



Prospect Resources

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ANNUAL REPORT

2024

Corporate Directory

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Gaurav Gupta
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Ian Goldberg and Harry Miller

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Chairperson's Report

Dear Shareholders,

It is my pleasure to present our Annual Report for 2024. It has been a 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, particularly in Zambia.

The pivot to copper and focus in Zambia for the team led to our biggest news of the year with the acquisition of an 85% interest in the Mumbezhi Copper Project, located within the world-class Zambian Copperbelt. Through its application and perseverance, the Prospect team succeeded and unlocked this disputed asset within 'elephant country' by securing parallel binding agreements with the key parties involved, thereby freeing up this highly prospective project for further exploration success.

We are very excited about the future at Mumbezhi, for good reason. The Nyungu deposits have all the characteristics of a long-life, large-scale, open-pit copper mining and processing operation, with regionally well known metallurgy and significant exploration upside. Zambia is also recognised as a leading jurisdiction to explore and develop mining operations in Africa.

After completion of the acquisition, we undertook a detailed review and validation exercise on all the available geological data we acquired and received. This work delivered us multiple new significant drilling intersections from previously unassayed or unreleased samples, highlighting the necessity to look more carefully at the geology for opportunities. With similar widths and tenor of copper grades to other Mumbezhi data sets, these additional results provided us with further confidence in the overall prospectivity of the Nyungu deposits.

We commenced drilling at Mumbezhi in early July 2024. Our maiden programme comprises some 30 holes of reverse circulation and diamond drilling for approximately 7,000m. It targets both Mineral Resource definition and importantly extensional growth drilling of the well mineralised Nyungu Central deposit, which is open along strike and at depth, along with scout work in other areas of the licence. I am pleased to report that this programme is proceeding well.

Alongside this drilling, we are focused on de-risking activities such as undertaking metallurgical studies and activities to support an Environmental Social Impact Assessment (ESIA) Report for Mumbezhi. With exploration success, these activities are driving towards the targeted release of a maiden Mineral Resource Estimate and Scoping Study during H1 2025, along with submission of a Mining Lease Application. It really is all systems go for us at Mumbezhi and we couldn't be more pleased to be rapidly advancing this attractive flagship copper asset at a time of significant interest in the red metal.

Leading the way in the electrification metals revolution

We also made significant advances with our lithium exploration projects, Step Aside in Zimbabwe and Omaruru in Namibia. Our field and geology teams have worked diligently to produce a series of significant results over multiple phases of drilling at both assets. At every stage, these assets have indicated substantial additional mineralisation growth potential ready to be further uncovered.

In particular, the “WinBin” mineralised zone at Step Aside was a pleasing discovery and enabled us to swiftly identify what we now know to be a significant co-joined mineralised pegmatite system that remains open in multiple directions and at depth. With similar mineralogical characteristics to the Arcadia deposit, located just 8km to the south, this system offers strong potential for amenability to processing via a conventional lithium flowsheet such as the Arcadia plant.

With our focus now directed towards the rapid advancement of the Mumbezhi Project, we have reduced our exploration activities at Step Aside and Omaruru from the levels of the past 12-18 months. We are now considering potential commercialisation routes for these two attractive lithium assets and with Step Aside in particular, are actively testing market interest despite a subdued commodity price environment.

Our team is also willing and able to act on other value-accretive opportunities that might 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.

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

24 September 2024



Review of Operations

Highlights

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

- (a) **23 Aug 2023** - Directors showing support for the Company through the purchase of additional shares on market.
- (b) **30 Aug 2023** - Drilling continues to define Omaruru potential with a follow-up Phase 1 RC drilling programme completed at Omaruru Lithium Project in central Namibia.
- (c) **18 Oct 2023** - Significant Lithium Discovery at Step Aside with abundant coarse spodumene crystals visible in logged core. Represents an exciting new discovery in a zone that was targeted for scout drilling following identified Li-in-soil anomalism, showing strong proof of targeting methodology.
- (d) **23 Oct 2023** - Retirement of director at conclusion of 2023 AGM. Mr Chen joined the Board in November 2017 and served the company with distinction through various challenges and changed market conditions ultimately leading to significant value creation for all shareholders.
- (e) **13 Nov 2023** - WinBin discovery rapidly growing at Step Aside. Follow-up diamond drill hole CDD056 at new WinBin discovery returned an intercept of 33m @ 1.18% Li₂O from 81m, including 24m @ 1.41% Li₂O from 88m.
- (f) **15 Nov 2023** - Significant new drill targets identified at Omaruru.
- (g) **20 Nov 2023** - Conference presentation 121 - Mines & Money London. Prospect senior management presented the Company and its projects to the London market.
- (h) **17 Jan 2024** - Omaruru Phase 2 drilling programme commenced at Omaruru Lithium Project in Namibia.
- (i) **21 Mar 2024** - Acquisition of 100% of the Omaruru Lithium Project executed for the acquisition of the residual 60% interest in Omaruru Lithium Project from Osino Resources for US\$75,000 cash.
- (j) **9 Apr 2024** - Acquisition of advanced Copper Project in Zambia with two concurrent agreements executed over the large-scale Mumbhezhi Copper Project (Mumbhezhi or the Project) located in the Zambian Copperbelt, a prized geological jurisdiction. Prospect successfully unlocked this disputed and potentially world-class copper-cobalt asset by securing binding agreements with the parties involved and releasing its latent prospectivity.

Prospect agreed to:

- Acquire an 85% interest in Mumbhezhi from current owner, Global Development Cooperation Consulting Zambia Limited (GDC), for approx. US\$5.5 million in cash and US\$1m Prospect scrip (priced at a 20% premium to 5-day VWAP upon all CPs being satisfied).
 - Pay approx. \$1 million in Prospect scrip plus options to Orpheus Uranium Limited (ORP) as reimbursement of select exploration costs on Mumbhezhi, with ORP agreeing to withdraw all legal claims to the exploration licence and share all historical geological and mining data pertaining to the Project.
 - Upon definition of a JORC-reportable Mineral Resource exceeding 500,000 tonnes of contained copper metal, Prospect has also agreed to a milestone payment of \$2.5 million cash to ORP.
- (k) **15 Apr 2024** - Directors again showing support for the Company through the purchase of additional shares on market.
 - (l) **30 May 2024** - Mumbhezhi Copper Project acquisition completed.
 - (m) **17 Jun 2024** - Assays confirm strong prospectivity of Mumbhezhi Copper Project with new wide, excellent tenor copper intercepts from Nyungu Central deposit at Mumbhezhi Project (85% acquired by Prospect), located in the world-class Zambian Copperbelt. Previously unreleased results derived via concurrent acquisition of prior drilling data show similar widths and tenor of copper grades to other historical Mumbhezhi data sets, providing further confidence in overall prospectivity of the Nyungu deposits.
 - (n) **8 Jul 2024** - Appointment of Ian Goldberg as Executive Director – Finance. Ian 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 (Arcadia), most particularly during the strategic financing process. Supported by Ian's guidance and expertise, Arcadia was successfully sold to Zhejiang Huayou Cobalt in April 2022 for US\$378 million in cash.
 - (o) **2 Aug 2024** - Raised \$8 million through a well-supported placement to advance the Mumbhezhi Copper Project. The Placement was strongly supported by new and existing Australian and international institutional and sophisticated investors. Funds raised to advance exploration and development activities at Mumbhezhi Copper Project, driven by its underlying prospectivity and commercialisation potential.

Mumbezhi Copper Project (Zambia); 85% PSC

Project Overview

The Mumbezhi Copper Project is situated in the world-class Central African Copperbelt region of north-western Zambia and located on a single Large Scale Exploration Licence (30426-HQ-LEL) (Licence), covering an area of approximately 356 square kilometres. The area is prospective for large tonnage, low to medium grade copper deposits. Several major mines lie proximate to Mumbezhi and are hosted in similar geological settings (see Figures 1-2).



Figure 1. Location Map for Mumbezhi Copper Project in Zambia

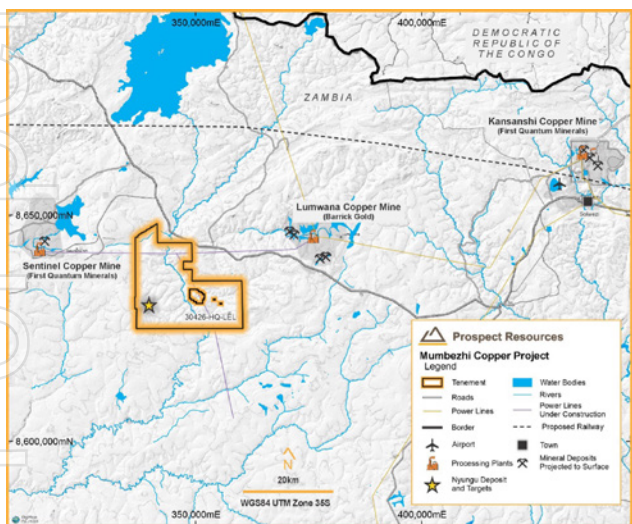


Figure 2. Mumbezhi Copper Project in Zambia

Acquisition of 85% interest in Mumbezhi

On 9 April 2024, two separate Sale and Purchase Agreements were executed for the acquisition of the Mumbezhi Copper Project. Under the terms of these two agreements, Prospect agreed to:

- 1) Acquire an 85% interest in Mumbezhi from GDC, for a total consideration of US\$6.5 million.
- 2) Pay approximately A\$1 million in Prospect scrip plus options to ORP as reimbursement of select exploration costs on Mumbezhi. In return, ORP would withdraw all legal claims to the pre-existing exploration licence and share all historical geological and mining data. This included all technical and metallurgical testing information in relation to the licence and all physical drill core and samples.

The commercial terms to ORP also include a contingent milestone payment to ORP of A\$2,500,000 cash based on Prospect achieving a JORC-reportable Mineral Resource of 500,000 tonnes of contained copper, at a copper cut-off grade of 0.5% Cu from the Project.

Orpheus

Following the results of conditions precedent being met, the Company issued the following securities to ORP on 3 May 2024:

- 8,333,333 ordinary shares in Prospect at an issue price of A\$0.12 per share (issue price was equal to the 5-day VWAP on the date the condition precedent was satisfied).
- 6,250,000 unlisted options to acquire ordinary shares in Prospect at \$0.15 per share, expiring on 11 April 2027.

GDC

The acquisition of Mumbezhi was completed on 30 May 2024 when the Company announced it had finalised the second part of the transaction with completion of the GDC Agreement. This included the transfer of:

- US\$5.35 million; with US\$150,000 previously paid, for a total of US\$5.5 million.
- Prospect shares to the value of US\$1,000,000 at a VWAP of US\$0.1426 (AU\$0.216). The Company issued 7,014,590 ordinary shares in Prospect to GDC.

Consulting Agreement

In connection with the Mumbezhi acquisition, Prospect entered into a consultancy agreement with Mr Valentine Chitalu (Mr. Chitalu). Mr. Chitalu assisted Prospect in the completion of the Mumbezhi acquisition and will advise Prospect in relation to its broader operations and investments in Zambia.

The consultancy agreement with Mr. Chitalu is for a term of three years commencing 1 March 2024, which can be extended by agreement. His remuneration includes a fixed monthly consulting fee and a short term incentives. The Consulting fee is a combination of cash and Prospect shares whereas the short term incentives is through performance rights. Prospect also agreed to grant Mr. Chitalu an option to acquire up to a 5% ownership interest in Osprey Resources Limited ("Osprey") which holds Mumbezhi, for US\$2.5 million (pro-rated if acquiring for less than 5%), subject to conditions and the terms of the shareholders agreement in relation to Osprey. The option is valid for 18 months from completion of the Mumbezhi acquisition.

Validation of historical assays confirms strong prospectivity

Following completion of the Mumbezhi acquisition, Prospect compiled and reviewed all the technical and hard data (drill core, RC chips, sample pulps) purchased from ORP. The data set included previously unreported drill intersections and unassayed pulped samples from 13 deep infill diamond holes completed at Nyungu Central, and seven RC drill holes conducted at Nyungu East, during 2021.

On 17 June 2024, Prospect announced it had interrogated and validated the entire data along with other drill data information collated for Mumbezhi that pre-dated ORP's exploration activities at the Project.

Nyungu Central

The drill intersections from the diamond holes (NYDD052-064) were particularly impressive with the following significant intervals reported:

- 38.0m @ 0.87% Cu from 101.0m and 32.0m @ 0.68% Cu from 159.0m (NYDD058)
- 32.0m @ 0.87% Cu from 353.0m and 28.1m @ 0.79% Cu from 103.0m (NYDD062)
- 20.0m @ 1.08% Cu from 27.0m (NYDD054)
- 17.0m @ 1.03% Cu from 29.0m (NYDD055)
- 24.0m @ 0.72% Cu from 104.0m (NYDD061)
- 11.0m @ 1.37% Cu from 134.0m incl. 8.0m @ 1.58% Cu from 135.0m (NYDD056)
- 17.0m @ 0.79% Cu from 182.0m incl. 4.0m @ 1.03% Cu from 195.0m (NYDD057)

Prospect verified actual locations and assays for 62 drill holes completed at the Nyungu Central and Nyungu South deposits located in the southwest corner of the Mumbezhi licence. Some of the better copper intersections returned from Nyungu Central (previously reported, and now validated by Prospect) during these historical programmes included:

- 148.0m @ 0.35% Cu from 16.0m (MBD01RC002)
- 30.0m @ 1.62% Cu from 174.0m incl. 6.0m @ 5.50% Cu from 174.0m (NYU11RD021)
- 76.1m @ 0.60% Cu from 216.9m incl. 35.1m @ 0.77% Cu from 216.9m (NYRD031)
- 44.5m @ 0.96% Cu from 177.0m (NYRD046)
- 31.0m @ 1.06% Cu from 166.0m (NYU11RD010)
- 48.0m @ 0.63% Cu from 36.0m (MBD00RC009)
- 61.0m @ 0.42% Cu from 184.0m (NYU11RD001)
- 21.2m @ 1.03% Cu from 63.6m and 18.0m @ 0.85% Cu from 258.3m (NYRD045)
- 34.0m @ 0.67% Cu from 64.0m (NYU11RD022)
- 17.0m @ 0.68% Cu from 50.0m (NYU11RD023)

The validated drilling data sets have now been captured into a dedicated spatial database, which forms the basis for ongoing 3D modelling of the Nyungu deposits and ultimately the estimation of a maiden JORC-reportable copper mineral resource for Mumbezhi.

Drilling Commenced at Mumbezhi

Subsequent to year end, on 11 July 2024, Prospect announced that it had commenced its maiden drilling programme at Mumbezhi. The Phase 1 programme is scheduled for approximately 30 RC and diamond boreholes for 7,000 metres of drilling over a strike extent of nearly 1 kilometre (see Figure 3).

The programme will initially include Mineral Resource definition drilling before targeting extensional opportunities at Nyungu Central where historical drill hole intersections produced very impressive results. Drilling will then move to Nyungu South, Nyungu West and adjacent regional prospect areas on strike with Nyungu Central.

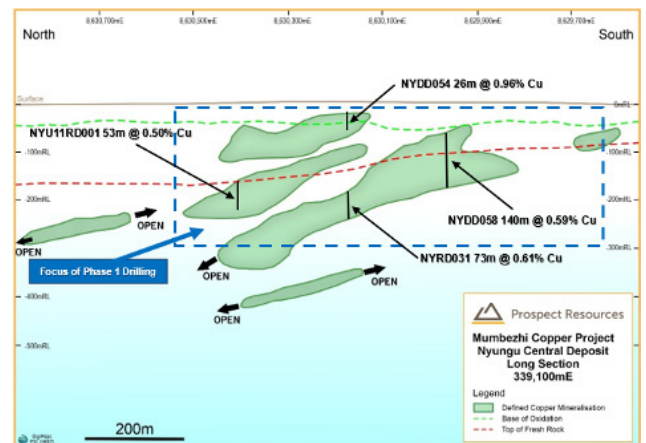


Figure 3. Nyungu Central Long Section - shows defined copper mineralisation, focus of Phase 1 Drilling (dashed blue outline) and selected drilling intersections

Figure 3 shows an interpreted long section through the defined copper mineralisation for Nyungu Central centred on 339100mE and incorporates drilling and assay data within a 240m wide east-west window (shown diagrammatically below in orange in Figure 4), which represents the current 3D understanding.

Figure 3 also includes the focus area for the Phase 1 drilling (blue dashed polygon) that shows the intent to extend the resource's limits laterally and along strike; and selected drill intercepts¹ through different sections of the deposit:

- NYDD054 26m @ 0.96% Cu from 21m
- NYDD058 140m @ 0.59% Cu from 51m
- NYU11RD001 53m @ 0.50% Cu from 186m
- NYRD031 73m @ 0.61% Cu from 217m

Historical scarce regional drilling of multiple exploratory targets, some already having mineralised intersections but only targeted on a cursory basis, form a separate phase of drilling during the dry season of 2025, with the aim to further develop latent copper prospectivity and potential. Programmes of geophysical IP surveying and geochemical grid sampling will inform a clear ranking for prioritising the targets to be drilled next year.

Part of the Phase 1 diamond drilling is also designed to supply materials for comprehensive metallurgical studies, supporting comminution and flotation test work, based on the expected feed ratios for fresh and transitional materials at the Project. This will also enable initial variability testing to directly inform a proposed Scoping Study for Mumbhezhi and support the future economic evaluation of an open-pit mining operation. The test work programmes are expected to commence during Q3 2024.

ESIA studies are also underway and expected to be completed by the end of December 2024, with a submission to the Zambia Environmental Management Agency (ZEMA) thereafter. This important body of work is a critical step in the ongoing development of the Mumbhezhi Project and a key component required in the Company's application for Mining Licences over the Mumbhezhi Project due for submission during H1 2025.

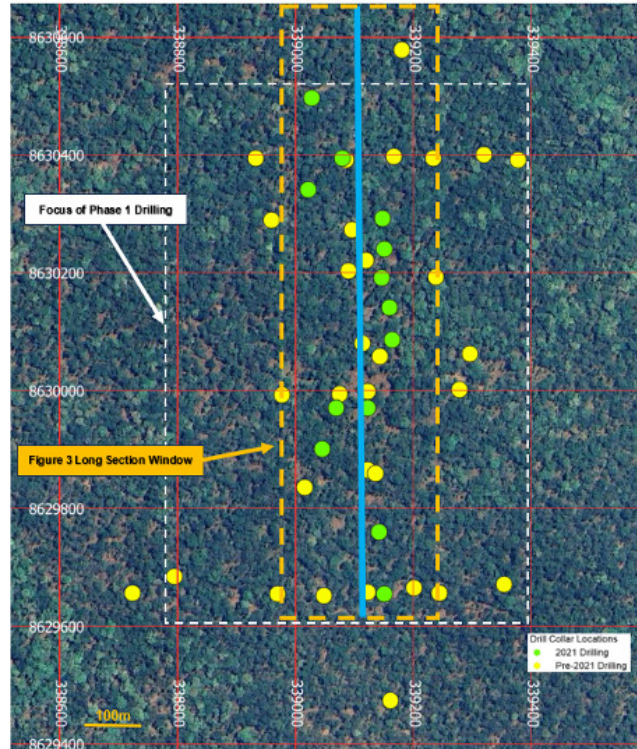


Figure 4. Focus of Phase 1 drilling programme at Nyungu Central and extent of Long Section



Figure 5. Phase 1 Diamond drilling rig on site at the Mumbhezhi Copper Project

¹ Refer PSC ASX release dated 11 July 2024, *Drilling Commences at Mumbhezhi Copper Project*

Step Aside Lithium Project (Zimbabwe); 90% PSC

The Step Aside Lithium Project is located 35km from Harare (and approximately 8km north of the Arcadia Lithium Mine Project). It comprises approximately 100 hectares of claim within the Harare Greenstone Belt.

The prospectivity of this area was confirmed by positive historical regional stream and soil sample geochemistry results, with recent infill work validating potential extensions. The lithium prospectivity is centred on a suite of mineralised pegmatites that geologically mapped to intrude and crosscut a meta-dolerite host rock. The pegmatites run parallel to each other in a north-south orientation, with the dominant lithium mineralisation being spodumene.

The Company has completed 4 drill programmes with the final results from the Phase 4 diamond drilling programme received towards the end of the year (see Prospect ASX Announcement 20 June 2024), with very encouraging drilling intersections noted again for WinBin (where an additional 100m of strike to the southwest was achieved) and depth extensions to Pegmatites E and C, which were specifically targeted for this purpose during the Phase 4 campaign.

WinBin

This deposit is considered the feeder zone for Pegmatites A to F at Step Aside and was targeted with two holes in the Phase 4 programme.

Results returned from CDD078 showed an exceptionally high-grade intersection of 13.0m @ 1.68% Li₂O from 75.5m (true width ~8.5m), situated 100m southwest of the initial discovery cluster (Prospect ASX Announcement dated 18 October 2023). The coarse spodumene mineralisation observed in the intercept continues at depth, as indicated by the underlying interval in strike-oblique hole CDD072 from the Phase 3 programme.

Pegmatite E

Despite high-grade intersections having been returned from Pegmatite E during 2023 (see Prospect ASX Announcement dated 20 December 2023), Prospect's focus on the WinBin discovery in October 2023 resulted in no further work at the northernmost deposit until the recent Phase 4 programme where it was targeted with seven holes.

Results were very encouraging and confirmed the earlier high-grade lithium results from this deposit, including:

- 15.3m @ 1.25% Li₂O from 179.9m, incl. 11.0m @ 1.60% Li₂O from 182.0m (CDD090)
- 6.0m @ 1.12% Li₂O from 23.6m (CDD086)

Whilst Pegmatite E only strikes over a short distance in the north-eastern corner of Prospect's Step Aside claim, the thickening of the deposit here at depth (to 130m vertical from surface) was a very positive result and the lithium mineralisation remains open.

Pegmatite C

This deposit has been shown to be co-joined to the WinBin discovery and strikes at least 400m to the north-west within mafic rock sequences. During Phase 4, a number of new holes and three hole re-entries were completed for Pegmatite C. The aim of the latter holes was to target the deposit at depth, with that result being largely achieved. Significant drilling intersections returned from Pegmatite C during Phase 4 included:

- 5.0m @ 1.68% Li₂O from 149.0m (CDD042 re-entry)
- 4.2m @ 0.93% Li₂O from 212.0m (CDD010B re-entry)

The Pegmatite C intersections encountered in these re-entered holes, CDD042 and CDD010B, indicate that the lithium mineralisation at Step Aside extends to some distance at depth, with the CDD010B intersection located 200m vertically from natural surface, the deepest intercept drilled by Prospect at Step Aside.

Metallurgical test work studies on a 30kg composite of mineralised lithium pegmatites collected from the Step Aside Project were completed, showing a highly positive flotation response noted from the material consistent with Arcadia ore performance. The results show an excellent flotation baseline performance paving the way for further comprehensive variability testing and grade recovery optimisation in support of further techno-economic assessments for Step Aside ore body.

Next Steps

Exploration activities at Step Aside have now been pared back to minimum holding commitments. The Company has instigated a process to potentially monetise the lithium asset and is currently preparing and setting up a Sales Process Data Room with all supporting technical documentation.

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Omaruru Lithium Project (Namibia); 100% PSC

The Omaruru Lithium Project (Omaruru), comprising the EPL 5533 tenement, is centred on the village of Wilhelmstal, east of Karibib in Namibia and covers 131 square kilometres. The tenement is located near a number of advanced mining projects, including Yantai Gold's Twin Hills Gold Project and Lepidico's Karibib Lithium Project.

EPL 5533 contains 60 visible outcropping LCT pegmatites, with historical artisanal workings for gemstones common throughout the tenement and considerable prospectivity for the identification of further lithium-enriched deposits occurring below cover in the region.

Omaruru offers excellent potential for Prospect to delineate maiden JORC-reportable lithium Mineral Resource estimates and identify new deposits to build a project of sufficient scale, as well as establishing a strategic position in Namibia, providing an attractive growth pipeline in the battery minerals sector and continued investment in a desirable jurisdiction of sub-Saharan Africa.

Prospect completed its Phase 2 and final RAB and RC drilling programme at Omaruru (focussed on Karlsbrunn, Brockmans and Bergers) during mid-April, with a total of 77 holes completed for 4,249 metres. All results and subsequent interpretation became available during June (see Prospect ASX Announcement 20 June 2024).

Karlsbrunn Main and Karlsbrunn NE

Significant intersections returned from this work included:

- 11m @ 1.07% Li₂O from 7m (OMR088), and;
- 20m @ 0.63% Li₂O from 7m, including 8m @ 0.80% Li₂O from 9m (OMR087)

The RC drilling was aimed at extending the Main deposit's root zone feeder system to depth and drillholes OMR087-088 confirmed this, albeit over a relatively small footprint.

The remaining RC holes at Karlsbrunn NE closed off extensions of the Main deposit to the south and northeast. The mineralisation at Karlsbrunn Main appears zoned either side of an unmineralised quartz core, and is dominated by lepidolite and petalite, and hosted in a folded rock sequence of marbles and calc-silicates.

Karlsbrunn SE

On 15 November 2023, Prospect announced on the ASX, that a newly discovered pegmatite prospect at Karlsbrunn SE had generated a series of coherent lithium anomalies from geochemical soil sampling. This region was targeted with 18 RAB holes during the Phase 2 drilling programme, testing the subsurface to between 40-50m vertically.

The drilling was successful in intersecting significant widths of pegmatite dipping shallowly to the southeast, however, assays returned from these pegmatites, whilst very consistent in grade (0.10- 0.15% Li₂O), proved the prospect only contained sub-economic Li mineralisation.



Bergers

On 26 April 2023, Prospect announced the results of a geochemical soil sampling programme over Omaruru, which included grids over interpreted, concealed pegmatites at Bergers.

That programme produced encouraging, cohesive anomalies in LCT pathfinder elements over the geochemical grids at Bergers. During the follow-up Phase 1 programme, seven holes were completed at the Bergers NE and Bergers Central areas. The Bergers SW area was found to be too challenging to drill with conventional RC rigs (Prospect ASX Announcement 30 August 2023).

The follow-up Phase 2 drilling at Bergers consisted of 12 RC holes. The drilling produced a single significant intersection of 2m @ 0.83% Li₂O from 42m in drill hole OMR066 and downgraded the potential of Bergers and shows that the surface pegmatite expressions do not thicken and coalesce at depth, as had been interpreted.

Brockmans

The Brockmans deposit was identified by Prospect as striking over a considerable distance, with encouraging thicknesses and strongly anomalous intersections drilled during Phase 1 – RC hole OMR018 returned 6m @ 1.3% Li₂O from 13m (see Prospect ASX Announcement dated 28 March 2023).

There remained a 500m section north of OMR018 at Brockmans that had not been drilled comprehensively and the area was targeted during the Phase 2 drilling programme.

A total of 14 RC holes for 1,129m were completed and returned two encouraging intersections just over 800m north of OMR018.

These included:

- 3m @ 0.74% Li₂O from 56m (OMR054), and;
- 3m @ 0.51% Li₂O from 46m (OMR053)

These drill holes are adjacent to each other and seem to occur in an area where Brockmans thickens and changes general strike from north to northeast.

A similar geological interpretation is noted near OMR018 to the south, where the Brockmans deposit again thickens (structurally) and changes strike from south to southwest.

The deposit is now interpreted geologically as being structurally controlled with two specific regions mineralised with higher-grade lithium (as petalite) at either end of the kilometre long surface outcrop.

Next Steps

The completion of the Phase 2 drilling programme at Omaruru, and recent acquisition of 100% interest, has laid the platform for Prospect to re-assess its priorities at Omaruru, free of the original earn-in obligations of the preceding JV Agreement with Osino Resources.

Consequently, Prospect will now internally review all the data it has generated for Omaruru across the large licence holding it now wholly owns.

Exploration activities are set to be pared back to minimum holding commitments, whilst evaluating additional lithium prospectivity within the licence for future drill targeting.

Corporate Responsibility

Directors'
Report



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 2024. 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
HeNian Chen (Meng Sun as alternate)	Non-Executive Director (resigned 23 November 2023)
Gaurav Gupta	Non-Executive Director
Ian Goldberg	Executive Director Finance (appointed 8 July 2024) Chief Financial Officer Joint Company Secretary
Harry Miller	Joint Company Secretary

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 \$7,019,377 (2023: profit after tax \$5,556,000).

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.

Matters Subsequent to the End of the Financial Year

Other than as stated below, no matter or circumstance has arisen since 30 June 2024 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 8 July 2024, the Group appointed Ian Goldberg as executive director finance.
- On 2 August 2024, a capital raising was completed and the Group was able to raise funds totalling \$7,955,000 before share issue costs.
- On 3 September 2024, a total of 1,630,327 performance rights have lapsed which equates to the ratio of the 2024 short term incentive performance hurdles that have not been met.
- On 12 August 2024, the Group opened a Share Purchase Plan (SPP) which provides an opportunity for eligible shareholders to acquire up to \$30,000 worth of new share without incurring any brokerage costs, commission, or other transaction costs for an issue price of \$0.10 per new share. The SPP closed on 4 September 2024 and the Group raised a total of \$1,123,000.

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 2024. An unfranked dividend of \$0.79 per share and capital return of \$0.17 per share, which were declared at 30 June 2022, were paid in the financial year ended 30 June 2023.

Likely Developments / Strategies and Prospects

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

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Information on Directors

Mark Wheatley

(Non-Executive Director and Chairman)
appointed 8 January 2021

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

Peninsula Energy Limited (appointed 26 April 2016)

Former listed directorships in the last three years

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

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

Sam Hosack

(Managing Director)
appointed 14 July 2018

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

16,618,054 ordinary shares, 5,076,000 options, and 2,134,615 performance rights

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

5,172,500 ordinary shares, 3,377,000 options, and 1,407,115 performance rights

Gerry Fahey

(Non-Executive Director)
appointed 15 July 2013

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 current listed 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

1,700,000 ordinary shares, 1,000,000 options, and Nil performance rights

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Zivanayi (Zed) Rusike
(Non-Executive Director)
appointed 26 September 2013

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, 1,000,000 options, and Nil performance rights

HeNian Chen
(Non-Executive Director)
appointed 13 November 2017,
resigned 23 November 2023

Experience and expertise

Mr Chen has served as the Chairman of Changshu Yuhua Property Co. Ltd since 2003 and has served as the Deputy Chairman of Afore New Energy Technology (Shanghai) Co. Ltd since 2007.

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

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

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

6,913,744 ordinary shares, 333,333 options, and Nil performance rights

Gaurav Gupta
(Non-Executive Director)
appointed 23 January 2023

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

Company Secretary

Mr Ian Goldberg and Mr Lee Tamplin were appointed joint company secretaries on 8 March 2021. On 22 September 2023, Mr Tamplin resigned and was replaced by Mr Harry Miller. 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. Mr Tamplin held the same role until his resignation.

Meetings of Directors

The number of Board and Committee meetings of the Company's board held during the year ended 30 June 2024 that each Director was eligible to attend, and the number of meetings attended by each Director were:

Director	Number of Meetings					
	Board		Audit & Risk		Remuneration & Nomination	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mark Wheatley	10	10	-	-	2	2
Sam Hosack	10	10	-	-	-	-
Gerry Fahey	10	10	-	-	2	2
Zed Rusike	10	10	2	2	2	2
Gaurav Gupta	10	10	2	2	-	-
HeNian Chen (or Meng Sun)	4	4	1	1	2	2

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.

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.

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.

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 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Revenue (\$'000)	801	825	1,405	442	369
Net loss after tax from continuing operation (\$'000)	(6,947)	(5,207)	(17,882)	(2,509)	(4,607)
Net gain / (loss) from discontinued operations (\$'000)	(72)	(349)	415,389	(1,236)	-
Net (loss) / profit after tax (\$'000)	(7,019)	(5,556)	397,507	(3,745)	(4,607)
Share price at end of year (cents)	15.5	16.0	97.0	21.0	7.2
Dividends paid (cents)	-	79.0	-	-	-
Basic earnings per share (cents per share)	(1.50)	(1.19)	(4.29)	(1.06)	(1.79)
Diluted earnings per share (cents per share)	(1.50)	(1.19)	(4.20)	(1.06)	(1.79)

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
Sam Hosack	Director	Managing Director
Duncan (Harry) Greaves	Executive	Senior Consultant
Gerry Fahey	Director	Non-Executive Director
Zivanayi (Zed) Rusike	Director	Non-Executive Director
Gaurav Gupta	Director	Non-Executive Director
Ian Goldberg	Executive	Chief Financial Officer and Joint Company Secretary
David Broomfield	Executive	Business Development Manager

2) Details of remuneration

2024	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS		OTHER ⁽ⁱⁱ⁾	Total	Performance related
	Salary & Fees	Bonus ⁽ⁱⁱⁱ⁾	Superannuation	Rights ⁽ⁱⁱⁱ⁾	Options ^(iv)	Leave provision movements		
	\$	\$	\$	\$	\$	\$	%	
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	

2023	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS		OTHER ⁽ⁱⁱ⁾	Total	Performance related
	Salary & Fees	Bonus ⁽ⁱⁱⁱ⁾	Superannuation	Rights ⁽ⁱⁱⁱ⁾	Options ^(iv)	Leave provision movements		
	\$	\$	\$	\$	\$	\$	%	
Non-Executive Directors								
M Wheatley	79,276	-	8,324	-	84,422	-	172,022	0%
G Fahey	32,579	-	3,421	-	52,764	-	88,764	0%
Z Rusike	36,000	-	-	-	52,764	-	88,764	0%
D Shetty	21,000	-	-	-	-	-	21,000	0%
H Chen ⁽ⁱ⁾	32,579	-	3,421	-	52,764	-	88,764	0%
G Gupta	15,900	-	-	-	-	-	15,900	0%
Executive Directors								
H Greaves	41,667	-	-	-	-	-	41,667	0%
S Hosack	328,620	-	21,380	111,478	81,188	(31,367)	511,299	38%
Other Key Management Personnel								
I Goldberg	274,708	-	25,292	44,318	31,066	(947)	374,437	20%
H Greaves	208,333	-	-	37,500	26,406	-	272,239	23%
D Broomfield	224,444	54,899	29,606	-	23,299	16,160	348,408	22%
Total	1,295,106	54,899	91,444	193,296	404,673	(16,154)	2,023,264	

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- (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 55% (2023: 65%) was deemed achieved. This was formally approved by the board on 3 September 2024 (2023: 10 August 2023). 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 exceeding \$0.33 per share for those granted during the year and \$0.25 per share for those granted in the prior year on a continuous period of 30 days during a 3 year period from the grant dates and (b) remaining in employment of the Group 3 years after grant dates. The options for the non-executive directors vest evenly on 7 October 2023, 7 October 2024, and 7 October 2025 and requires they remain directors of the Group at the end of each vesting periods.

3) Service agreements

Non-Executive Directors

The non-executive director remuneration during the year is \$36,000 per annum inclusive of superannuation (if applicable) (2023: \$36,000).

The Chairperson Mr Wheatley has a service agreement with a total annual salary of \$87,600 inclusive of super. After the initial role orientation phase, 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 2024 (2023: \$Nil).

Executive Directors

Mr Hosack entered into an executive service agreement commencing 13 May 2018. The total annual salary increased to \$350,000 per annum inclusive of superannuation upon his appointment to Managing Director which occurred on 14 July 2018 and remains at this level.

Other Executives

Mr Goldberg entered into an executive services agreement commencing 6 February 2021 with a total salary of \$300,000 per annum inclusive of superannuation. This was adjusted subsequently to cover for the increase in the required superannuation guarantee contribution.

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 is \$250,000 per annum and subject to yearly review.

Mr Broomfield entered into an executive services agreement for the Business Development Manager role commencing 26 April 2022. His total salary is \$250,000 per annum inclusive of superannuation. This was adjusted subsequently to cover for the increase in the required superannuation guarantee contribution.

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 of 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 5,604,000 share options and 3,284,615 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 years are as follows:

Series	No. of shares	Grant date	Grant date fair value	Exercise price	Expiry date	Vesting date
Options						
Issued 10/08/23	2,076,000	23-Nov-23	\$0.060	\$0.20	9-Aug-27	10-Aug-26
Issued 10/08/23	3,528,000	10-Aug-23	\$0.071	\$0.20	9-Aug-27	10-Aug-26
	5,604,000					
Rights						
Issued 10/08/23	742,308	23-Nov-23	\$0.096	\$0.00	10-Aug-26	10-Aug-24
Issued 10/08/23	742,307	23-Nov-23	\$0.096	\$0.00	10-Aug-26	10-Aug-25
Issued 10/08/23	900,000	10-Aug-23	\$0.110	\$0.00	10-Aug-26	10-Aug-24
Issued 10/08/23	900,000	10-Aug-23	\$0.110	\$0.00	10-Aug-26	10-Aug-25
	3,284,615					

Subsequent to 30 June 2024, 1,478,077 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 2024	Opening balance	Purchases	Exercise of rights	Disposal	Closing balance
M Wheatley	3,000,000	1,000,000	-	-	4,000,000
G Fahey	1,325,000	375,000	-	-	1,700,000
Z Rusike	3,040,374	-	-	-	3,040,374
G Gupta	-	-	-	-	-
H Chen ⁽ⁱ⁾	6,913,744	-	-	-	6,913,744
S Hosack	12,490,854	3,477,200	650,000	-	16,618,054
I Goldberg	4,750,000	-	422,500	-	5,172,500
H Greaves	5,517,954	-	-	-	5,517,954
D Broomfield	-	-	-	-	-
	37,037,926	4,852,200	1,072,500	-	42,962,626

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

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Options held at 30 June 2024	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	533,333
G Fahey	1,000,000	-	-	-	1,000,000	333,333	333,333
Z Rusike	1,000,000	-	-	-	1,000,000	333,333	333,333
H Chen	1,000,000	-	-	(666,667)	333,333	333,333	333,333
G Gupta	-	-	-	-	-	-	-
S Hosack	3,000,000	2,076,000	-	-	5,076,000	-	-
I Goldberg	2,000,000	1,377,000	-	-	3,377,000	-	-
H Greaves	1,700,000	1,140,000	-	-	2,840,000	-	-
D Broomfield	1,500,000	1,011,000	-	-	2,511,000	-	-
	12,800,000	5,604,000	-	(666,667)	17,737,333	1,533,332	1,533,332

Performance Rights held at 30 June 2024	Opening balance	Granted as compensation	Vested and converted	Forfeited	Closing balance	Vested during the year	Vested and exercisable
M Wheatley	-	-	-	-	-	-	-
G Fahey	-	-	-	-	-	-	-
Z Rusike	-	-	-	-	-	-	-
H Chen	-	-	-	-	-	-	-
G Gupta	-	-	-	-	-	-	-
S Hosack	2,000,000	1,484,615	(650,000)	(700,000)	2,134,615	650,000	-
I Goldberg	1,300,000	984,615	(422,500)	(455,000)	1,407,115	422,500	-
H Greaves	1,100,000	815,385	-	(385,000)	1,530,385	357,500	357,500
D Broomfield	-	-	-	-	-	-	-
	4,400,000	3,284,615	(1,072,500)	(1,540,000)	5,072,115	1,430,000	357,500

(End of Remuneration Report)

Additional Information

(a) Shares under option

At 30 June 2024 the Company had 37,667,033 unlisted options over ordinary shares under issue (30 June 2023: 17,850,000).

(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 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 \$82,823 (excluding GST) was paid or payable for audit services provided by Stantons (2023: \$81,253). Non related audit firms have been paid or are payable \$3,472 for audit services of subsidiaries (2023: \$Nil).

(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 63 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 24 September 2024 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 24 September 2024

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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 2024 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 2024.

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



Sam Hosack
Managing Director

Perth, Western Australia
Dated 24 September 2024



Financial Report



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	Consolidated	
		2024 \$'000	2023 \$'000
Continuing operations			
Revenue			
Other income	4	801	825
Expenses			
Depreciation expense	12	(133)	(106)
Employee benefits expenses		(3,491)	(3,097)
Foreign currency exchange gain		100	161
Interest expense		(5)	(6)
Share based payments expense	18(a)	(1,087)	(675)
Share of net loss in joint venture	11	(94)	(15)
Impairment of goodwill	11	(298)	-
Other administrative expenses		(2,740)	(2,295)
Loss from continuing operations before income tax		(6,947)	(5,208)
Income tax expense	5	-	-
Loss from continuing operations after tax		(6,947)	(5,208)
Loss from discontinued operations	20(c)	(72)	(348)
Loss for the year		(7,019)	(5,556)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(72)	52
Other comprehensive income/(loss) for the year net of tax		(72)	52
Total comprehensive loss for the year		(7,091)	(5,504)
Loss attributable to:			
Equity holders of the Company		(7,013)	(5,482)
Non-controlling interests	20(a)	(6)	(74)
		(7,019)	(5,556)
Total comprehensive loss attributable to:			
Equity holders of the Company		(7,085)	(5,430)
Non-controlling interests	20(a)	(6)	(74)
		(7,091)	(5,504)
Loss per share from continuing operations			
Basic loss per share (cents)	28	(1.49)	(1.11)
Diluted loss per share (cents)	28	(1.49)	(1.11)
Loss per share from discontinuing operations			
Basic loss per share (cents)	28	(0.01)	(0.08)
Diluted loss per share (cents)	28	(0.01)	(0.08)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As at June 2024

	Note	Consolidated	
		2024	2023
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	8,337	26,191
Trade and other receivables	8	286	39
Other current assets	9	142	55
Assets held for sale	10	3,802	-
Total Current Assets		12,567	26,285
Non-Current Assets			
Investment in joint venture	11	-	1,458
Property, plant and equipment	12	733	389
Exploration and evaluation expenditure	13	14,011	1,635
Other assets		2	7
Total Non-Current Assets		14,746	3,489
Total Assets		27,313	29,774
LIABILITIES			
Current Liabilities			
Trade and other payables	14	847	456
Liabilities directly associated with the assets held for sale	10	18	-
Lease liability	15	41	57
Provisions	16	123	118
Total Current Liabilities		1,029	631
Non-Current Liabilities			
Lease liability	15	-	41
Provisions	16	20	36
Total Non-Current Liabilities		20	77
Total Liabilities		1,049	708
Net Assets		26,264	29,066
EQUITY			
Contributed equity	17	29,312	26,646
Reserves	18	29,613	28,062
Accumulated losses	19	(32,655)	(25,642)
Total Equity Attributable to Shareholders of Parent Company		26,270	29,066
Non-controlling interests	20(a)	(6)	-
Total Equity		26,264	29,066

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	Consolidated	
		2024 \$'000	2023 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(6,420)	(5,588)
Income tax paid		-	-
Net cash outflow from operating activities	7(a)	(6,420)	(5,588)
Cash flows from investing activities			
Interest received		801	825
Payments for capitalised exploration and evaluation expenditure	13	(2,397)	(1,437)
Payments for investment in joint venture	11	(930)	(1,486)
Payment for property, plant and equipment	12	(505)	(146)
Payment for acquisition of Mumbesghi Copper Project	13	(8,292)	-
Payment for acquisition of a subsidiary, net of cash acquired	11	(89)	-
Net cash outflow from investing activities		(11,412)	(2,244)
Cash flows from financing activities			
Payment for lease		(58)	(63)
Interest paid		(5)	(6)
Payment of dividends		-	(365,185)
Payment for return of capital		-	(78,584)
Proceeds from exercise of options		-	3,405
Net cash outflow from financing activities		(63)	(440,433)
Net decrease in cash and cash equivalents		(17,895)	(448,265)
Cash and cash equivalents at beginning of year		26,191	474,288
Effects of exchange rate changes on the balance of cash held in foreign currencies		41	168
Cash and cash equivalents at end of year	7	8,337	26,191

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

	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 2022		101,344	10,509	18,281	-	345,025	475,159	(900)	474,259
Loss for the year from continuing operations		-	-	-	-	(5,134)	(5,134)	(74)	(5,208)
Loss for the year from discontinued operations		-	-	-	-	(348)	(348)	-	(348)
Loss for the year		-	-	-	-	(5,482)	(5,482)	-	(5,556)
Other comprehensive income		-	-	52	-	-	52	-	52
Total comprehensive income for the year		-	-	52	-	(5,482)	(5,430)	(74)	(5,504)
Issue of shares on exercise of options	17(b)	3,886	(481)	-	-	-	3,405	-	3,405
Capital return to shareholders	17(b)	(78,584)	-	-	-	-	(78,584)	-	(78,584)
Dividends paid	20(b)	-	-	-	-	(365,185)	(365,185)	-	(365,185)
Increase in ownership in subsidiary	20(b)	-	-	(97)	(877)	-	(974)	974	-
Share based payments	20(b)	-	675	-	-	-	675	-	675
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

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

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 2024 was authorised for issue in accordance with a resolution of the directors on 24 September 2024.

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 2024.

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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

(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 2023-2: *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules*

The amendment a mandatory exception in AASB 112 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that AASB 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

- AASB 2021-2: *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The Group adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of 'material accounting policy information' rather than significant accounting policies' in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures

- AASB 2021-5: *Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*

This amendment clarifies that the 'initial recognition exemption' contained in AASB 112 Income Taxes does not apply to transactions where an entity recognises an asset and a liability which give rise to equal taxable and deductible temporary differences. This could occur, for example, where lessees recognise a right-of-use asset and lease liability for lease transactions, or where an entity recognises decommissioning, restoration and other similar obligations, which form part of a related asset.

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 2024. The Group's preliminary assessment indicates that, on adoption, the below new standards or amendments will not have a material impact to the financial statements.

- 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. The Group will adopt this amendment in the financial year ending 30 June 2025.

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

In October 2023, the AASB amended AASB 121 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The amendment to AASB 121 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

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

- 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. The Group will adopt this amendment in the financial year ending 30 June 2025.

- 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 effective date has been postponed. The Group will adopt the amendment once it becomes effective.

- 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 Group will adopt the amendment in the financial year ending 30 June 2025.

(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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

(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.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

(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

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 derecognised.

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

· 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.

· 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.

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· *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.

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.

Notes to the Consolidated Financial Statements

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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.

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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.

(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.

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(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.

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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) Ore reserves

Economically recoverable ore reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The Group determines and reports ore reserves under the standards incorporated in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code). The determination of ore reserves includes estimates and assumptions about a range of geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in ore reserves impact the assessment of recoverability of exploration and evaluation assets, property, plant and equipment, the carrying amount of assets depreciated on a units of production basis, provision for site restoration and the recognition of deferred tax assets, including tax losses.

(ii) 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.

(iii) Mine properties

Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the Unit of Production ("UOP") rate of depreciation/amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- the effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- unforeseen operational issues

Changes in estimates are accounted for prospectively.

(iv) Rehabilitation provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, and regulatory changes. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Notes to the Consolidated Financial Statements

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(v) 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.

(vi) 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	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Continuing operations						
Revenue from external customers						
Other income	801	825	-	-	801	825
Total segment revenue	801	825	-	-	801	825
Results						
Segment net loss before tax - Continuing	(3,361)	(3,258)	(3,586)	(1,950)	(6,947)	(5,208)
Segment net loss before tax - Discontinued	(16)	(24)	(56)	(324)	(72)	(348)
Segment net loss before tax	(3,377)	(3,282)	(3,642)	(2,274)	(7,019)	(5,556)
Assets						
Segment assets	7,717	25,355	19,596	4,419	27,313	29,774
Liabilities						
Segment liabilities	645	540	404	168	1,049	708
Other segment information						
Impairment of assets	-	-	298	-	298	-
Depreciation expense	64	83	69	23	133	106

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4) REVENUE FROM CONTINUING OPERATIONS

	2024	2023
	\$'000	\$'000
Interest income	801	825
Gain on sale of assets	-	-
Total revenue from continuing operations	801	825

5) INCOME TAX

(a) Components of income tax expense

	2024	2023
	\$'000	\$'000
Current income tax	-	-
Deferred income tax	-	-
Income tax expense	-	-

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

	2024	2023
	\$'000	\$'000
Loss before income tax – continuing operations	(6,947)	(5,556)
Profit before income tax – discontinued operations	(72)	-
Loss before income tax	(7,019)	(5,556)
Tax at the Australian tax rate of 25% (2023: 25.0%)	(1,755)	(1,389)
Tax effect of differential corporate tax rates	(41)	3
Tax effect of amounts which are not deductible in calculating taxable income:		
Share based payments	272	169
Others	428	583
Over / under recognition of prior year tax expense	111	(1,008)
Net deferred tax assets not brought to account / (reversed)	985	1,642
Income tax expense	-	-

Income tax expense is attributable to:

Profit from continuing operations	-	-
Profit from discontinuing operations	-	-

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(c) Deferred income tax

Deferred income taxes relate to the following:

	2024	2023
	\$'000	\$'000
<i>Deferred tax liabilities</i>		
Right of use assets	10	24
Property, plant and equipment	-	1
Prepayments	23	-
Unrealised foreign exchange movement	332	355
Deferred tax assets used to offset deferred tax liabilities	(365)	(380)
	-	-
<i>Deferred tax assets</i>		
Lease liabilities	10	25
Accruals	175	93
Provisions and others	92	107
Exploration and evaluation expenditure	391	66
Unused tax losses	5,414	4,821
Deferred tax assets used to offset deferred tax liabilities	(365)	(380)
Deferred tax assets not recognised	(5,717)	(4,732)
	-	-

At the reporting date the Group has unrecognised tax losses of \$21,587,617 (2023: \$19,314,031) 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

Income tax payable	-	-
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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.

	2024	2023
	\$'000	\$'000
Interest bearing – variable interest rate	6,695	24,588
Non-interest bearing	1,642	1,603
Total cash and cash equivalents	8,337	26,191
Weighted average interest rate	4.13%	1.52%

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FOR THE YEAR ENDED 30 JUNE 2024

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
2024		
Increase in interest rate	+ 50 bps	26
Decrease in interest rate	- 50 bps	(26)
2023		
Increase in interest rate	+ 50 bps	123
Decrease in interest rate	- 50 bps	(123)

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 currency 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:

	2024	2023
	\$'000	\$'000
Cash and cash equivalents – USD	148	1,340
Trade and other payables – USD	(42)	(75)
Total Exposure	106	1,265

Assuming all other variables remain constant, a 10% increase or decrease of the Australian dollar at 30 June 2024 against the USD would have resulted in a decrease in loss before tax by \$12,000 (2023: \$141,000) or increase in loss before tax by \$10,000 (2023: \$115,000).

(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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

7) CASH AND CASH EQUIVALENTS

	2024	2023
	\$'000	\$'000
Total cash and cash equivalents	8,337	26,191

(a) Reconciliation of operating loss after income tax to net cash flows used in operating activities

	2024	2023
	\$'000	\$'000
Loss after tax - from continuing operation	(6,947)	(5,556)
Loss after tax - from discontinued operation	(72)	-
Loss after tax	(7,019)	(5,556)
Adjustments to reconcile loss after tax to net cash flows		
<i>Non-cash income and expense items</i>		
Depreciation	133	106
Share based payments	1,087	675
Share of net loss in joint venture	94	15
Impairment of exploration and evaluation expenditure	-	324
Impairment of goodwill	2,018	-
Loss on revaluation of investment	4	5
<i>Others</i>		
Interest income received	(801)	(825)
Changes in operating assets and liabilities		
(Increase) / decrease in operating trade and other receivables	(247)	434
Increase in other assets	(86)	(8)
(Decrease) / increase in operating trade and other payables	128	(750)
(Decrease) / increase in provisions	(11)	(8)
(Decrease) in tax liabilities	-	-
Net cash (outflows) from operating activities	(6,420)	(5,588)

8) TRADE AND OTHER RECEIVABLES

	2024	2023
	\$'000	\$'000
GST / VAT receivable	102	-
Related party receivable	-	33
Other receivables	184	6
Total trade and other receivables	286	39

None of these are past due or impaired as at 30 June 2024 (2023: Nil).

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Notes to the Consolidated Financial Statements

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9) OTHER CURRENT ASSETS

	2024	2023
	\$'000	\$'000
Prepayments	115	24
Deposits	27	31
Total other current assets	142	55

10) ASSETS HELD FOR SALE

	2024	2023
	\$'000	\$'000
Other current assets	18	-
Property, plant and equipment	7	-
Exploration and evaluation expenditure	3,777	-
Total assets held for sale	3,802	-

On 9 May 2024, the Board resolved that the Group commence the process to sell Step Aside lithium project in Zimbabwe. As at 30 June 2024, 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 \$17,844.

11) INVESTMENT IN JOINT VENTURE

	2024	2023
	\$'000	\$'000
Investment in joint venture – Richwing	-	1,458
	-	1,458

The movements during the year are as follows:

	2024	2023
	\$'000	\$'000
Opening balance	1,458	-
Initial investment	-	870
Additional funding for Richwing earn in expenditure	930	616
Share in net loss of Richwing	(94)	(15)
Effect of foreign currency exchange differences	27	(13)
Derecognition due to change from joint control to full control on Richwing	(2,321)	-
Investment in joint venture	-	1,458

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.

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As at 30 June 2023, the Group has paid the initial investment and partially completed the activities and funding for the Phase 1 Earn-in Expenditure. During the year, the exploration activities and funding for the Phase 1 Earn-in Expenditure was completed thus the Group was issued with additional 20% interest in Richwing. In addition, the Group 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 sell to the Group 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 recognition resulted in a recognition of goodwill of \$298,000 as follows:

	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). At 30 June 2024, 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 during the year (2023: Nil).

12) PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	\$'000	\$'000
Right of use asset	39	97
Building	57	-
Plant and machinery	71	49
Vehicles	403	188
Furniture and fixtures	27	26
Office equipment	136	29
Total property, plant and equipment	733	389

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

Notes to the Consolidated Financial Statements

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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)
Reclassified 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
Reclassified 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

Reconciliation of Property, plant and equipment – 2023	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	-	89	7	42	207	33	63	441
Additions	-	116	-	60	41	27	18	262
Disposals	-	(89)	-	-	-	-	-	(89)
Effect of foreign currency exchange differences	-	-	-	3	7	2	1	13
Closing balance at cost	-	116	7	105	255	62	82	627
Opening accumulated depreciation	-	(37)	(4)	(42)	(12)	(26)	(38)	(159)
Depreciation	-	(71)	(3)	(12)	(54)	(9)	(15)	(164)
Disposals	-	89	-	-	-	-	-	89
Effect of foreign currency exchange differences	-	-	-	(2)	(1)	(1)	-	(4)
Closing accumulated depreciation	-	(19)	(7)	(56)	(67)	(36)	(53)	(238)
Net written down value	-	97	-	49	188	26	29	389

	2024 \$'000	2023 \$'000
Depreciation	153	164
Depreciation transferred to capitalised exploration and evaluation expenditure	(20)	(58)
Depreciation recognised in statement of profit or loss and other comprehensive income	133	106

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

13) EXPLORATION AND EVALUATION EXPENDITURE

	2024	2023
	\$'000	\$'000
Exploration and evaluation expenditure comprises:		
Step Aside – Lithium	-	1,635
Omaruru – Lithium	2,290	-
Mumbezhi – Copper	11,721	-
Total exploration and evaluation	14,011	1,635

	2024	2023
	\$'000	\$'000
Opening balance	1,635	486
Acquisition of Mumbezhi copper project	11,495	-
Acquisition of Omaruru lithium project (note 11)	2,269	-
Expenditure incurred	2,397	1,437
Impairment of exploration and evaluation expenditure	-	(324)
Transfer to assets held for sale (note 10)	(3,777)	-
Effect of foreign currency exchange differences	(8)	36
Total exploration and evaluation expenditure	14,011	1,635

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:

- 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.
- 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 thus 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. At 30 June 2024, no payment was required for the milestone payments as the conditions for these remain yet to be achieved.

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.

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

14) TRADE AND OTHER PAYABLES

	2024	2023
	\$'000	\$'000
Trade payables ⁽ⁱ⁾	112	113
Accruals	735	343
Total trade and other payables	847	456

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

15) LEASE LIABILITY

	2024	2023
	\$'000	\$'000
The balance sheet shows the following amounts relating to leases:		
Right-of-use asset – office space		
Lease liabilities		
Current	41	57
Non current	-	41
Total lease liabilities	41	98

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. During the year, a total of \$63,254 (2023: \$69,488) and the applied incremental borrowing rate was 7.06% (2023: 7.06%).

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.

In 2021, the Group entered into a 2 year lease for the head office in Australia. The lease has expired on 28 February 2023 and was further renewed for another 2 year lease term.

16) PROVISIONS

	2024	2023
	\$'000	\$'000
Current		
Annual leave provision	85	118
Long service leave provision	38	-
Total current provisions	123	118
Non current		
Long service leave provision	20	36
Total non current provisions	20	36

Notes to the Consolidated Financial Statements

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17) CONTRIBUTED EQUITY

	2024	2023
	No. of Shares	No. of Shares
(a) Issued share capital		
Ordinary shares fully paid	478,679,885	462,259,462

Date	Details	No. of Shares	\$'000
Balance at 30 June 2022		448,759,462	101,344
8 July 2022	Issue of shares upon exercise of options	13,500,000	3,886
4 August 2022	Capital return to shareholders (note 19)	-	(78,584)
Balance at 30 June 2023		462,259,462	26,646
15 November 2023	Issue of shares upon exercise of performance rights (note 18 (iii))	1,072,500	151
3 May 2024	Issue of shares to Orpheus for the acquisition of the Mumbesghi Copper Project (note 13)	8,333,333	1,000
31 May 2024	Issue of shares to GDC for the acquisition of the Mumbesghi Copper Project (note 13)	7,014,590	1,515
Balance at 30 June 2024		478,679,885	29,312

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.

18) RESERVES

	2024	2023
	\$'000	\$'000
Share based payments reserves	12,326	10,703
Other reserves	(877)	(877)
Foreign currency translation reserve	18,164	18,236
Total reserves	29,613	28,062

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.

Notes to the Consolidated Financial Statements

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(a) Share Based Payments Reserve

(i) Balance at yearend

	No. of Options and Rights	\$'000
30 June 2024		
Options	37,667,033	11,988
Rights	6,696,448	338
	44,363,481	12,326
30 June 2023		
Options	17,850,000	10,510
Rights	4,400,000	193
	22,250,000	10,703

(ii) Movement in options

Date	Details	No. of Options	\$'000
Balance at 30 June 2022		13,500,000	10,509
8 July 2022	Options exercised	(13,500,000)	(481)
7 October 2022	Grant of options to employees and directors	10,250,000	154
23 November 2022	Grant of options to director	8,600,000	333
31 January 2023	Grant of options to employee	500,000	6
January to June 2023	Forfeiture	(1,500,000)	(11)
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

Notes to the Consolidated Financial Statements

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(iii) Movement in performance rights

Date	Details	No. of Options	\$'000
Balance at 30 June 2022			
7 October 2022	Grant of performance rights to employees	2,400,000	82
23 November 2022	Grant of performance rights to director	2,000,000	111
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

(b) Foreign Currency Translation Reserve

	2024	2023
	\$'000	\$'000
Movement in reserve		
Opening balance	18,236	18,281
Increase in ownership in subsidiary	-	(97)
Currency translation differences	(72)	52
Closing balance	18,164	18,236

(c) Other Reserves

	2024	2023
	\$'000	\$'000
Movement in Other Reserves		
Opening balance	(877)	-
Increase in ownership in subsidiary	-	(877)
Closing balance	(877)	(877)

19) ACCUMULATED LOSSES

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	(25,642)	345,025
Payment of dividends	-	(365,185)
Net loss attributable to equity holders of the Company	(7,013)	(5,482)
Accumulated losses at end of year	(32,655)	(25,642)

On 4 August 2022, the Company paid dividend of \$365,184,975 to its shareholders, which represents a payment of \$0.79 per share. At the same time the Company paid a Capital return of \$78,584,109 to its shareholders, which represents a payment of \$0.17 per share.

No similar payments were made during the period.

Notes to the Consolidated Financial Statements

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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	
			2024	2023
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%	-
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%	100%
Hawk Rare Earth (Private) Limited	Exploration & evaluation	Zimbabwe	100%	100%
Sarita Mineral Resources Limited	Mining and quarrying	Zambia	99.93%	-
Osprey Resources Limited	Mining and quarrying	Zambia	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%	20%

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		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024	2023	2024	2023
		%	%	\$'000	\$'000	\$'000	\$'000
Hawkmoth Mining & Explorations (Pvt) Limited	Zimbabwe	-	- ⁽ⁱ⁾	-	(74)	-	-
Eagle Lithium Resources (Private) Ltd	Zimbabwe	10%	-	(6)	-	(6)	-
Sarita Mineral Resources Limited	Zambia	0.07%	-	-	-	-	-
Osprey Resources Limited	Zambia	15%	-	-	-	-	-
				(6)	(74)	(6)	-

(i) On 29 August 2022, the Group acquired the remaining outside equity interest of 30% (100 shares) in Hawkmoth Mining & Exploration (Pvt) Limited.

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(b) Transactions with Non-controlling Interests

(i) Increase in ownership of Prospect Lithium Zimbabwe (Pvt) Limited

On 29 August 2022, the Group acquired the remaining outside equity interest of 30% (100 shares) in Hawkmoth Mining & Exploration (Pvt) Limited Zimbabwe for a consideration of USD100. Immediately prior to the purchase, the carrying amount of the existing 30% non-controlling interest in Hawkmoth Mining & Exploration (Pvt) Limited Zimbabwe was \$(974,000). The Group recognised an increase in non-controlling interests of \$974,000 and a decrease in equity attributable to owners of the parent of \$877,000.

The effects on the equity attributable to the owners of Prospect Resources Limited are summarised as follows:

	2024	2023
	\$'000	\$'000
Carrying amount of non-controlling interests acquired	(877)	(974)
Reattribution of owners controlling interest – foreign currency translation reserve	-	97
Consideration paid to non-controlling interests	-	-
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	(877)	(877)

(c) 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 period to date of disposal are listed below. The subsidiaries were not previously classified as held-for-sale or as discontinued operation.

(ii) Financial performance and cashflow information

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

	2024	2023
	\$'000	\$'000
Revenue	-	-
Expenses	(72)	(348)
Loss before income tax	(72)	(348)

The carrying amounts of assets and liabilities as at 30 June 2024 are outlined in note 10.

Notes to the Consolidated Financial Statements

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21) PROSPECT RESOURCES LIMITED PARENT COMPANY INFORMATION

	2024	2023
	\$'000	\$'000
Assets		
Current assets	7,668	25,214
Non-current assets	24,833	6,195
Total Assets	32,501	31,409
Liabilities		
Current liabilities	649	458
Non-current liabilities	17,793	17,844
Total Liabilities	18,442	18,302
Equity		
Contributed equity	29,312	26,646
Reserves	12,326	10,703
Accumulated losses	(27,579)	(24,242)
	14,059	13,107
Financial Performance		
Loss for the year	(3,337)	(3,703)
Other comprehensive income	-	-
Total Comprehensive Loss	(3,337)	(3,703)

The accumulated losses is after taking into account the payment of dividends of Nil during the year (2023: 365,184,975).

Parent Entity Contingencies and Guarantees

The parent entity has not guaranteed any loans for any entities during the year (2023: 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 \$583,605 (2023: \$516,000).

In addition, the parent entity is the party to the contract with Orpheus in relation to the Mumbesghi 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).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

22) SHARE-BASED PAYMENTS

During the year, the Group recognised share based payments expense of \$1,086,870 (2023: \$674,765) 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 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 Mumbenzi
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)	(i)	(i)	(i)	(ii)	None
Note	-	-	-	-	-	Note 13

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

- 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.

(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 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

In September 2024, a total of 1,630,327 performance rights have lapsed which equates to the 45% of the 2024 short term incentive performance hurdles that have not been met. The total expense recognised during the year is based on the actual incentives that will eventually vest.

- (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 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.

Series	Options issued from prior years			
	Managing Director Long Term Incentive	Non-Executive Directors Long Term Incentive	Management Long Term Incentive	Management Long Term Incentive
No. of options	3,000,000	5,600,000	10,250,000	500,000
Grant date	23/11/2022	23/11/2022	7/10/2022	31/01/2023
Share price	\$0.170	\$0.170	\$0.096	\$0.115
Exercise price	\$0.150	\$0.150	\$0.150	\$0.170
Asset Interest rate	3.27%	3.27%	3.34%	3.17%
Expiry date	07/10/2026	07/10/2026	07/10/2026	07/10/2026
Volatility	110%	110%	110%	110%
Fair value at grant date	\$0.130	\$0.130	\$0.064	\$0.080
Vesting condition and period	(i)	(ii) (iii)	(i) (iv)	(i)

- (i) Management's long term incentive options are subject to two performance hurdles:
- (a) The Company's underlying share price exceeding \$0.25 per share for a continuous period of 30 days during a 3 year period from the grant date; and
- (b) Remaining in employment of the company 3 years after grant date.
- (ii) The non-executive directors long term incentive options vest evenly on 7 October 2023, 7 October 2024, and 7 October 2025 and require they remain directors of the Group at the end of each vesting periods.
- (iii) A total of 1,000,000 of options were lapsed on 23 January 2023 and 666,6667 on 23 November 2023 following the resignations of two directors on 23 January 2023 and 23 November 2023, respectively.
- (iv) A total of 500,000 options were lapsed in the prior year following the resignation of an employee.

Series	Rights issued from prior years	
	Managing Director Short Term Incentive	Other Key Management Personnel Short Term Incentive
No. of Rights	2,000,000	2,400,000
Grant date	23/11/2022	7/10/2022
Share price	\$0.170	\$0.096
Exercise price	\$0.00	\$0.00
Expiry date	07/10/2025	07/10/2025
Fair value at grant date	\$0.170	\$0.096
Vesting condition and period	(i)	(i)

- (i) Managing director and other key management personnel 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

In August 2023, a total of 1,540,000 performance rights have lapsed which equates to the 35% of the 2023 short term incentive performance hurdles that have not been met.

In November 2023, a total of 1,072,500 performance rights have been exercised.

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

	2024 No.	2024 WAEP \$/Share	2023 No.	2023 WAEP \$/Share
Outstanding at 1 July	17,850,000	0.15	13,500,000	0.25
Granted during the year	20,483,700	0.15	19,350,000	0.15
Forfeited during the year	(666,667)	0.15	(1,500,000)	0.15
Exercised during the year	-	-	(13,500,000)	0.25
Expired during the year	-	-	-	-
Outstanding at 30 June	37,667,033	0.15	17,850,000	0.15
Exercisable at 30 June	1,533,332	0.15	-	-

The weighted average remaining contractual life for the share options outstanding as at 30 June 2024 is 2.77 years (2023: 3.27 years).

The range of exercise prices for options outstanding at the end of the year was \$0.12 - \$0.20 (2023: \$0.15 - \$0.17).

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:

	2024 \$'000	2023 \$'000
Not longer than 1 year	9	880
Longer than 1 year and not longer than 5 years	5	-
	14	880

(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 \$766,742 as at 30 June 2024 (2023: \$648,000).

24) CONTINGENT LIABILITIES

The Company has an ongoing legal dispute with a third party in Africa in relation to an alleged breach of non-disclosure agreement. The matter is currently defended and is unlikely to result in a material adverse outcome for the Company or its business.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

25) AUDITORS REMUNERATION

	2024	2023
	\$'000	\$'000
Audit of the parent entity		
Audit and audit review of the financial reports	83	81
Other services	-	-
	83	81
Auditor of subsidiaries		
Audit services	3	-

The auditor of the Group is Stantons.

26) KEY MANAGEMENT PERSONNEL DISCLOSURES

	2024	2023
	\$'000	\$'000
The aggregate compensation made to Key Management Personnel of the Group is set out below:		
Short term employee benefits	1,335,868	1,333,851
Post employment benefits	78,928	91,444
Share based payments	796,489	597,969
Total compensation made to key management personnel	2,211,285	2,023,264

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 2024 include outstanding director fees of 36,000 (2023: Nil).

28) EARNINGS PER SHARE (EPS)

	2024	2023
Continuing operation		
Loss after income tax attributable to members of Prospect Resources Limited (\$'000)	(6,947)	(5,134)
Weighted average number of ordinary shares outstanding during the year for basic EPS	464,875,137	462,000,558
Weighted average number of ordinary shares outstanding during the year for diluted EPS	464,875,137	462,000,558
Basic loss per share (cents per share)	(1.49)	(1.11)
Diluted loss per share (cents per share)	(1.49)	(1.11)
Discontinued operation		
Profit after income tax attributable to members of Prospect Resources Limited (\$'000)	(66)	(348)
Weighted average number of ordinary shares outstanding during the year for basic EPS	464,875,137	462,000,558
Weighted average number of ordinary shares outstanding during the year for diluted EPS	464,875,137	462,000,558
Basic earnings per share (cents per share)	(0.01)	(0.08)
Diluted earnings per share (cents per share)	(0.01)	(0.08)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

As at 30 June 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, respectively (2023: 17,850,000 unlisted options and 4,400,000 performance rights which represent potential ordinary shares of 17,850,000 and 2,860,000), were not considered dilutive for the purposes of calculating the loss per share for the year ended 30 June 2024, 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 2024 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 8 July 2024, the Group appointed Ian Goldberg as executive director finance.
- On 2 August 2024, a capital raising was completed and the Group was able to raise funds totalling \$7,955,000 before share issue costs.
- On 3 September 2024, a total of 1,630,327 performance rights have lapsed which equates to the ratio of the 2024 short term incentive performance hurdles that have not been met.
- On 12 August 2024, the Group opened a Share Purchase Plan (SPP) which provides an opportunity for eligible shareholders to acquire up to \$30,000 worth of new share without incurring any brokerage costs, commission, or other transaction costs for an issue price of \$0.10 per new share. The SPP closed on 4 September 2024 and the Group raised a total of \$1,123,000.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2024

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
Stepside 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.

AUDITORS' INDEPENDENCE DECLARATION



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24 September 2024

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 report of Prospect Resources Limited for the year ended 30 June 2024, 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)

A handwritten signature in black ink, appearing to read "Samir".

Samir Tirodkar
Director

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INDEPENDENT AUDITOR'S REPORT



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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 ("Group"), which comprises the consolidated statement of financial position as at 30 June 2024, 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 financial statements, material accounting policies 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 2024 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit 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.

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INDEPENDENT AUDITOR'S REPORT



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
<p>Asset Acquisition</p> <p>On 8 April 2024, Prospect Copper Holdings Pte Ltd ("PCH") a newly incorporated subsidiary of Prospect Resources Limited ("PSC") signed a Sale and Purchase Agreement with Global Development Cooperation Consulting Zambia Limited ("GDC") for PCH to acquire Large Scale Exploration Licence No. 30426-HQ-LEL in relation to Mumbezhi Copper Project in Zambia.</p> <p>In April 2024, PSC signed a sale and purchase agreement with Orpheus Uranium Limited ("Orpheus") to acquire the Lumwana West Project Mining Data in relation to the Mumbezhi Copper Project in Zambia.</p> <p>The consideration for this Acquisition (refer to Note 13 to the financial statements) was as follows:</p> <p>(i) On 30 April 2024, the conditions on the agreement with Orpheus were fully satisfied thus 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.</p> <p>(ii) 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 the issuance of 7,014,590 shares (\$1,515,152) on 31 May 2024.</p> <p>This acquisition is considered a key audit matter due to:</p> <p>(a) The accounting for this acquisition requires judgment to determine if this was a business combination or an asset acquisition; and</p> <p>(b) The significance of the acquisition and the impact on the Group's consolidated statement of financial position.</p>	<p>Inter alia, our audit procedures included the following:</p> <p>i. Obtaining an understanding of the transactions;</p> <p>ii. Obtaining the agreements to identify all components of the consideration;</p> <p>iii. Assessing the nature of the transactions with regards to the requirements of AASB 3 <i>Business Combinations</i> or an asset acquisition which is capitalised in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> (AASB 6) and concluding on the appropriateness of the acquisitions;</p> <p>iv. Assessing the determination of the total consideration paid and relative fair value of assets and liabilities acquired</p> <p>v. Testing the mathematical accuracy of the calculation;</p> <p>vi. Assessing the Group's accounting policy for compliance with AASB 6; and</p> <p>vii. Assessing the adequacy of the related disclosure in the notes to the financial statements.</p>

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INDEPENDENT AUDITOR'S REPORT



Key Audit Matters	How the matter was addressed in the audit
<p>Carrying value of the Exploration and Evaluation Assets and the Assets held for sale</p> <p>As at 30 June 2024, exploration and evaluation expenditure totalled \$14,011,127 (refer to Note 13 of the financial statements) and \$3,776,606 (refer to the Note 10 of the financial statements).</p> <p>The carrying value of these assets is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of these amounts as they represent the largest assets and constitute approximately 65% of the total assets as at 30 June 2024. • The necessity to assess management's application of the requirements of the accounting standard AASB 6, in light of any indicators of impairment that may be present and the requirements of the accounting standard AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> (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. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> 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. 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. 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: <ul style="list-style-type: none"> ▪ Minutes of meetings of the Board and management; ▪ Announcements made by the Company to the Australian Securities Exchange; and ▪ Cash flow forecasts. Considering the requirements AASB 6 and assessing the adequacy of the related disclosure in the notes to the financial statements; and 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.

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INDEPENDENT AUDITOR'S REPORT



Key Audit Matters	How the matter was addressed in the audit
<p>Share based payments</p> <p>During the financial year ended 30 June 2024, the Company awarded 4,908,948 Performance Rights and 20,483,700 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.</p> <p>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 \$1,086,870 in the consolidated statement of profit or loss and other comprehensive income.</p> <p>In determining the share-based payments expense, the Group made assumptions in respect of future board's financial decisions as well as estimates of achievement of certain mining targets.</p> <p>Due to the complex nature of the transactions and estimates 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.</p> <p>Refer to Note 22 to the financial statements for the disclosure relating to share-based payments expense.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Reviewing minutes of meetings, ASX announcements, agreements and considered other transactions undertaken during the year; ii. Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of share-based payment arrangements; iii. Checking the parameters used by the management in the assessment of share-based payments as follows: <ol style="list-style-type: none"> a. assessing the appropriateness of the valuation method used; b. assessing the reasonableness of the assumptions and inputs used within the valuation model; iv. Challenging management's assumptions in relation to the likelihood of achieving the vesting conditions; v. Assessing the fair value of the calculation through re-performance using appropriate inputs; vi. Assessing the allocation of the share-based payment expense over the relevant vesting period; and vii. Assessing the accuracy of the share-based payments expense viii. Assessing the adequacy of the related disclosure in the notes to the 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 2024 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.

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INDEPENDENT AUDITOR'S REPORT



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.

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 with *the Corporation 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 of misstatement whether due to fraud or 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 Company to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT



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 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 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 pages 17 to 22 of the directors' report for the year ended 30 June 2024

In our opinion, the Remuneration Report of Prospect Resources Limited for the year ended 30 June 2024 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)

A handwritten signature in black ink, appearing to read "Samir Tirodkar", written over a faint, larger version of the signature.

Samir Tirodkar
Director

West Perth, Western Australia
24 September 2024

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Project Resources

Columbia PFG

PFG

ASX Additional Information



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 10 September 2024.

(a) Substantial Shareholders

The substantial shareholders are:

Holder Name	Holding Balance	% IC
Citicorp Nominees Pty Limited	132,619,357	24.40%
HSBC Custody Nominees (Australia) Limited	52,014,488	9.57%
Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	28,656,536	5.27%

(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	3,067
Options	21
Performance rights	6

(d) Distribution of Equity Security Holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	511	247,144	0.05%
Above 1,000 up to and including 5,000	894	2,602,147	0.48%
Above 5,000 up to and including 10,000	479	3,829,484	0.70%
Above 10,000 up to and including 100,000	917	32,222,829	5.93%
Above 100,000	266	504,578,281	92.84%
Totals	3,067	543,479,885	100.00%

(e) Less than Marketable Parcels

There were 1,290 holders of less than a marketable parcel of ordinary shares.

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(c) Equity Security Holders

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

Position	Holder Name	Holding	% Issued Shares
1	CITICORP NOMINEES PTY LIMITED	132,619,357	24.40%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	52,014,488	9.57%
3	"MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>"	28,656,536	5.27%
4	BNP PARIBAS NOMS PTY LTD	21,787,398	4.01%
5	MBM CAPITAL PARTNERS LLP	21,625,000	3.98%
6	"BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>"	16,307,381	3.00%
7	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,212,209	2.80%
8	"NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>"	14,519,097	2.67%
9	"MR SAMUEL TIMOTHY HOSACK & MRS BARBARA TAMARA SAMANTHA HOSACK <HOSACK FAMILY A/C>"	13,348,054	2.46%
10	"MR KENNETH JOSEPH HALL <HALL PARK A/C>"	13,150,000	2.42%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,000,000	1.84%
12	BUTTONWOOD NOMINEES PTY LTD	9,380,172	1.73%
13	ORPHEUS URANIUM LIMITED	8,333,333	1.53%
14	FARVIC CONSOLIDATED MINES (PVT) LTD	7,123,260	1.31%
15	"BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>"	6,858,844	1.26%
16	MR KYECHUN LEE	6,014,590	1.11%
17	PALM BEACH NOMINEES PTY LIMITED	4,811,175	0.89%
18	UBS NOMINEES PTY LTD	4,373,497	0.80%
19	MRS SAMANTHA JAYNE GOLDBERG	4,185,000	0.77%
20	"WHEATLEY CONSULTING SERVICES PTY LTD <WHEATLEY FAM SF A/C>"	3,836,046	0.71%
	Total	394,155,437	72.52%
	Total issued capital - selected security class(es)	543,479,885	100.00%

Restricted securities

None

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:

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

Tenement type & number	Tenement name	Country	Project	Registered company name	% Held at 30 June 2024
ME19948BM	Step Aside	Zimbabwe	Step Aside	Eagle Lithium	90%
EPL 5533	Omaruru	Namibia	Omaruru	Richwing	100%
30426-HQ-LEL	Mumbezhi	Zambia	Mumbezhi	Osprey	85%

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