AASB 7 and AASB 9 *Financial Instruments:*

  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition.
  - Introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if certain conditions are met.
  - For the purpose of classifying a financial asset, clarify how to assess contractual cash flow characteristics that include environmental, social and governance (ESG)-linked features and other similar contingent features
  - Clarify how non-recourse features and contractually linked instruments are assessed for the purpose of applying the SPPI test when determining the measurement basis of financial assets.
  - Require additional disclosures in AASB 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

  The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments The Group will adopt this amendment in the financial year ending 30 June 2027.

- AASB 2024-3 *Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 7*

  The AASB has made the following narrow-scope amendments to AASB 7:

  - Gain or loss on derecognition (B 38) - updated the language on unobservable inputs, adding a cross reference to AASB 13 Fair Value Measurement.
  - Introduction to implementation guidance (IG 1) - clarified that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of AASB 7, nor does it create additional requirements.
  - Disclosure of deferred difference between fair value and transaction price (IG 14) – amended mainly to make the wording consistent with requirements in AASB 7 and with the terminology used in AASB 9 and AASB 13.
  - Credit risk disclosures (IG 20B) - amended to simplify the explanation of which aspects of the AASs are not illustrated in the example.

  The Group will adopt this amendment in the financial year ending 30 June 2027.

- AASB 2024-3 *Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 9*

  The AASB has made the following narrow-scope amendments to AASB 9:

  - Derecognition of lease liabilities - clarified that, when a lessee has determined that a lease liability has been extinguished in accordance with AASB 9, the lessee is required to apply AASB 9 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in AASB 16 and an extinguishment of a lease liability in accordance with AASB 9.
  - Transaction price – to avoid confusion, replaced the reference to 'transaction price as defined by AASB 15 Revenue from Contracts with Customers' with 'the amount determined by applying AASB 15'.

  The Group will adopt this amendment in the financial year ending 30 June 2027.

For personal use only

- AASB 18 *Presentation and Disclosure in Financial Statements*

  AASB 18 has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are:

  - The presentation of newly defined subtotals in the statement of profit or loss
  - The disclosure of management-defined performance measures (MPM)
  - Enhanced requirements for grouping information (i.e., aggregation and disaggregation)

  AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107.

  AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

  For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity.

  AASB 18 also requires several disclosures in relation to MPMs, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard.

  AASB 18 will replace AASB 101 *Presentation of Financial Statements*. The Group will adopt this amendment in the financial year ending 30 June 2028.

(f) Revenue recognition

(i) Revenue from contract with customers

Revenue from sale of goods in the course of ordinary activities is recognised at a point in time when the control of the product is transferred to the customer and selling prices are known or can be reasonably estimated. For spodumene, petalite concentrate, copper cathode, and copper concentrate sales, the above conditions are generally satisfied when title passes to the customer, typically on the bill of lading date when the concentrate is delivered to the vessel.

(ii) Interest income

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

(iii) Government tax credits and rebates

Government tax credits and rebates, inclusive of research and development tax credit, are recognised as income at their fair value where there is a reasonable assurance that the government tax credit or rebate will be received and the Group will comply with all attached conditions.

(iv) Gain on sale of assets

A gain or loss is recognised on the disposal of the assets at the time of sale. The gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(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 financial institutions, other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, and net of 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 for each jurisdiction 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

For personal use only

(i) Trade and other receivables

(i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 2(x).

(ii) Other receivables

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

(j) Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current asset to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(k) Property, plant and equipment

Property, 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:

Buildings	20 to 40 years
Leasehold improvements	2 years or lease term, whichever is shorter
Right to use assets	2 years or lease term, whichever is shorter
Plant and equipment	5 to 15 years
Office equipment and furniture and fittings	3 to 5 years
Vehicles	5 years

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.

(l) Exploration and evaluation 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.

(m) Mine properties

(i) Mines under construction

Expenditure is transferred from 'Exploration and evaluation assets' to 'Mines under construction' which is a subcategory of 'Mine properties' once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation, or completion of infrastructure facilities recognised in 'Mines under construction'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in 'Mines under construction' are then transferred to 'Producing mines' which is also a sub-category of 'Mine properties'.

(ii) Mine properties and property, plant and equipment

· *Initial recognition*

Upon completion of the mine construction phase, the assets are transferred into "Property, plant and equipment" or "Mine properties". Items of property, plant and equipment and producing mine are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included in property, plant and equipment.

Mine properties also consist of the fair value attributable to mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of an acquisition. When a mine construction project moves into the production phase, the capitalisation of certain mine construction costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, mine development or mineable reserve development.

· *Depreciation / amortisation*

Accumulated mine development costs are depreciated/ amortised on a Unit Of Production (UOP) basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case, the straight-line method is applied. The unit of account for run-of-mine (ROM) costs is tonnes of ore, whereas the unit of account for post-ROM costs are recoverable tonnes of Li2O or Cu. Rights and concessions are depleted on the UOP basis over the economically recoverable reserves of the relevant area. The UOP rate calculation for the depreciation/ amortisation of mine development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure. Economically recoverable reserves include proven and probable reserves. The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is amortised on a UOP basis whereby the denominator is the proven and probable reserves, and for some mines, a portion of mineral resources which are expected to be extracted economically. These other mineral resources may be included in depreciation calculations in limited circumstances and where there is a high degree of confidence in their economic extraction. This would be the case when the other mineral resources do not yet have the status of reserves merely because the necessary detailed evaluation work has not yet been performed and the responsible technical personnel agree that inclusion of a proportion of measured and indicated resources is appropriate based on historic reserve conversion rates.

The estimated fair value of the mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to amortisation, until the resource becomes probable of economic extraction in the future and is recognised in exploration and evaluation assets.

The premium paid in excess of the intrinsic value of land to gain access is amortised over the life of the mine.

Other plant and equipment, such as mobile mine equipment, is generally depreciated on a straight-line basis over their estimated useful lives, as follows:

Buildings	20 to 40 years
Plant and equipment	5 to 15 years
Office equipment and furniture and fittings	3 to 5 years
Vehicles	5 years

For personal use only

For personal use only

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

- *Stripping (waste removal) costs*

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a UOP method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

Stripping activities undertaken during the production phase of a surface mine (production stripping) are accounted for as set out below. After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping (as outlined above).

Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a 'stripping activity asset', if the following criteria are met:

- Future economic benefits (being improved access to the ore body) are probable
- The component of the ore body for which access will be improved can be accurately identified
- The costs associated with the improved access can be reliably measured

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred. In identifying components of the ore body, the Group works closely with the mining operations personnel for each mining operation to analyse each of the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body, the geographical location, and/or financial considerations. Given the nature of the Group's operations, components are generally either major pushbacks or phases and they generally form part of a larger investment decision which requires board approval.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Mine properties' in the statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

For personal use only

- *Major maintenance and repairs*

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised.

Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

- *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

(n) Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Upon change of the investment from a joint venture to a subsidiary, the equity method of accounting will be discontinued and the investment will be accounted for in accordance with note 2(d).

(o) Leases – the Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

For personal use only

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is shorter.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Provision for employee entitlements

Provision is made for employee entitlements accumulated as a result of employees rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave and long service leave. Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the period in which the employees render the related services are recognised as long-term employee benefits. These liabilities are measured at the present value of the estimated future cash outflow to the employees using the projected unit credit method. Liabilities expected to be wholly settled within one year after the end of the period in which the employees render the related services are classified as short-term benefits and are measured at the amount due to be paid.

(ii) Provision for site restoration and rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration and rehabilitation in respect of disturbed land is recognised when the land is disturbed.

The provision is the best estimate of the present value of the expenditure required to settle the restoration and rehabilitation obligation at the reporting date, based on current legal requirements and technology. Future restoration and rehabilitation costs are reviewed annually, and any changes are reflected in the present value of the restoration and rehabilitation provision at the end of the reporting period. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

(q) Trade and other payables

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

(r) Financial instruments

(i) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expired.

(ii) Classification and measurement

- *Financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- *Financial liabilities*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

For personal use only

For personal use only

(s) Foreign currency transactions and balances

(i) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency. The functional currency of Richwing Exploration (Pty) Ltd is Namibian dollars and all other subsidiaries is US dollars.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non- monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity when the exchange difference arises on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation).

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period and/or at the exchange rate prevailing on the date of the actual transaction; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the Australian dollar are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(t) 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.

(u) 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.

(v) 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 inclusive 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.

(w) 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.

(x) Impairment of assets

At each reporting date, the Group 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.

(y) 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 or options over shares (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised as expense, together with a corresponding increase in equity (share based payments reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(z) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's exploration and evaluation assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions. The estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

(ii) Provision for expected credit losses

The Group assesses impairment on forward-looking basis for the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For personal use only

For personal use only

(iii) Share based payments

The fair value of employee share based payments is measured using Black Scholes valuation model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, the risk-free interest rate (based on government bonds) and probability applied to the non-vesting conditions (based on management's judgement formed in consideration of all the available facts and circumstances). The fair value calculation and inputs to the Black Scholes model are shown at Note 22.

(iv) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(aa) Rounding of amounts

The Group has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, the amounts in the financial statements and directors' report have been rounded to the nearest $1,000.

3) SEGMENT INFORMATION

(a) Identification of reportable segments

The Group 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 Group engaged in exploration for minerals and project development activities in Zimbabwe, Namibia, and Zambia. The operations were located in Australia, Singapore, Zimbabwe, Mauritius, Namibia, and Zambia with the head office being in Australia. Singapore balances were included within Australian operations and exploration activities and other transactions in Zimbabwe, Namibia, Mauritius, and Zambia being included within the African operations.

(b) Geographical segments

Segment revenue, results and depreciation exclude discontinued operations.

	Australia		Africa		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024
Continuing operations	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue from external customers						
Other income	**200**	801	**-**	-	**200**	801
Total segment revenue	**200**	801	**-**	-	**200**	801
Results						
Segment net loss before tax - Continuing	**(4,143)**	(3,361)	**(3,329)**	(3,586)	**(7,472)**	(6,947)
Segment net loss before tax - Discontinued	**(34)**	(16)	**(614)**	(56)	**(648)**	(72)
Segment net loss before tax	**(4,177)**	(3,377)	**(3,943)**	(3,642)	**(8,120)**	(7,019)
Assets						
Segment assets	**21,029**	7,717	**27,402**	19,596	**48,431**	27,313
Liabilities						
Segment liabilities	**1,070**	645	**1,230**	404	**2,300**	1,049
Other segment information						
Impairment of assets	**-**	-	**40**	298	**40**	298
Depreciation expense	**60**	64	**95**	69	**155**	133

For personal use only

4) REVENUE FROM CONTINUING OPERATIONS

	2025 $'000	2024 $'000
Interest income	200	801
Total revenue from continuing operations	200	801

5) INCOME TAX

(a) Components of income tax expense

	2025 $'000	2024 $'000
Current income tax	-	-
Deferred income tax	-	-
Income tax expense	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2025 $'000	2024 $'000
Loss before income tax – continuing operations	**(7,472)**	(6,947)
Profit before income tax – discontinued operations	**(648)**	(72)
Loss before income tax	**(8,120)**	(7,019)
Tax at the Australian tax rate of 25% (2023: 25.0%)	**(2,030)**	(1,755)
Tax effect of differential corporate tax rates	**(75)**	(41)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share based payments	**335**	272
Others	**511**	428
Over / under recognition of prior year tax expense	**156**	111
Net deferred tax assets not brought to account	**1,103**	985
Income tax expense	**-**	-
Income tax expense is attributable to:		
Profit from continuing operations	**-**	-
Profit from discontinuing operations	**-**	-

For personal use only

(c) Deferred income tax

Deferred income taxes relate to the following:

	2025 $'000	2024 $'000
Deferred tax liabilities		
Right of use assets	**25**	10
Prepayments	**14**	23
Unrealised foreign exchange movement	**476**	332
Deferred tax assets used to offset deferred tax liabilities	**(515)**	(365)
	-	-
Deferred tax assets		
Lease liabilities	**25**	10
Accruals	**250**	175
Provisions and others	**152**	92
Exploration and evaluation expenditure	**641**	391
Unused tax losses	**6,267**	5,414
Deferred tax assets used to offset deferred tax liabilities	**(515)**	(365)
Deferred tax assets not recognised	**(6,820)**	(5,717)
	-	-

At the reporting date the Group has unrecognised tax losses of $24,874,894 (2024: $21,587,617) that are available for offset against future taxable profits. The potential tax benefit applied are Australia 25%, Zimbabwe 25.75%, Zambia 30%, Namibia 32%, and Mauritius 15%. 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.

(d) Current tax liability

	2025 $'000	2024 $'000
Income tax payable	-	-

6) FINANCIAL RISK MANAGEMENT

Risk management is the role and responsibility of the Board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to market risks, credit risks, and liquidity risks.

(a) Market Risk

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and cash equivalents on variable interest rates.

	2025 $'000	2024 $'000
Interest bearing – variable interest rate	**17,231**	6,695
Non-interest bearing	**3,831**	1,642
Total cash and cash equivalents	**21,062**	8,337
Weighted average interest rate	**2.74%**	4.13%

For personal use only

The following table demonstrates the sensitivity to a reasonably possible change in variable interest rates on that portion of cash and cash equivalents affected. With all other variables held constant, the Group's profit before tax is affected through the impact on variable interest rate with +/- 50 basis points (bps) (2023: +/-10 bps), as follows:

	+ / - basis points (bps)	Impact to profit before tax $'000
2025		
Increase in interest rate	**+ 50 bps**	**86**
Decrease in interest rate	**- 50 bps**	**(86)**
2024		
Increase in interest rate	+ 50 bps	26
Decrease in interest rate	- 50 bps	(26)

- **Price risks**

The Group is not currently exposed to significant commodity price risk as it still operates in the exploration & development phase. However, future operational cash flows will be affected by fluctuations in the lithium and copper prices and other commodity prices. The Group will develop strategies to mitigate this risk when it moves from the exploration & development phase into the production phase.

(b) 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 currency other than the functional currently of the Company. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2025 $'000	2024 $'000
Cash and cash equivalents – USD	**3,187**	148
Trade and other payables – USD	**(53)**	(42)
Total Exposure	**3,134**	106

Assuming all other variables remain constant, a 10% increase or decrease of the Australian dollar at 30 June 2025 against the USD would have resulted in a decrease in loss before tax by $348,000 (2024: $12,000) or increase in loss before tax by $285,000 (2024: $10,000).

(c) 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 rating.

(d) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group 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 Group is the ability to raise equity in the future.

For personal use only

7) CASH AND CASH EQUIVALENTS

	2025 $'000	2024 $'000
Total cash and cash equivalents	**21,062**	8,337
(a) Reconciliation of operating loss after income tax to net cash flows used in operating activities		
Loss after tax - from continuing operation	**(7,472)**	(6,947)
Loss after tax - from discontinued operation	**(648)**	(72)
Loss after tax	**(8,120)**	(7,019)
Adjustments to reconcile loss after tax to net cash flows		
Non-cash income and expense items		
Depreciation	**155**	133
Share based payments	**1,339**	1,087
Share of net loss in joint venture	**-**	94
Impairment of exploration and evaluation expenditure	**585**	-
Impairment of property, plant and equipment	**40**	-
Impairment of goodwill	**-**	298
Loss on revaluation of investment	**-**	4
Expected credit losses on trade and other receivables	**284**	-
Others		
Interest income received	**(200)**	(801)
Changes in operating assets and liabilities		
(Increase) / decrease in operating trade and other receivables	**(779)**	(247)
(Increase) / decrease in other assets	**31**	(86)
(Decrease) / increase in operating trade and other payables	**351**	128
(Decrease) / increase in provisions	**18**	(11)
(Decrease) in tax liabilities	**-**	-
Net cash (outflows) from operating activities	**(6,296)**	(6,420)

8) TRADE AND OTHER RECEIVABLES

	2025 $'000	2024 $'000
GST / VAT receivable	**922**	102
Other receivables	**143**	184
	1,065	286
Allowance for expected credit losses	**(284)**	-
Total trade and other receivables	**781**	286

An impairment analysis is performed at each reporting date using a specific identification to measure expected credit losses. The provision is based on a number of factors assessed such as days past due, similar loss patterns with the counterparty, and the counterparty's liquidity status. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security. The Group recognised an allowance for expected credit loss for the VAT receivable in certain Africa based subsidiary of $284,424 (2024: $nil).

At 30 June 2025, a total of $ 637,857 in trade and other receivables is past due but not impaired (2024: Nil).

For personal use only

For personal use only

9) OTHER CURRENT ASSETS

	2025 $'000	2024 $'000
Prepayments	**85**	117
Deposits	**28**	27
Total other current assets	**113**	144

10) ASSETS HELD FOR SALE

	2025 $'000	2024 $'000
Other current assets	**18**	18
Property, plant and equipment	**3**	7
Exploration and evaluation expenditure	**3,290**	3,777
Total assets held for sale	**3,311**	3,802

On 9 May 2024, the Board resolved that the Group commence the process to sell Step Aside lithium project in Zimbabwe. At balance date, the Group was actively marketing the project to a number of interested parties. The assets and liabilities of the entities that will be sold as part of the planned sale structure have been presented as held for sale. The total liabilities directly associated with the above assets held for sale amounted to $10,934 (2024: $17,844).

On 25 July 2025, a non-binding offer to buy the assets held for sale was received, which the Company accepted on 7 August 2025. The offer price is US$2.2 million, which is comprised of US$0.85 million upfront payment and US$1.35 million additional payment conditional upon the asset materially enhanced or monetised within 24 months through either of (a) technical resource upgrade, (b) new commercial agreements, (c) regulatory unlock or infrastructure improvements, and (d) third party sale or uplifted valuation event. The excess of the cost over the offer price, net of the cost to sell of 1.75%, was recognised as impairment loss for the year ended 30 June 2025 totalling US$383,042 (AU$584,797).

11) INVESTMENT IN JOINT VENTURE

The movements during the year are as follows:

	2025 $'000	2024 $'000
Opening balance	-	1,458
Additional funding for Richwing earn in expenditure	-	930
Share in net loss of Richwing	-	(94)
Effect of foreign currency exchange differences	-	27
Derecognition due to change from joint control to full control on Richwing	-	(2,321)
Investment in joint venture	-	-

On 27 October 2022, the Group signed the Earn-In and Shareholders Agreement ("the Agreement") with Osino Gold

Exploration and Mining (Pty) Ltd ("Osino") and Richwing Exploration (Pty) Ltd ("Richwing"). The agreement outlines that the Group has agreed to buy and Osino has agreed to sell the initial interest in Richwing and upon completion, Richwing will serve as a special purpose company to facilitate the joint venture between the Group and Osino for the purpose of exploring and developing a lithium project on the Executive Prospecting Licence.

The Group agreed to pay US$560,000 as initial investment to acquire 20% interest in Richwing. In addition to that, the Group must fund solely the Phase 1 Earn-in Expenditure of Richwing amounting to US$440,000 in exchange for an additional 20% interest in Richwing. The Group may also elect to fund the Phase 2 Earn-in Expenditure of Richwing amounting to US$560,000 in exchange for additional interest in Richwing which will be calculated based on formula outlined in the agreement.

The Group has paid for the initial investment and completed the funding for the Phase 1 Earn-in Expenditure, which equates to 40% interest in total in the joint venture. In addition, it elected to proceed with funding the Phase 2 Earn-in Expenditure. On 20 March 2024, the Group entered into an agreement with Osino Mining Investments Limited ("Osino Mining") being the parent company of Osino to buy their residual 60% interest ownership in Richwing for US$75,000 subject to certain suspensive conditions which were administrative in nature. All conditions were deemed fully satisfied by 30 April 2024, thus the investment account balance was derecognised and formed part of the consideration paid to acquire Richwing as a subsidiary of the Group. The acquisition resulted in a recognition of goodwill of $298,000 as follows:

	2025 $'000	2024 $'000
Carrying balance of investment in joint venture – Richwing	**-**	2,321
Additional cash payment (US$75,000)	**-**	115
Total consideration	**-**	**2,436**
Cash in bank	**-**	26
Exploration and evaluation expenditure	**-**	2,269
Trade and other payables	**-**	(157)
Total fair value of net assets acquired	**-**	**2,138**
Excess of consideration and fair value of net assets acquired – Goodwill - impaired	-	298

This goodwill is fully attributed to the Richwing business as its cash generating unit and this formed part of the Africa geography reportable segment (see note 3). The Group performed an impairment test and considers various factors, including the performance of the lithium commodity in the market which experienced an overall decline in pricing around the world. As a result, this goodwill was fully impaired and recognised in the statement of profit or loss and other comprehensive income in the year ended 30 June 2024.

12) PROPERTY, PLANT AND EQUIPMENT

	2025 $'000	2024 $'000
Right of use asset	**99**	39
Building	**233**	57
Plant and machinery	**51**	71
Vehicles	**350**	403
Furniture and fixtures	**20**	27
Office equipment	**296**	136
Total property, plant and equipment	**1,049**	733

Included in the right to use asset is the lease for the Company's head office in Australia.

For personal use only

For personal use only

Reconciliation of Property, plant and equipment – 2025

	Buildings $'000	Right of use asset $'000	Leasehold improvements $'000	Plant and machinery $'000	Vehicles $'000	Furniture & Fixtures $'000	Office equipment $'000	Total $'000
Opening balance at cost	**57**	**116**	**7**	**141**	**522**	**73**	**196**	**1,112**
Additions	**182**	**118**	**-**	**-**	**114**	**3**	**223**	**640**
Disposals	**-**	**(116)**	**-**	**-**	**(73)**	**-**	**(15)**	**(204)**
Effect of foreign currency exchange differences	**(1)**	**-**	**-**	**2**	**5**	**1**	**-**	**7**
Closing balance at cost	**238**	**118**	**7**	**143**	**568**	**77**	**404**	**1,555**
Opening accumulated depreciation and impairment	**-**	**(77)**	**(7)**	**(70)**	**(119)**	**(46)**	**(60)**	**(379)**
Depreciation	**(5)**	**(58)**	**-**	**(21)**	**(96)**	**(11)**	**(58)**	**(249)**
Disposals	**-**	**116**	**-**	**-**	**37**	**-**	**10**	**163**
Impairment	**-**	**-**	**-**	**-**	**(40)**	**-**	**-**	**(40)**
Effect of foreign currency exchange differences	**-**	**-**	**-**	**(1)**	**-**	**-**	**-**	**(1)**
Closing accumulated depreciation and impairment	**(5)**	**(19)**	**(7)**	**(92)**	**(218)**	**(57)**	**(108)**	**(506)**
Net written down value	**233**	**99**	**-**	**51**	**350**	**20**	**296**	**1,049**

Reconciliation of Property, plant and equipment – 2024

	Buildings $'000	Right of use asset $'000	Leasehold improvements $'000	Plant and machinery $'000	Vehicles $'000	Furniture & Fixtures $'000	Office equipment $'000	Total $'000
Opening balance at cost	-	116	7	105	255	62	82	627
Additions	58	-	-	36	267	11	133	505
Disposals	-	-	-	-	-	-	(4)	(4)
Effect of foreign currency exchange differences	(1)	-	-	-	-	-	(1)	(2)
Reclassed to held for sale	-	-	-	-	-	-	(14)	(14)
Closing balance at cost	57	116	7	141	522	73	196	1,112
Opening accumulated depreciation	-	(19)	(7)	(56)	(67)	(36)	(53)	(238)
Depreciation	-	(58)	-	(18)	(51)	(9)	(17)	(153)
Disposals	-	-	-	-	-	-	3	3
Effect of foreign currency exchange differences	-	-	-	4	(1)	(1)	-	2
Reclassed to held for sale	-	-	-	-	-	-	7	7
Closing accumulated depreciation	-	(77)	(7)	(70)	(119)	(46)	(60)	(379)
Net written down value	57	39	-	71	403	27	136	733

	2025 $'000	2024 $'000
Depreciation	**249**	153
Depreciation transferred to capitalised exploration and evaluation expenditure	**(94)**	(20)
Depreciation recognised in statement of profit or loss and other comprehensive income	**155**	133

13) EXPLORATION AND EVALUATION EXPENDITURE

	2025 $'000	2024 $'000
Exploration and evaluation expenditure comprises:		
Omaruru – Lithium	**2,346**	2,290
Mumbezhi – Copper	**19,769**	11,721
Total exploration and evaluation	**22,115**	14,011

	2025 $'000	2024 $'000
Opening balance	**14,011**	1,635
Acquisition of Mumbezhi copper project	**-**	11,495
Acquisition of Omaruru lithium project (note 11)	**-**	2,269
Expenditure incurred	**8,000**	2,397
Transfer to assets held for sale (note 10)	**-**	(3,777)
Effect of foreign currency exchange differences	**104**	(8)
Total exploration and evaluation expenditure	**22,115**	14,011

In April 2024, the Group signed two concurrent agreements over the large-scale Mumbezhi Copper Project ("Mumbezhi") in Zambia, subject to satisfaction or waiver of conditions precedent:

(a) acquire an 85% interest in Mumbezhi from current owner, Global Development Cooperation Consulting Zambia Limited ("GDC"), for US$5,500,000 million in cash and US$1,000,000 in PSC shares priced at a 20% premium to 5-day VWAP upon all conditions precedent being satisfied or waived.

(b) pay upfront payments and milestone payment to Orpheus Uranium Limited ("Orpheus") as reimbursement of select exploration costs on Mumbezhi, with Orpheus agreeing to withdraw all legal claims to the exploration licence and share all historical geological and mining data pertaining to the project. The upfront payments comprised of $1,000,000 in PSC shares plus PSC share options equivalent to 75% of the shares issued. The milestone payment is to be paid in cash of $2,500,000 if certain conditions and results are achieved, which include that the exploration programs and analysis on the Mumbezhi are undertaken and the results of the exploration programs and analysis confirm that any of the central, east and/or north deposits at the Mumbezhi (individually or collectively) contain JORC Code reportable definition of not less than 500,000 tonnes of contained copper at a copper cut-off grade of not less than 0.5% Cu metal.

On 30 April 2024, the conditions on the agreement with Orpheus were fully satisfied. The upfront payments were settled through the issuance of 8,333,333 PSC shares ($1,000,000) and options of 6,250,000 ($687,500) on 3 May 2024.

On 31 May 2024, the conditions precedent on the agreement with GDC were fully satisfied. The cash consideration was paid amounting to $8,292,687 (US$5,500,000) and shares issued of 7,014,590 ($1,515,152) on 31 May 2024.

At 30 June 2025, no payment was required for the milestone payments as the conditions for these remain yet to be achieved (30 June 2024: $nil).

For personal use only

14) TRADE AND OTHER PAYABLES

	2025 $'000	2024 $'000
Trade payables [(i)]	**1,004**	112
Accruals	**1,024**	735
Total trade and other payables	**2,028**	847

(i) The Group does not have any trade payables more than 31 days past the respective date of the original invoice.

15) LEASE LIABILITY

	2025 $'000	2024 $'000
The balance sheet shows the following amounts relating to leases:		
Right-of-use asset – office space		
Lease liabilities		
Current	**56**	41
Non current	**44**	-
Total lease liabilities	**100**	41

In 2021, the Group entered into an initial 2 year lease for the head office in Australia. This was renewed twice, with the most recent renewal on 1 March 2025 for another two years. The incremental borrowing rate applied was 7.52% (2024: 7.06%).

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

16) PROVISIONS

	2025 $'000	2024 $'000
Current		
Annual leave provision	**77**	85
Long service leave provision	**44**	38
Total current provisions	**121**	123
Non current		
Long service leave provision	**40**	20
Total non current provisions	**40**	20

For personal use only

17) CONTRIBUTED EQUITY

	2025 No. of Shares	2024 No. of Shares
(a) Issued share capital		
Ordinary shares fully paid	**700,587,177**	478,679,885

(b) Movement in ordinary share capital

	No. of Shares	$'000
Balance at 30 June 2023	462,259,462	26,646
Issue of shares upon exercise of performance rights		
- 15 November 2023	1,072,500	151
Issue of shares for the acquisition of the Mumbezhi Copper Project (note 13):		
- 03 May 2024 to Orpheus	8,333,333	1,000
- 31 May 2024 to GDC	7,014,590	1,515
Balance at 30 June 2024	**478,679,885**	**29,312**
Issue of shares via placements:		
- 09 August 2024	**64,800,000**	**6,480**
- 11 September 2024	**11,230,000**	**1,123**
- 26 September 2024	**14,750,000**	**1,475**
- 22 April 2025	**101,058,173**	**15,159**
- 24 June 2025	**22,191,998**	**3,329**
Issue of shares for subsidiary director's fees:		
- 17 September 2024	**512,327**	**71**
- 06 May 2025	**888,025**	**88**
Issue of shares upon exercise of performance rights:		
- 05 November 2024	**693,269**	**70**
- 11 November 2024	**1,058,269**	**150**
- 06 February 2025	**939,231**	**93**
- 06 May 2025	**1,286,000**	**91**
Issue of shares upon exercise of options on 6 May 2025	**2,500,000**	**175**
Cost of capital raising paid via options (note 14)	**-**	**(400)**
Cost of capital raising paid in cash	**-**	**(1,264)**
Balance at 30 June 2025	**700,587,177**	**55,952**

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.

During the year, a number of capital raising activities were conducted and resulted in the issue of new ordinary shares to (a) institutional and sophisticated investors on 9 August 2024 (64,800,000 shares) at an issue price of $0.10 per share, (b) eligible shareholders through the participation in the Share Purchase Plan (SPP) on 11 September 2024 (11,230,000 shares) at an issue price of $0.10, (c) First Quantum Minerals Limited through its subsidiary, FQMA Holdings Pty Ltd, on 22 April 2025 (101,058,173 shares) and 24 June 2025 (3,328,800 shares) at an issue price of $0.15 per share, and (d) the Group's long standing substantial shareholder, Eagle Eye Asset, on 24 June 2025 (18,863,198 shares) at an issue price of $0.15.

For personal use only

18) RESERVES

	2025 $'000	2024 $'000
Share based payments reserves	**13,486**	12,326
Other reserves	**(877)**	(877)
Foreign currency translation reserve	**18,351**	18,164
Total reserves	**30,960**	29,613

Nature and Purpose of Reserves
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 and translation differences on intercompany loans.

The other reserves is used for any other equity transactions that are not directly attributed to other component of the equity accounts.

(a) Share Based Payments Reserve

(i) Balance at yearend

	No. of Options and Rights	$'000
30 June 2025		
Options	**58,014,952**	**13,187**
Rights	**6,814,419**	**299**
	64,829,371	**13,486**
30 June 2024		
Options	37,667,033	11,988
Rights	6,696,448	338
	44,363,481	12,326

(ii) Movement in options

Date	Details	No. of Options	$'000
Balance at 30 June 2023		17,850,000	10,510
10 August 2023	Grant of options to employees	7,257,000	-
23 November 2023	Grant of options to director	2,076,000	-
23 November 2023	Forfeiture	(666,667)	(23)
01 February 2024	Grant of options to employee	834,700	-
01 March 2024	Grant of options to a subsidiary director	2,500,000	-
18 March 2024	Grant of options to employee	1,566,000	-
03 May 2024	Grant of options to Orpheus (note 13)	6,250,000	687
30 June 2024	Share based payment expense	-	814
Balance at 30 June 2024		**37,667,033**	**11,988**
02 August 2024	Grant of options in lieu of broker fees (note 14)	**8,000,000**	**400**
26 November 2024	Grant of options to employees and director	**15,181,253**	**-**
26 November 2024	Forfeiture	**(333,334)**	**(24)**
06 May 2025	Exercise of options	**(2,500,000)**	**(175)**
30 June 2025	Share based payment expense	**-**	**998**
Balance at 30 June 2025		**58,014,952**	**13,187**

For personal use only

(iii) Movement in performance rights

Date	Details	No. of Rights	$'000
Balance at 30 June 2023		4,400,000	193
10 August 2023	Grant of performance rights to employees	1,800,000	-
21 August 2023	Forfeiture	(1,540,000)	-
15 November 2023	Exercise of performance rights	(1,072,500)	(151)
23 November 2023	Grant of performance rights to director	1,484,615	-
01 March 2024	Grant of performance rights to director	1,286,000	-
18 March 2024	Grant of performance rights to employee	338,333	-
30 June 2024	Share based payment expense	-	296
Balance at 30 June 2024		**6,696,448**	**338**
03 September 2024	Forfeiture	**(1,630,327)**	**-**
26 November 2024	Grant of performance rights to employees and directors	**4,975,067**	**-**
05 November 2024	Exercise of performance rights	**(693,269)**	**(70)**
11 November 2024	Exercise of performance rights	**(1,058,269)**	**(150)**
02 February 2025	Exercise of performance rights	**(939,231)**	**(93)**
03 April 2025	Grant of performance rights to a subsidiary director	**750,000**	**-**
6 May 2025	Exercise of performance rights	**(1,286,000)**	**(91)**
30 June 2025	Share based payment expense	**-**	**365**
Balance at 30 June 2025		**6,814,419**	**299**

(b) Foreign Currency Translation Reserve

	2025 $'000	2024 $'000
Movement in reserve		
Opening balance	**18,164**	18,236
Increase in ownership in subsidiary	**-**	-
Currency translation differences	**187**	(72)
Closing balance	**18,351**	18,164

19) ACCUMULATED LOSSES

	2025 $'000	2024 $'000
Balance at the beginning of the year	**32,655**	25,642
Net loss attributable to equity holders of the Company	**8,106**	7,013
Accumulated losses at end of year	**40,761**	32,655

For personal use only

For personal use only

20) SUBSIDIARIES

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

	Principal activity	Country of incorporation	Ownership and voting interest 2025	Ownership and voting interest 2024
Prospect Minerals Pte Ltd	Holding company	Singapore	**100%**	100%
Promin Resource Holdings Pte Ltd	Holding company	Singapore	**100%**	100%
Stepaside Lithium Pte Ltd	Holding company	Singapore	**100%**	100%
Prospect Copper Holdings Pte Ltd	Holding company	Singapore	**100%**	100%
Hawkmoth Mining & Explorations (Pvt) Limited	Exploration & evaluation	Zimbabwe	**100%**	100%
Harrier Nickel Resources (Private) Limited	Exploration & evaluation	Zimbabwe	**100%**	100%
Eagle Lithium Resources (Private) Ltd	Exploration & evaluation	Zimbabwe	**90%**	90%
Hawk Rare Earth (Private) Limited	Exploration & evaluation	Zimbabwe	**100%**	100%
Sarita Mineral Resources Limited	Mining and quarrying	Zambia	**99.93%**	99.93%
Osprey Resources Limited	Mining and quarrying	Zambia	**85%**	85%
Prospect Resources (Mauritius) Limited	Holding company	Mauritius	**100%**	100%
Belham Investments (Proprietary) Limited	Exploration & evaluation	Namibia	**100%**	100%
Richwing Exploration (Proprietary) Limited	Exploration & evaluation	Namibia	**100%**	100%

In July 2023, the Group entered into a shareholder agreement that reduced its ownership in Eagle Lithium Resources (Private) Ltd, the subsidiary entity that holds the Step Aside exploration project, by 10% through the issue of ordinary shares to three minority shareholders based in Zimbabwe as a consideration for the land access and future support of the exploration activities and local community.

On 13 November 2023, the Group incorporated Sarita Minerals Resources Limited that will serve as the operating company for future business operation in Zambia.

The acquisition of Mumbezhi Copper Project transaction led to the incorporation of Prospect Copper Holdings Pte Ltd ("Prospect Copper") on 29 February 2024 and Osprey Resources Limited ("Osprey") on 4 May 2024. Prospect Copper serves as the parent of Osprey whilst Osprey holds the tenement of the Mumbezhi Copper Project.

On 30 April 2024, the Group acquired the remaining residual interest in Richwing (see note 11) and became a 100% owned subsidiary.

(a) Details of non-wholly owned subsidiaries that have material non-controlled interest

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 2025 %	Proportion of ownership interests and voting rights held by non-controlling interests 2024 %	Loss allocated to non-controlling interests 2025 $'000	Loss allocated to non-controlling interests 2024 $'000	Loss allocated to non-controlling interests 2025 $'000	Loss allocated to non-controlling interests 2024 $'000
Eagle Lithium Resources (Private) Ltd	Zimbabwe	**10%**	10%	**(3)**	(6)	**(9)**	(6)
Sarita Mineral Resources Limited	Zambia	**0.07%**	0.07%	**-**	-	**-**	-
Osprey Resources Limited	Zambia	**15%**	15%	**(11)**	-	**(11)**	-
				(14)	(6)	**(20)**	(6)

(b) Discontinued Operations

(i) Description

On 09 May 2024 board meeting, it was resolved that the Group commence the process of marketing the Step Aside lithium project. The proceeds will be utilised to fund the exploration activities of the other projects and any other opportunities.

The amounts presented in the Consolidated Statement of Profit or Loss and Comprehensive Income under discontinuing operations represents the loss on the Group's share in the subsidiaries to be sold.

Financial information relating to the discontinued operations for the year to date of disposal are listed below.

(ii) Financial performance and cashflow information

The financial performance and cashflow information presented are disclosed within loss from discontinued operations.

	2025 $'000	2024 $'000
Revenue	-	-
Expenses	(648)	(72)
Loss before income tax	**(648)**	(72)

The expense includes an impairment of $584,797 (2024: $nil) on the exploration asset to recognise the asset at fair value less cost to sell as at balance date. The carrying amounts of assets and liabilities as at balance date are outlined in note 10.

21) PROSPECT RESOURCES LIMITED PARENT COMPANY INFORMATION

	2025 $'000	2024 $'000
Assets		
Current assets	**20,890**	7,668
Non-current assets	**34,871**	24,833
Total Assets	**55,761**	32,501
Liabilities		
Current liabilities	**966**	649
Non-current liabilities	**17,051**	17,793
Total Liabilities	**18,017**	18,442
Equity		
Contributed equity	**55,952**	29,312
Reserves	**13,485**	12,326
Accumulated losses	**(31,694)**	(27,579)
	37,744	14,059
Financial Performance		
Loss for the year	**(4,115)**	(3,337)
Other comprehensive income	**-**	-
Total Comprehensive Loss	**(4,115)**	(3,337)

Parent Entity Contingencies and Guarantees
The parent entity has not guaranteed any loans for any entities during the year (2024: Nil).

Parent Entity Commitments
The parent entity has entered into contracts with its directors and certain executives and consultants whereby minimum notice periods (usually three months) have been provided by the parent entity. This totals $584,882 (2024: $583,605).

In addition, the parent entity is the party to the contract with Orpheus in relation to the Mumbezhi Copper Project acquisition transaction. The parent entity is committed to pay in cash $2,500,000 to Orpheus subject to achieving certain outcome (see note 13).

For personal use only

22) SHARE-BASED PAYMENTS

During the year, the Group recognised share based payments expense of $1,339,316 (2024: $1,086,870) from equity-settled share based payment transactions.

The following table lists the inputs to the model used in determining the current and prior year expense:

Series	Options issued during the year ended 30 June 2025	
	Management and directors Long Term Incentive	Broker as capital raising cost
No. of options	15,181,253	8,000,000
Grant date	26/11/2024	02/08/2024
Share price	$0.096	$0.096
Exercise price	$0.160	$0.200
Asset Interest rate	3.986%	3.67%
Expiry date	03/09/2028	02/08/2027
Volatility	110%	110%
Fair value at grant date	$0.060	$0.050
Vesting condition and period	(i(a))	None

Series	Options issued during the year ended 30 June 2024					
	Managing Director Long Term Incentive	Management Long Term Incentive	Management Long Term Incentive	Management Long Term Incentive	Non-exec director Long Term Incentive	Orpheus for acquisition of Mumbezhi
No. of options	2,076,000	7,257,000	834,700	1,566,000	2,500,000	6,250,000
Grant date	23/11/2023	10/08/2023	01/02/2024	18/03/2024	01/03/2024	03/05/2024
Share price	$0.096	$0.110	$0.080	$0.079	$0.071	$0.155
Exercise price	$0.200	$0.200	$0.120	$0.120	$0.0	$0.150
Asset Interest rate	4.14%	3.77%	3.56%	3.74%	3.71%	4.03%
Expiry date	09/08/2027	09/08/2027	09/08/2027	09/08/2027	11/03/2026	11/04/2027
Volatility	110%	110%	110%	110%	110%	110%
Fair value at grant date	$0.060	$0.071	$0.050	$0.050	$0.070	$0.110
Vesting condition and period	(i(b))	(i(b))	(i(b))	(i(b))	(ii)	None
Note	-	-	-	-	-	Note 13

(i) Management's long term incentive options are subject to performance hurdles:

(a) The Company's underlying share price exceeding $0.24 per share for a continuous period of 30 days from grant date to 03 September 2027 and remaining in employment of the company by 03 September 2027.

(b) The Company's underlying share price exceeding $0.33 per share for a continuous period of 30 days from grant date to 09 August 2026 and remaining in employment of the company by 09 August 2026

For personal use only

(ii) The non-executive director of the subsidiary in Zambia is required to remain employed by 1 March 2025.

Series	Rights issued during the year ended 30 June 2025	
	Management and directors Short Term Incentive	Non-exec director Short Term Incentive
No. of Rights	4,975,067	750,000
Grant date	26/11/2024	03/04/2025
Share price	$0.096	$0.130
Exercise price	$0.00	$0.00
Expiry date	03/09/2027	01/03/2029
Fair value at grant date	$0.096	$0.130
Vesting condition and period	(i)	(ii)

Series	Rights issued during the year ended 30 June 2024			
	Managing Director Short Term incentive	Other Key Management Personnel Short Term Incentive	Management Short Term Incentive	Non-exec Director Short Term Incentive
No. of Rights	1,484,615	1,800,000	338,333	1,286,000
Grant date	23/11/2023	10/08/2023	18/03/2024	01/03/2024
Share price	$0.096	$0.110	$0.079	$0.071
Exercise price	$0.00	$0.00	$0.00	$0.00
Expiry date	09/08/2026	09/08/2026	09/08/2026	01/03/2028
Fair value at grant date	$0.096	$0.110	$0.079	$0.071
Vesting condition and period	(i)	(i)	(i)	(ii)

(i) Managing director, other key management personnel, and management have been granted rights in lieu of a cash based short term incentive scheme. The rights on offer are subject to satisfaction of targets as defined by the Company's annual scorecard which is based on both exploration and corporate targets and approval by the Board. Performance against the scorecard is assessed annually based on the company's performance in the 12 months up to the assessment date. The vesting of these incentives is subject to vesting conditions as discussed above. 50% of the incentive will vest at the end of the year after the grant date and the remaining 50% will vest 24 months after the grant date, provided the employee remains employed by the Group.

(ii) The non-executive director of the subsidiary in Zambia is granted this rights in lieu of a cash based short term incentive scheme. The rights on offer are subject to meeting the annual scorecard, which include maintaining the validity and good standing of all mining tenements in Zambia for the relevant year, being 1st of March to 28th of February of the following year, and having held one or more meetings with government stakeholders or community leaders to promote and advance the projects. In addition, he must remain in the role at the end of the relevant year.

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the year:

	2025 No.	2025 WAEP $/Share	2024 No.	2024 WAEP $/Share
Outstanding at 1 July	**37,667,033**	**0.15**	17,850,000	0.15
Granted during the year	**23,181,253**	**0.17**	20,483,700	0.15
Forfeited during the year	**(333,334)**	**0.15**	(666,667)	0.15
Exercised during the year	**(2,500,000)**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at 30 June	**58,014,952**	**0.17**	37,667,033	0.15
Exercisable at 30 June	**10,399,998**	**0.19**	1,533,332	0.15

The weighted average remaining contractual life for the share options outstanding as at 30 June 2025 is 1.95 years (2024: 2.77 years).

The range of exercise prices for options outstanding at the end of the year was $0.12 - $0.20 (2024: $Nil - $0.20).

For personal use only

23) COMMITMENTS FOR EXPENDITURE

(a) Exploration Commitments

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture and/or acquisition agreements. Outstanding exploration commitments are as follows:

	2025 $'000	2024 $'000
Not longer than 1 year	**6**	9
Longer than 1 year and not longer than 5 years	**-**	5
	6	14

(b) Other Commitments

The Group is committed to pay Orpheus $2,500,000 in cash if certain conditions and results are achieved on the Mumbezhi Copper Project. The condition includes that the exploration programs and analysis on the Mumbezhi Copper Project are undertaken, and the results of the exploration programs and analysis confirm that any of the central, east and/or north deposits at the Mumbezhi (individually or collectively) contain JORC Code reportable definition of not less than 500,000 tonnes of contained copper at a copper cut-off grade of not less than 0.5% Cu metal.

The Group has entered into contracts with its directors and certain executives and consultants whereby minimum notice periods (usually three months) have been provided by the Group. This totals $779,554 as at 30 June 2025 (2024: $766,742).

24) CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 30 June 2025.

In the prior year, the Company had a legal dispute with a third party in Africa in relation to an alleged breach of non-disclosure agreement. The matter was successfully defended and formally resolved during the year.

25) AUDITORS REMUNERATION

	2025 $'000	2024 $'000
Audit of the consolidated group by Stantons		
Audit and review of the financial reports	**88**	83
Other services	**-**	-
	88	83
Auditor of subsidiaries by component auditors		
Audit services	**7**	3

For personal use only

26) KEY MANAGEMENT PERSONNEL DISCLOSURES

	2025 $	2024 $
The aggregate compensation made to Key Management Personnel of the Group is set out below:		
Short term employee benefits	**1,265,914**	1,335,868
Post employment benefits	**77,181**	78,928
Share based payments	**751,399**	796,489
Total compensation made to key management personnel	**2,094,494**	2,211,285

27) RELATED PARTY TRANSACTIONS

(a) Transactions with related parties in the Group

The Group consists of Prospect Resources Limited (the parent entity) and its controlled entities (see note 20). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

(b) Transactions with other related parties

The accruals at 30 June 2025 include outstanding director fees of $51,000 (2024: $36,000).

28) EARNINGS PER SHARE (EPS)

	2025	2024
Continuing operation		
Loss after income tax attributable to members of Prospect Resources Limited ($'000)	**(7,461)**	(6,947)
Weighted average number of ordinary shares outstanding during the year for basic EPS	**579,229,458**	464,875,137
Weighted average number of ordinary shares outstanding during the year for diluted EPS	**579,229,458**	464,875,137
Basic loss per share (cents per share)	**(1.29)**	(1.49)
Diluted loss per share (cents per share)	**(1.29)**	(1.49)
Discontinued operation		
Profit after income tax attributable to members of Prospect Resources Limited ($'000)	**(645)**	(66)
Weighted average number of ordinary shares outstanding during the year for basic EPS	**579,229,458**	464,875,137
Weighted average number of ordinary shares outstanding during the year for diluted EPS	**579,229,458**	464,875,137
Basic earnings per share (cents per share)	**(0.11)**	(0.01)
Diluted earnings per share (cents per share)	**(0.11)**	(0.01)

As at 30 June 2025, 58,014,952 unlisted options and 6,814,419 performance rights which represent potential ordinary shares of 58,014,952 and 6,814,419, respectively (2024: 37,667,033 unlisted options and 6,696,448 performance rights which represent potential ordinary shares of 37,667,033 and 6,696,448), were not considered dilutive for the purposes of calculating the loss per share for the year ended 30 June 2025, as they would decrease the loss per share.

29) SUBSEQUENT EVENTS

Other than as stated below, no matter or circumstance has arisen since 30 June 20255 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years:

- On 21 July 2025, a total of 1,741,274 performance rights have lapsed which equates to the ratio of the 2025 short term incentive performance hurdles that have not been met.
- On 25 July 2025, a non-binding offer to buy the assets held for sale was received, which the Company accepted on 7 August 2025. The offer price is US$2.2 million, which is comprised of US$0.85 million upfront payment and US$1.35 million additional payment conditional upon the asset materially enhanced or monetised within 24 months through either of (a) technical resource upgrade, (b) new commercial agreements, (c) regulatory unlock or infrastructure improvements, and (d) third party sale or uplifted valuation event. The final commercial terms governing the additional payment are still being refined. The excess of the cost over the offer price, net of the cost to sell, was recognised as impairment loss for the year ended 30 June 2025.

For personal use only

Consolidated Entity Disclosure Statement

AS AT 30 JUNE 2025

AS AT 30 JUNE 2025						
Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdictions of foreign residents
Prospect Resources Limited	Body corporate	-	n/a	Australia	Australian	n/a
Prospect Minerals Pte Ltd	Body corporate	-	100%	Singapore	Australian	n/a
Promin Resource Holdings Pte Ltd	Body corporate	-	100%	Singapore	Foreign	Singapore
Stepaside Lithium Pte Ltd	Body corporate	-	100%	Singapore	Foreign	Singapore
Prospect Copper Holdings Pte Ltd	Body corporate	-	100%	Singapore	Foreign	Singapore
Hawkmoth Mining & Explorations (Pvt) Limited	Body corporate	-	100%	Zimbabwe	Foreign	Zimbabwe
Harrier Nickel Resources (Private) Limited	Body corporate	-	100%	Zimbabwe	Foreign	Zimbabwe
Eagle Lithium Resources (Private) Ltd	Body corporate	-	90%	Zimbabwe	Foreign	Zimbabwe
Hawk Rare Earth (Private) Limited	Body corporate	-	100%	Zimbabwe	Foreign	Zimbabwe
Sarita Mineral Resources Limited	Body corporate	-	99.93%	Zambia	Foreign	Zambia
Osprey Resources Limited	Body corporate	-	85%	Zambia	Foreign	Zambia
Prospect Resources (Mauritius) Limited	Body corporate	-	100%	Mauritius	Foreign	Mauritius
Belham Investments (Proprietary) Limited	Body corporate	-	100%	Namibia	Foreign	Namibia
Richwing Exploration (Proprietary) Limited	Body corporate	-	100%	Namibia	Foreign	Namibia

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and trusts

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis. Where applicable, relevant additional disclosures on the tax status of partnerships and trusts are provided.

For personal use only

Auditors' Independence Declaration

For personal use only

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

26 September 2025

Board of Directors
Prospect Resources Limited
Level 2, 33 Richardson Street
West Perth WA 6005

Dear Directors

RE: 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 the Audit Director for the audit of the financial statements of Prospect Resources Limited for the year ended 30 June 2025, 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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

Liability limited by a scheme approved under Professional Standards Legislation

Russell Bedford
taking you further

Stantons Is a member of the Russell Bedford International network of firms

Independent Auditor's Report

For personal use only



PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PROSPECT RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Prospect Resources Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code) that are relevant to our audits of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



Liability limited by a scheme approved under Professional Standards Legislation

Stantons Is a member of the Russell Bedford International network of firms

For personal use only

Stantons

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Carrying value of the Exploration and Evaluation Assets and the Assets held for sale *(Refer to Notes 10 and 13 to the consolidated financial statements)* As at 30 June 2025, exploration and evaluation expenditure totalled $22.115 million and $3.290 million being classified as assets held for sale. The carrying value of these assets is a key audit matter due to: • The significance of these amounts as they represent the largest assets and constitute approximately 52% of the total assets as at 30 June 2025. • The necessity to assess management's application of the requirements of the accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6), in light of any indicators of impairment that may be present and the requirements of the accounting standard AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5). • The level of judgement required in evaluating management's application of the requirements of AASB 6 and the assessment of impairment of exploration and evaluation expenditure assets involved judgement.	Inter alia, our audit procedures included the following: i. Assessing the Group's right to tenure over exploration and evaluation expenditure assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation. ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure assets, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators in line with the requirements of AASB 6. iii. Evaluating Group's documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: ▪ Minutes of meetings of the Board and management; ▪ Announcements made by the Company to the Australian Securities Exchange; and ▪ Cash flow forecasts. iv. Considering the requirements AASB 6 and assessing the adequacy of the related disclosure in the notes to the financial statements. v. Considering the requirements AASB 5 and ensuring correct reclassification has been presented and assessing the adequacy of the related disclosure in the notes to the financial statements.

For personal use only

Stantons

Key Audit Matters	How the matter was addressed in the audit
Share based payments *(Refer to Note 22 to the consolidated financial statements)* During the financial year ended 30 June 2025, the Company awarded 5,725,067 performance rights and 15,181,253 share options to respective directors, management, employees and consultants. The awards vest subject to the achievement of certain vesting conditions which commences from the grant date in the current year and extends into subsequent years. The Company also issued 8,000,000 options in lieu of broker fees valued at $0.4 million as share issue costs. The Group valued the share options using the Black Scholes methodology while the performance rights were valued based on the prevailing share price on the date of grant and estimated likelihood of vesting conditions being achieved over the vesting period for each tranche of awards. The Group has performed calculations to record the related share-based payments expense of $1.339 million in the consolidated statement of profit or loss and other comprehensive income. Due to the complex nature of the transactions and estimates and assumptions used in determining the valuation of the share-based payment arrangements and vesting periods, we consider the Group's calculation of the share-based payments expense to be a key audit matter.	Inter alia, our audit procedures included the following: i. Reviewing minutes of meetings, ASX announcements, agreements and considering other transactions undertaken during the year to obtain an understanding of the contractual nature and terms and conditions of share-based payment arrangements. ii. Checking the parameters used by the management in the assessment of share-based payments as follows: ▪ assessing the appropriateness of the valuation method used; and ▪ assessing the reasonableness of the assumptions and inputs used within the valuation model. iii. Challenging management's assumptions in relation to the likelihood of achieving the vesting conditions. iv. Assessing the fair value of the calculation through re-performance using appropriate inputs and the allocation and accuracy of the share-based payment expense over the relevant vesting period. v. Assessing the adequacy of the related disclosure in the notes to the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

For personal use only

Stantons

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of:

   i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement whether due to fraud and error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 entity'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 entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding

For personal use only

Stantons

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Prospect Resources Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
26 September 2025



ASX Additional Information

For personal use only

For personal use only

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 15 September 2025.

(a) Substantial Shareholders

The substantial shareholders are:

Holder Name	Holding Balance	% IC
HSBC Custody Nominees (Australia) Limited	136,223,425	19.36%
FQMA Holdings Pty Ltd	104,386,973	14.84%
CITICORP Nominees Pty Limited	77,692,387	11.04%
BNP Paribas Noms Pty Ltd	39,240,384	5.58%

(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) Number of Holders

Class of Equity Securities	Number of holders
Fully paid ordinary shares	2,969
Options	38
Performance rights	5

(d) Distribution of Equity Security Holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	495	230,431	0.03%
Above 1,000 up to and including 5,000	846	2,482,577	0.35%
Above 5,000 up to and including 10,000	446	3,524,884	0.50%
Above 10,000 up to and including 100,000	891	32,236,394	4.58%
Above 100,000	291	665,159,141	94.53%
Totals	**2,969**	**703,633,427**	**100.00%**

(e) Less than Marketable Parcels

There were 832 holders of less than a marketable parcel of ordinary shares.

(f) Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Position	Holder Name	Holding	% Issued Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	136,223,425	19.36%
2	FQMA HOLDINGS PTY LTD	104,386,973	14.84%
3	CITICORP NOMINEES PTY LIMITED	77,692,387	11.04%
4	BNP PARIBAS NOMS PTY LTD	39,240,384	5.58%
5	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	21,750,204	3.09%
6	MBM CAPITAL PARTNERS LLP	21,625,000	3.07%
7	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	19,061,080	2.71%
8	ADANSONIA MANAGEMENT SERVICES LTD <THE HUNTLEY GRANTA A/C>	15,683,342	2.23%
9	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	13,895,335	1.97%
10	MR KENNETH JOSEPH HALL <HALL PARK A/C>	13,150,000	1.87%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	11,144,241	1.58%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,792,633	1.53%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,000,000	1.42%
14	BUTTONWOOD NOMINEES PTY LTD	8,890,511	1.26%
15	FARVIC CONSOLIDATED MINES (PVT) LTD	7,123,260	1.01%
16	MR KYECHUN LEE	6,014,590	0.85%
17	MR VALENTINE CHITALU	5,846,352	0.83%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	4,465,069	0.63%
19	ORPHEUS URANIUM LIMITED	4,333,333	0.62%
20	MRS SAMANTHA JAYNE GOLDBERG	4,185,000	0.59%
Total		**535,503,119**	**76.11%**
Total issued capital - selected security class(es)		**703,633,427**	**100.00%**

For personal use only

Restricted securities

Class of Restricted Securities	Type of Restriction	Number on Issue	End Date
Fully paid ordinary shares	Voluntary escrow period of 18 months	101,058,173	22 October 2026

Unquoted equity securities

Class of Unquoted Securities	Number on Issue	Number of Holders
Unlisted options	57,674,952	38
Unlisted performance rights	2,366,895	5

Other Information

The Company is not currently conducting an on-market buy back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) that have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employees' incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

Exploration and mining licenses granted:

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

- Eagle Lithium Resources (Private) Ltd ("Eagle Lithium") - Step Aside Project
- Richwing Exploration (Pty) Limited ("Richwing") – Omaruru Lithium Project
- Osprey Resources Limited ("Osprey") – Mumbezhi Copper Project

Tenement type & number	Tenement name	Country	Project	Registered company name	% Held at 30 June 2025
ME19948BM	Step Aside	Zimbabwe	Step Aside	Eagle Lithium	90%
EPL 5533	Omaruru	Namibia	Omaruru	Richwing	100%
39445-HQ-LML	Mumbezhi	Zambia	Mumbezhi	Osprey	85%
39465-HQ-LML	Mumbezhi	Zambia	Mumbezhi	Osprey	85%

For personal use only


For personal use only

For personal use only

Corporate Directory

DIRECTORS
Mark Wheatley
Sam Hosack
Gerry Fahey
Gaurav Gupta
Ian Goldberg
Matt Pascall

SECRETARY
Lee Tamplin and Jenny Macasarte

PRINCIPAL & REGISTERED OFFICE
Level 2
33 Richardson Street
West Perth WA 6005
Telephone: (+61) 405 524 960
Email: info@prospectresources.com.au

AUDITORS
Stantons
Level 2
40 Kings Park Road
West Perth WA 6005

SHARE REGISTRY
Automic Pty Ltd
Level 5
126 Phillip Street
Sydney NSW 2000
Telephone: 1300 288 664
Email: hello@automic.com.au
Investor Portal: investor.automic.com.au

ASX CODE
Shares – PSC

LEGAL REPRESENTATIVES
King & Wood Mallesons
Level 30, QV1 Building
250 St Georges Terrace
Perth WA 6000

ACN 124 354 329

For personal use only

Prospect Resources

+61 405 524 960
info@prospectresources.com.au

Level 2, 33 Richardson Street
West Perth, WA 6005