Prospect Resources

ANNUAL REPORT 2026

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Chairperson's Report

Dear Shareholders,

On behalf of the Board of Prospect Resources Limited, it is my pleasure to present our Annual Report for FY2026. It has been a transformative year for the Company, marked by the significant exploration success and substantial resource growth achieved on the ground at our flagship Mumbezhi Copper Project (Mumbezhi).

Prospect's success during the year was underpinned by the completion of the Phase 2 drilling programme. The approximately 18,275m campaign delivered outstanding results, extending mineralisation at Nyungu Central and Kabikupa while confirming a significant new copper system at West Mwombezhi. Mumbezhi continues to show all the makings of a large-scale copper development opportunity in Zambia, with this drilling demonstrating the substantial potential for further resource growth well beyond the previously defined resource boundaries.

The significant results produced during the Phase 2 drilling programme translated directly into tangible resource growth. We released two Mineral Resource Estimate (MRE) updates in February 2026 and May 2026 respectively, bringing the global Mumbezhi MRE to 208.1 million tonnes at 0.42% copper (0.49% CuEq), containing approximately 877,100 tonnes of copper. This represents growth of approximately 94% in tonnage and 70% in contained copper since the declaration of the maiden MRE in March 2025.

The updated resource also incorporated a maiden MRE for West Mwombezhi and a significantly expanded assessment of Mumbezhi's gold and cobalt endowment. Detailed re-assaying of previous Nyungu Central drill core during the year confirmed that gold mineralisation is both widespread and associated with the broader copper system at Mumbezhi, enhancing the project's multi-commodity by-product potential.

These metals represent important additional sources of value that could add significantly to project economics and improve future operating margins. Importantly, more than 35% of the current Nyungu Central MRE is now classified in the Indicated category. Collectively, these value drivers provide a strong foundation for ongoing technical studies and future development planning.

Beyond the current MRE, the wider Mumbezhi tenure continues to demonstrate exceptional exploration potential for copper. Geophysical and geochemical programmes completed during the year, including induced polarisation (IP) and airborne electromagnetic (AEM) surveying, have improved our understanding of the project's geological architecture and generated a number of compelling new targets for follow-up drilling. The emerging potential at Chipimpa and Sharamba is particularly encouraging and strongly reinforces our view that Mumbezhi has the potential to host a substantially larger mineralised system than is currently defined.

Leading the way in the electrification metals revolution

Our exploration activities at Mumbezhi continue to build momentum, with the commencement of our Phase 3 exploration drilling programme in May 2026. At approximately 32,000m, it is the largest drilling campaign undertaken at Mumbezhi to date and includes resource growth and conversion drilling at Nyungu Central and Kabikupa, follow-up drilling at West Mwombezhi, and targeted testing of key prospects within the Nyungu Hub.

The programme also includes first-pass drilling at several high-priority regional targets, including Chipimpa, Sharamba and Kamafamba, aimed at further expanding the emerging copper footprint across the broader Mumbezhi tenure.

Our metallurgical programmes have also delivered exceptional results, with test work on material from both Nyungu Central and Kabikupa producing high-grade concentrates and strong recoveries using conventional flotation methods. These outcomes provide further confidence in the project's technical characteristics and underpin the ongoing Scoping Study, which remains on track for completion in Q4 2026 / Q1 2027. The Scoping Study represents an important milestone in evaluating Mumbezhi's economic development potential and defining its pathway forward.

To support these activities, the Company successfully completed a A$45 million placement in February 2026, during a period of strong investor interest in copper. Pleasingly, the raising received continued support from existing shareholders, while also attracting new domestic and international institutional investors. This support reflects strong confidence in both the quality of Mumbezhi and Prospect's long-term growth strategy.

Despite the Company's strong operational performance during the year, we believe this progress has not been fully reflected in our share price performance. Market conditions for resource equities have remained challenging at times over the course of the year, while industry-wide assay processing constraints have also affected the timing of exploration results and news flow. Notwithstanding these factors, the Board remains encouraged by the Company's operational achievements and the continued advancement of the Mumbezhi Project.

We remain focused on delivering the technical work programmes and development milestones required to unlock the full potential of Mumbezhi. To support these objectives, Prospect has taken proactive steps to improve operational efficiency, including increasing technical and geological capacity to accelerate logging, sampling and data processing activities. These initiatives are expected to improve assay turnaround times and support a more consistent flow of exploration results in the coming months.

Encouragingly, assay results returned post-end of the reporting period have continued to reinforce the scale potential of the Mumbezhi system while also highlighting opportunities to add shallower mineralisation at both Nyungu Central and Kabikupa.

With approximately A$41.6 million in cash and term deposits as at 30 June 2026, Prospect maintains a strong financial position to continue advancing exploration and project development activities at Mumbezhi in a disciplined and high-quality manner.

The Board is immensely proud of the progress achieved throughout the year and the commitment demonstrated by our management team, employees, contractors, consultants and Zambian partners. Their hard work and technical excellence have positioned Prospect for an exciting next phase of growth.

Looking ahead, our priorities remain clear: continue growing and upgrading the copper resource base, deliver the Scoping Study and unlock the broader district-scale potential of Mumbezhi.

On behalf of the Board, I thank our shareholders for their ongoing support and confidence. We have entered FY2027 with a robust balance sheet and a clear objective: to continue creating long-term value through the advancement of one of Zambia's most exciting emerging copper projects.

Stay safe and well.

Yours faithfully,

Mark Wheatley

Mark Wheatley
Non-Executive Chairperson
24 September 2026

Review of Operations

Highlights

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

08 Jul 2025	**Mumbezhi Copper Project exploration progress update** Diamond drilling at Nyungu Central provides validation of the wider structural geological model resulting from thick, high-tenor intersection of copper mineralisation. Significant intervals from the recent Nyungu Central drilling include 49.0m @ 0.52% Cu from 314m, including 12.3m @ 0.79% Cu from 331m and 8.0m @ 0.80% Cu from 314m (NCRD009). Extensional drilling at Kabikupa, a tenement wide airborne electromagnetic survey as well as a tenement-wide multi-element geochemical soil sampling programme commence in mid-July 2025.
17 Jul 2025	**Compelling new results from ongoing Mumbezhi metwork** Ongoing metallurgical test results confirm that the Mumbezhi Copper Project is robust and scalable, supporting plans for a central processing hub. • Kabikupa fresh composite achieved a copper concentrate of 27.5% Cu and 310 ppm Co at 95.3% Cu recovery after only one cleaning stage. • Nyungu Central fresh composite achieved a copper concentrate of 24.6% Cu and 0.9% Co at 96.2% Cu recovery after a single cleaning stage. • Nyungu Central transition composite achieved a copper concentrate of 32.1% Cu and 9.1% Co at 81.4% Cu recovery after two cleaning stages. Preliminary gold values in Nyungu Central transition materials suggest scope for payable by-product credits, enhancing future concentrate value.
05 Aug 2025	**Strike extensions to Nyungu Central deposit** Diamond drilling across the flagship Nyungu Central deposit continues to provide clear validation of a growing, large-scale copper system with new strike extensions defined. These zones extend copper mineralisation both up-plunge and down-plunge and now tracked further into the oxide (south) and sulphide domains (north), reinforcing overall growth potential.
01 Sep 2025	**Compelling new shallow drill target defined at Mumbezhi** Aircore drilling programme at West Mwombezhi has returned highly anomalous subsurface copper mineralisation at shallow depths over 1 km of strike. The new target aligns with a well-defined, 1.5 km-long north-northeast copper trend identified through recent regional surface geochemical sampling of termite mounds.
18 Sep 2025	**Kabikupa extended in multiple directions** New results have significantly extended copper mineralisation at Kabikupa along strike now exceeding 1km, and zones confirmed up-dip closer to surface and at depth, following the shallow dip of the deposit. Significant intervals from the Kabikupa drilling included: • KKDD011 – 18.0m @ 0.59% Cu from 227m • KKDD010 – 21.0m @ 0.48% Cu from 247m, including 10.0m @ 0.77% Cu from 256m • KKDD015 – 8.5m @ 1.06% Cu from 69.3m • KKDD006 – 17.0m @ 0.33% Cu from 92.0m
08 Oct 2025	**Non-executive director appointment** Appointment of Dr Doug Jones as non-executive director in October 2025, replacing non-executive director Mr Gerry Fahey who retired following the Company's annual general meeting in November 2025.

15 Oct 2025	**Nyungu Central deposit continues to grow** Drilling across the flagship Nyungu Central deposit continues to validate scale potential with a growing, large-scale copper system and gold prospectivity, with new strike extensions defined at both the southern and northern ends of Nyungu Central have expanded its footprint to over 1.5 km long.
05 Nov 2025	**Sale of Step Aside Lithium Project** Prospect has entered into a Share Sale and Purchase Agreement valued up to US$2.2 million for its Step Aside Lithium Project in Zimbabwe. The agreement involved an upfront payment of US$850,000 and a deferred payment of US$150,000 due after six months from completion of the transaction. A conditional payment of up to US$1.2 million is payable to Prospect within 24 months from the completion of the sale, conditional on the buyer achieving specific development milestones.
19 Nov 2025	**Strong exploration targets identified at Mumbezhi** Preliminary geophysical airborne electromagnetic (AEM) survey interpretation across the entire Mumbezhi licence tenement has identified 11 strong electromagnetic conductors, which represent highly attractive potential exploration targets.
04 Dec 2025	**New high-grade zone identified at Mumbezhi** High-grade copper mineralisation extends Nyungu Central south with drillhole NCDD021 returned 34m @ 0.88% Cu from 128m, plus 2.7m @ 0.52% Cu from 114m.
14 Jan 2026	**Widespread gold identified at Nyungu Central** Re-assaying of existing drill samples completed at Nyungu Central has confirmed significant by-product gold mineralisation, with the widespread nature of this by-product gold in addition to copper at Nyungu Central having the potential to materially upgrade the Mumbezhi Project economics with current gold prices.
09 Feb 2026	**Copper resources increase by 63% at Mumbezhi Project** Updated Indicated & Inferred Mineral Resource Estimate (MRE) delivers 63% increase in tonnage (174 Mt at 0.44% Cu, 0.50% CuEq) and 50% increase in contained copper (772 kt, 0.2% Cu cut-off) compared to the March 2025 MRE.
16 Feb 2026	**A$45M placement to advance the Mumbezhi Copper Project** Binding commitments received to raise A$45 million (before costs) via equity placement at an issue price of A$0.38 per new share. Strong demand received from both domestic and offshore institutions, including existing shareholders and high-quality new investors, validating the quality of the Mumbezhi Copper Project.
05 Mar 2026	**Prospect to increase ownership of Mumbezhi Copper Project** Prospect, through its wholly-owned Singapore-based subsidiary, executed a Share Sale and Purchase Agreement to acquire an additional 5% interest in the Mumbezhi Copper Project for a purchase price of US$4.25 million cash.
01 Apr 2026	**Shallow copper footprint emerging at West Mwombezhi** Drill intersections define continuous near surface copper sulphide mineralisation extending over more than 1 km of strike length, remaining open to the west and south.
14 Apr 2026	**Gold assays boost by-product potential of Nyungu Central** Additional re-assaying of Nyungu Central drill holes has confirmed significant gold mineralisation (associated with the copper) across the deposit, including now in the northern zones. The widespread nature of the gold (coupled with the in-situ cobalt) delivers strong potential to upgrade the Mumbezhi Copper Project economics via significant by-product credits.
13 May 2026	**Phase 3 drilling commences at Mumbezhi** Commencement of the expanded phase 3 drilling at programme, which comprises approximately 60 diamond core holes, 30 reverse circulation holes and 320 scout aircore holes for a total of approximately 26,000m drilling.
20 May 2026	**Copper grows and gold resources doubled at Mumbezhi Project** Updated Indicated & Inferred MRE delivers a +20% increase in tonnage (208 Mt at 0.42% Cu, 0.49% CuEq) including a 106% increase in gold and a 14% increase in copper compared to the February 2026 MRE.
25 Jun 2026	**Kabikupa metwork produces high quality Cu concentrates** First metallurgical testwork for Kabikupa transition and low-grade fresh mineralisation has produced further high-grade copper concentrates with excellent recoveries.
21 Jul 2026	**Wide high-grade intersections extend Nyungu Central** Step-out drilling delivers thick, high-grade copper intercepts extending the flagship Nyungu Central mineralisation to the southeast.
12 Aug 2026	**New mineralised zone expands at Nyungu Central** Step-out drilling continues to deliver thick copper intercepts expanding a new zone to the southeast at the flagship Nyungu Central mineralisation: • 65.8m @ 0.42% Cu from 226m, incl. 17.0m @ 0.58% Cu from 239m and 13.2m @ 0.82% Cu from 278m (NCDD028) • 29.6m @ 0.34% Cu from 237m, incl. 5.2m @ 0.80% Cu from 245m (NCDD025)

Project Development

Mumbezhi Copper-Cobalt Project (Zambia); 90% PSC

The Mumbezhi Copper Project (Mumbezhi or Mumbezhi Project) is Prospect's flagship copper development asset, located in the northwest of Zambia within the globally significant Zambian Copperbelt, one of the world's most prolific copper-producing regions.

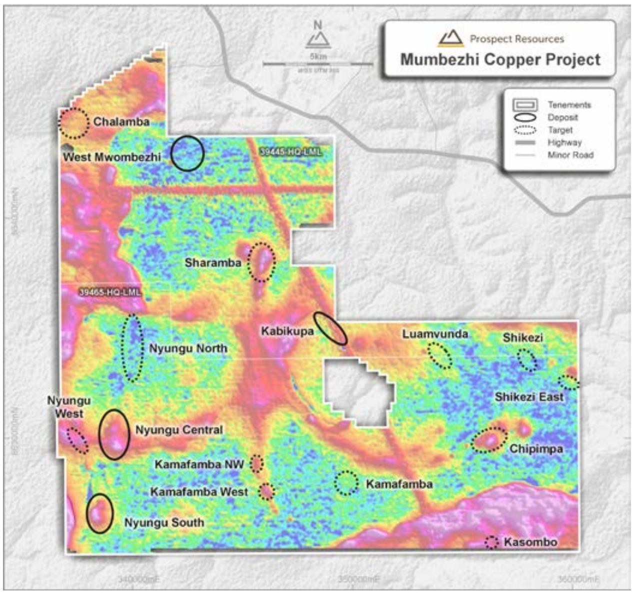

Figure 1: Mumbezhi mining licences showing deposits and currently delineated prospects over airborne electromagnetic geophysics (time derivative – mid time)

In summary of the year Prospect notes the large-scale potential of the Mumbezhi Copper Project continues to emerge rapidly. Total copper content is approaching 900kt, with 262,000 gold ounces contained, with all three defined deposits enjoying significant additional growth potential. When this current mineralised footprint is coupled with the magnitude of prospectivity presented by our regional targets drilling focus this year, one starts to get a picture of the broader opportunity that exists at Mumbezhi.

The material boost to gold content within the Nyungu Central MRE delivered from our recent gold re-assaying programme also means we will now routinely assay for gold moving forward. As we have previously highlighted, the by-product revenue potential at Mumbezhi, across both gold and cobalt, is material – delivering real opportunity to drive forecast operating costs down the global cost curve. We look forward to further defining the extent of this dynamic over the next 6-12 months.

Prospect notes that the Phase 3 drilling programme, which commenced in May 2026, is underway. This programme is initially focused on extending and upgrading the existing MREs at the Nyungu Central and West Mwombezhi deposits (including upgrading classification of existing Inferred Resources to Indicated status with infill diamond drilling at Nyungu Central, to support scoping study workstreams), along with scout drilling of high-potential regional targets.

Update to the Mumbezhi MRE

On 20 May 2026, Prospect announced a further update to the Mumbezhi MRE. The MRE now totals 208.1 million tonnes (Mt) at an average grade of 0.42% Cu (0.49% CuEq) across the Nyungu Central, Kabikupa and West Mwombezhi deposits (0.2% Cu cut-off). The MRE includes all copper, cobalt and gold data from Phase 2 drilling, and subsequent gold re-assaying programmes.

Highlights of the update show:

Accelerated growth: Updated Indicated & Inferred MRE delivers +20% tonnage (208 Mt at 0.42% Cu, 0.49% CuEq), including 106% increase in gold; 14% increase in copper.

Tier-1 grade: Mumbezhi copper grades are directly comparable to world-class operating mines in the Zambian Copperbelt, enhanced by a 0.49% CuEq poly-metallic grade.

New satellite and by-product boost: Includes shallow maiden copper MRE for West Mwombezhi and updated Nyungu Central MRE, inclusive of results from recent gold re-assaying.

High confidence: Approximately 35% of flagship Nyungu Central MRE is within the Indicated classification, delivering a robust foundation for near-term development studies.

The MRE was completed by Mr Steve Rose (FAusIMM), an independent expert, and the Competent Person as defined in the JORC (2012) Code, who is a full-time consultant with Rose Mining Geology Consultants (Perth, WA).

All three deposits remain open along strike and down-dip.

The latest 2026 MRE also incorporates all data pertaining to the geological re-logging of Nyungu Central drill-core, including the 2,800 existing copper drill hole intersections re-assayed for gold during Q1 2026.

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

Deposit	Resource Classification	Tonnes (millions)*	Copper (Cu%)*	Cobalt (Co%)*	Au (g/t)*	Tonnes Contained Cu*	Tonnes Contained Co*	Ounces Contained Au*	Copper (CuEq%)**
Nyungu Central	Indicated	53.4	0.45	0.03	0.05	239,800	18,600	93,200	0.56
	Inferred	101.0	0.41	0.02	0.05	411,500	20,900	149,600	0.48
	Total	**154.4**	**0.42**	**0.02**	**0.05**	**651,300**	**39,500**	**242,800**	**0.51**
Kabikupa	Indicated	18.0	0.46	-	-	83,600	-	-	0.46
	Inferred	5.0	0.55	-	-	27,200	-	-	0.55
	Total	**23.0**	**0.48**	**-**	**-**	**110,800**	**-**	**-**	**0.48**
West Mwombezhi	Inferred	30.7	0.37	0.01	0.02	115,000	4,000	19,300	0.40
Mumbezhi (Total)		**208.1**	**0.42**	**0.02**	**0.04**	**877,100**	**43,500**	**262,100**	**0.49**

* Rounding has been applied

** Metal equivalents have been calculated at a copper price of US$11,500/tonne, gold price of US$3,500/ounce and cobalt price of US$40,000/tonne. Copper equivalent was calculated based on the formula: CuEq% = Cu% + (Au grade x ((Au Price/Cu Price) x (Au recovery /Cu recovery)) + Co grade x ((Co price/Cu price) x (Co recovery/Cu recovery)).

By-product gold now confirmed at Nyungu Central

Following the identification of highly anomalous gold values in metallurgical test work during 2025 [1], Prospect commenced a detailed investigation of gold deportment and grade as a potential material and valuable by-product to the associated copper resources currently defined at the deposit. This initial work resulted in the declaration of maiden gold resources at Nyungu Central under the MRE update announced on 9 February 2026.

Prospect continued to evaluate and assess this multi-commodity potential, selecting a large number of drill samples from both the Phase 1 and Phase 2 DD and RC drilling programmes for re-assaying to determine the distribution of gold (and gold grades) from defined copper mineralisation within the oxide, transitional and fresh zones, as defined by geological logging.

A programme of geological re-logging of Nyungu Central drill core was completed during the year, with more than 2,800 existing copper drill hole intersections then re-assayed for gold.

On 14th and 29th of April 2026, Prospect released results from 83 re-assayed holes. Significant intercepts (from within previously reported copper intercepts) included:

- 23.1m @ 0.55 g/t Au from 82.9m (NYDD062)
- 15.0m @ 0.15 g/t Au from 125m (NYDD056)
- 9.0m @ 0.15 g/t Au from 16.0m (NYDD054)
- 8.0m @ 0.14 g/t Au from 138m (NYDD052)
- 29.0m @ 0.22 g/t Au from 47.0m (NCRD008)
- 21.0m @ 0.19 g/t Au from 74.0m (NCMT002)
- 2.5m @ 0.78 g/t Au from 155m (DD23_4)
- 3.46m @ 0.51 g/t Au from 102m (NCMT002)
- 17.0m @ 0.17 g/t Au from 47.0m (NCRD008)
- 2.5m @ 0.61 g/t Au from 149m (NYDD053)
- 10.6m @ 0.10 g/t Au from 181m (NYDD057)
- 8.0m @ 0.13 g/t Au from 168m (NYDD057)
- 27.7m @ 0.21 g/t Au from 172m (NYDD064)
- 7.3m @ 0.41 g/t Au from 20.0m (NCDD010)
- 4.0m @ 0.43 g/t Au from 159m (NYDD062)

The widespread nature of the gold (coupled with the in-situ Co) continues to deliver strong potential to upgrade Mumbezhi Copper Project economics via significant by-product credits.

Shallow copper footprint defined and expanding at West Mwombezhi

In April 2026, Prospect released all assay results from its Phase 2 DD programme completed last year at the West Mwombezhi prospect, consisting of twelve drill holes (including one re-entry) for a total of 2,217.6m drilled.

This drilling in the West Mwombezhi area targeted an approximate 1km^2 zone in the northern portion of the Mumbezhi licences, located around 25km east of First Quantum's Sentinel open-pit mining operations near Kalumbila. The programme tested an area with limited historical drilling by previous operators[2], and was supported by recent geophysical[3] and geochemical surveys, together with shallow AC drilling[4], which were completed during 2024 and 2025.

These DD results have identified two distinct, narrow zones of near-surface, high grade copper sulphide mineralisation, dipping approximately 15° to the west and remaining open to the west and the south.

Structurally, the two mineralised zones intersected may be related as either thrusted or bifurcating lodes. This is supported by recent surface geochemical data indicating potential continuity of these zones to the south and west, which clearly shows elevated Cu/Sc (copper to scandium) ratios well in excess of 2:1, which is typically indicative of the presence of copper as sulphide minerals in the Zambian Copperbelt (Figure 2).

Significant copper drilling intersections returned from this programme included:

- 8.9m @ 0.78% Cu from 54.6m, incl. 7.0m @ 0.93% Cu from 54.6m (MWDD004)
- 6.7m @ 0.57% Cu from 86.0m, incl. 4.2m @ 0.75% Cu from 88.5m (MWDD009)
- 5.8m @ 0.44% Cu from 145m (MWDD001)
- 5.0m @ 0.47% Cu from 85.0m, incl. 2.7m @ 0.78% Cu from 87.3m (MWDD002)
- 4.9m @ 0.49% Cu from 89.1m and 3.9m @ 0.53% Cu from 48.1m (MWDD005)
- 5.0m @ 0.41% Cu from 42.0m (MWDD006)

1 Refer to PSC ASX release dated 17 July 2025, *Compelling New Results from ongoing Mumbezhi Metwork*

2 Refer to ARE ASX release dated 19 December 2014, *Drill intercepts – Lumwana West Project in Zambia*

3 Refer to PSC ASX release dated 26 November 2024, *Further strong intercepts returned from drilling at Nyungu Central Deposit*

4 Refer to PSC ASX release dated 1 September 2025, *Compelling new shallow drill target defined at Mumbezhi*

Gold deportment at West Mwombezhi remains under evaluation, with historical assays returning values of up to 0.17 g/t Au associated with higher-grade copper mineralisation. A targeted re-assaying programme, utilising mineralised intervals from the 2025 drill campaign, is currently underway to further assess the extent of the gold endowment at this prospect.

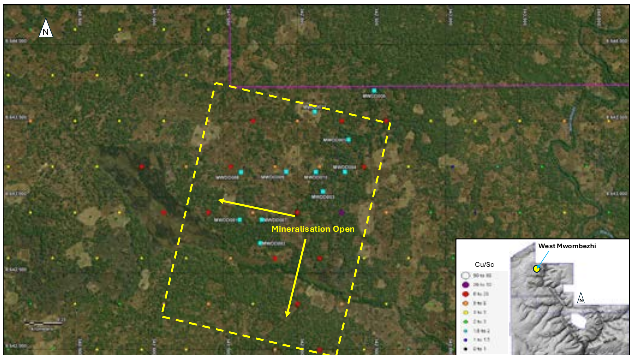

Figure 2: Map of West Mwombezhi showing highly anomalous Cu/Sc ratio values (within yellow rectangle) trending south and west of the existing diamond drilling (light blue squares) indicating Cu prospectivity

Post year-end, the Company announced AC drilling results from 81 shallow, vertical holes for 1,480m completed over a 2 square kilometre area directly to the west of the current West Mwombezhi Inferred Mineral Resource (see Figure 3).[5]

The work defined two coherent, north-striking zones of anomalous near-surface copper mineralisation, about 650m apart, with both being more than 1km long.

These zones are presently interpreted to be new hanging wall mineralised copper targets. Subsurface drilling to test the continuity of these anomalies at depth is targeted for H2 2026.

The best downhole drill intersections returned from this AC programme included:

- 25m @ 0.05% Cu from 2m (still open at end of hole) (MWAC134)
- 18m @ 0.05% Cu from 0m (still open at end of hole) (MWAC142)
- 9m @ 0.10% Cu from 17m (still open at end of hole) (MWAC126)
- 14m @ 0.06% Cu from 13m (still open at end of hole) (MWAC076)
- 19m @ 0.04% Cu from 1m (still open at end of hole) (MWAC117)
- 17m @ 0.04% Cu from 0m (MWAC135)
- 7m @ 0.08% Cu from 15m (still open at end of hole) (MWAC094)

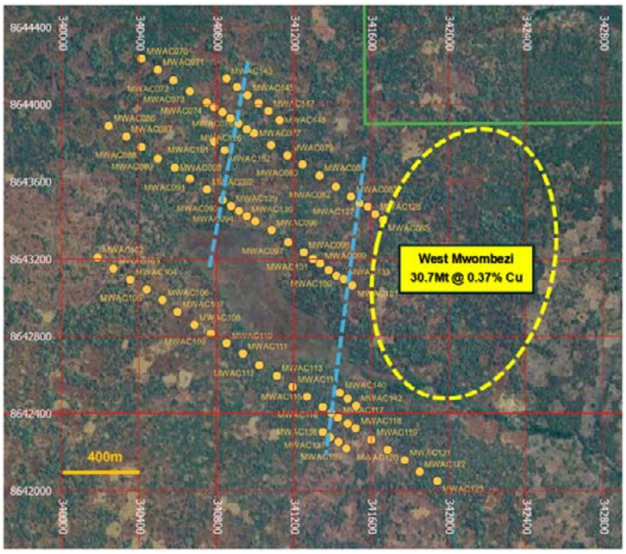

Figure 3. West Mwombezhi Phase 3 aircore drilling has generated two new coherent copper anomalies (dashed blue lines) directly west of the defined Inferred MRE

Phase 3 drilling programme commenced at Mumbezhi

In May 2026, Prospect recommenced exploration drilling at Mumbezhi under the expanded Phase 3 drilling programme.

The Phase 3 programme is planned to consist of approximately 60 DD core holes, 30 RC holes and 320 scout AC drill holes for a combined approximate 26,000 metres of drilling.

The Phase 3 drilling is designed to:

- Extend and upgrade the existing MREs at the Nyungu Central and West Mwombezhi deposits (including upgrading classification of existing Inferred Resources to Indicated status with infill DD at Nyungu Central, to support Scoping Study workstreams);
- Generate potential maiden Inferred MREs for the Kamafamba, Nyungu South, Sharamba and Chipimpa prospects; and
- Complete first-pass, shallow aircore and RC exploratory drilling of numerous regional copper anomalies defined across the Mumbezhi tenure.

The Phase 3 drilling is being supported by ground-based Induced Polarisation (IP) geophysics across several key prospect areas including Chipimpa, Kamafamba, Shikezi, West Mwombezhi and Luamvunda.

Due to the success of the Company's gold re-assaying programmes to date, Prospect will now routinely assay for gold and cobalt in all drilling intersections of defined copper mineralisation, for all deposits drilled during the Phase 3 programme.

5 Refer to PSC ASX release dated 7 July 2026, *Mumbezhi Phase 3 Programme Update*

Figure 4: AC drilling at West Mwombezhi

Metallurgical test work produces high quality Cu concentrates

The metallurgical programmes and results completed during the year show that Mumbezhi mineralisation has a conventional processing profile, with copper ores that can be treated using simple, low-cost processing methods as implemented at both Lumwana and Sentinel mines.

With high copper recovery and concentrate grades, Prospect is increasingly confident that Mumbezhi can deliver strong economic returns as the Project progresses. The potential for gold at Nyungu Central also adds value, and a broader gold assessment and metallurgical test work is now underway.

Highlights:

- Ongoing metallurgical test results confirm that the Mumbezhi Project is robust and scalable, supporting plans for a central processing hub.
- High-grade copper concentrates with strong recoveries have now been produced from several tested mineralised zones, meeting industry standards.
  - Kabikupa transition zone composite achieved a copper concentrate of 31.9% Cu and 310 ppm Co at 94.7% Cu recovery after only one cleaning stage.
  - Nyungu Central fresh composite achieved a copper concentrate of 24.6% Cu and 0.9% Co at 96.2% Cu recovery after a single cleaning stage.
  - Nyungu Central transition composite achieved a copper concentrate of 32.1% Cu and 9.1% Co at 81.4% Cu recovery after two cleaning stages.
- All composites performed well with a coarse primary grind size (P_{80} of 250µm), a positive outcome for lowering future plant capital and operating costs.
- The standard flotation process worked effectively for both Nyungu Central and Kabikupa, supporting the use of one simple centralised processing plant.
- Copper was consistently found in chalcopyrite, allowing for reliable predictive processing techniques, and results.
- Preliminary gold values in Nyungu Central transition materials suggest scope for payable by-product credits, enhancing future concentrate value.

On 25 June 2026, Prospect provided an update on metallurgical testwork samples from the Kabikupa deposit. This test work was completed by well-respected independent process consultants, Core Metallurgy Pty Ltd (Core), located in Brisbane, Queensland.

Sample Selection and Head Characterisation

Prospect's latest metallurgical testwork programme builds upon previous testwork on composites generated from both the Nyungu Central and Kabikupa deposits (refer to Prospect ASX announcement dated 17 July 2025).

This flotation testwork used the conditions previously established on the Kabikupa high-grade fresh materials as a starting point, particularly the primary grind size P_{80} of approximately 250µm, with a regrind of rougher concentrate to a P_{80} of 75µm prior to cleaning.

Flotation testwork culminated in rougher and cleaner tests, with regrind of rougher concentrate prior to cleaning. Test results are presented below in Table 2 and Table 3.

Table 2: Kabikupa transition composite final flotation test results

	Grade %			Recovery %		
	Cu%	Co%	S%	Cu%	Co%	S%
Cleaner 1 Con	31.9	0.01	16.2	94.7	2.0	91.3
Rougher Con	12.6	0.01	6.39	96.5	6.7	93.2

Table 3: Kabikupa low-grade fresh composite final flotation test results

	Grade %			Recovery %		
	Cu%	Co%	S%	Cu%	Co%	S%
Cleaner 1 Con	25.0	0.04	20.5	94.3	7.6	86.2
Rougher Con	8.19	0.02	6.99	95.9	14.4	91.1

Copper recoveries exceeding 94% were achieved to a copper concentrate grading greater than 25% copper. These results provide additional confidence in the amenability of the Kabikupa deposit to simple, conventional mineral beneficiation techniques.

A multi-element analysis, by four acid digest ICP, was conducted on the two new Kabikupa concentrates produced, with excellent concentrate quality produced that is consistent with the typical smelter concentrate specification requirements within Zambia. A summary of the pertinent results is presented in below table.

Table 4: Kabikupa multi-element concentrate analysis

	As ppm	Bi ppm	Cd ppm	Mg%	Pb%	Sb ppm	U ppm	Zn%
Transition Con	**<25**	<25	4	0.71	0.36	54	<29	0.06
Fresh Con	**<25**	28	5	0.86	0.08	46	<25	0.04

The major findings from the Kabikupa low-grade fresh and transition metallurgical testwork are:

- Both composites could be treated within the parameters established previously for Nyungu Central and Kabikupa samples. A rougher flotation time of 9 minutes was utilised for the transition composite and 12 minutes for the low-grade fresh composite, using a xanthate collector at pH 9.
- The rougher concentrates were reground to a P_{80} of 75µm. Only one stage of cleaning was needed, at pH 10.5.
- Copper recoveries were excellent, including for the tested lower head grade fresh envelope of the Kabikupa deposit.
- The coarse primary grind size previously utilised for the Nyungu Central and Kabikupa materials (P_{80} of 250 µm) was successfully applied to the tested samples with positive implications for future plant capital and operating costs.

Mumbezhi ownership interest increases to 90%

In March 2026, through its wholly-owned Singapore-based subsidiary, Prospect Copper Holdings Pte. Ltd (PCH), the Company signed and executed a Share Sale and Purchase Agreement (Agreement) with Global Development Cooperation Consulting Zambia Limited (GDC) to acquire an additional 5% interest in the Mumbezhi Copper Project (Mumbezhi) in north-western Zambia.

The transaction involved the payment of US$4,250,000 cash consideration to GDC and was subject to several conditions precedent, including:

- completion and receipt of a Property Transfer Tax Clearance Certificate issued by the Zambian Revenue Authority;
- GDC obtaining clearance from the Minerals Regulation Commission (MRC) that MRC consent is not required for the Agreement, or obtaining MRC consent for the transfer of an interest in a mining right pursuant to the relevant MRC Act in relation to the transaction under the Agreement;
- GDC board and shareholder approval for the transaction under the Agreement; and
- a new Shareholders Agreement being entered into between Prospect, GDC and the holding company of Mumbezhi, on the same commercial terms as the existing shareholders agreement.

Following completion of the Agreement on 26 March 2026, PCH now holds a 90% interest in Mumbezhi.

Successful equity raising to advance Mumbezhi

The Placement of A$45.0 million was conducted in February 2026 at an issue price of A$0.38 per New Share and was supported by both existing shareholders and new investors, with strong demand received from both domestic and offshore institutional and sophisticated investors.

Funds raised from the Placement will be applied to:

- Delivery of a further 50,000m of resource and exploration focused drilling at Mumbezhi during 2026 and 2027, with the aim of first growing and then upgrading the existing MRE and testing key regional exploration targets across the Mumbezhi Mining Licences;
- Metallurgical studies aimed at evaluating gold and cobalt recoveries from Mumbezhi;
- Completion of an internal scoping study in H2 2026, to support further evaluation works and targeted delivery of a pre-feasibility study during H2 2027;
- General working capital to provide balance sheet flexibility, in addition to costs associated with the equity raising; and
- Business development initiatives within Zambia and more broadly.

Competent person statement

The information in this report that relates to Mineral Resources is based on information compiled by Steve Rose, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Steve Rose is a full-time consultant with Rose Mining Geology Consultants.

Steve Rose has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve Rose consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

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 2026. 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
Ian Goldberg	Executive Director Finance Chief Financial Officer Joint Company Secretary (resigned 1 July 2025)
Gerry Fahey	Non-Executive Director (resigned 25 November 2025)
Gaurav Gupta	Non-Executive Director
Matt Pascall	Non-Executive Director
Doug Jones	Non-Executive Director (appointed 8 October 2025)
Harry Miller	Joint Company Secretary (resigned 1 July 2025)
Lee Tamplin Jenny Macasarte	Joint Company Secretaries (appointed 1 July 2025)

Principal Activity

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

Review of Operations and Results

The Group has recognised an overall loss after tax of $7.918 million (2025: loss after tax $8.120 million).

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

Significant Changes in State of Affairs

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

Environmental Regulations

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

Apart from regulatory compliance initiatives, the Group takes pride in maintaining active engagement with the authorities in determining how the Group can best support the local community. The Group, through its Zambian subsidiary Osprey Resources Limited, continued to deepen and formalise its engagement with communities surrounding the Mumbezhi Copper Project in Kalumbila District, North-Western Province, guided by a structured, needs-based approach to community development that prioritises genuine community input over externally driven initiatives. The Group undertook a comprehensive stakeholder mapping and needs analysis exercises across all project-affected communities, engaging directly with residents, traditional leadership, community structures and local institutions. These exercises identified priority development gaps, including access to justice, water and sanitation, healthcare, and economic livelihoods, and now form the evidence base against which the Group designs and sequences its corporate social investment (CSI) program. This structured approach ensures that community investment is targeted, measurable, and reflective of what communities themselves have identified as priorities, rather than assumptions made from outside. During the year, the Group conducted the following CSI initiatives:

- **Matebo Local Court**
  In April 2026, the construction of the Matebo Local Court was completed and formally handed over to the community to provide a dedicated facility for local dispute resolution and access to justice. Prior to this, community members relied on traveling circa 150km to the nearest local court facility for formal dispute resolution. The new facility strengthens local governance capacity and reduces barriers to justice for residents in the surrounding area.

- **Water and sanitation**
  Recognising water access as a consistently raised community priority, the Group handed over two boreholes to project-affected communities in the prior year. These boreholes provided improved access to clean and reliable water sources for an estimated 100 households. Building on this progress, a further two boreholes are currently under construction in Shilenda and Nyansowe communities, extending safe water access to additional communities within the licence area and reducing reliance on unprotected water sources.
- **Beekeeping and livelihoods project**
  The Group continued its implementation of a community beekeeping and livelihoods initiative, designed to diversify household income sources and build sustainable, community-owned economic activity independent of the mining project. The programme provides participating community members with multiple hives, training and equipment and forms part of the Company's broader effort to support economic resilience that will outlast the life of the mine. The program will support income generation through honey production and promote forest conservation around the mine project area
- **Road network rehabilitation**
  The Group continued the rehabilitation and opening of road networks in and around the licence area, improving accessibility for both community members and project operations alike. These works have improved connectivity between communities, local health and administrative services, and surrounding settlements, while also supporting safer and more reliable transport routes during the rainy season.
- **Support to the Forestry Department - Lualaba Forest Reserve**
  In support of environmental stewardship and regional conservation priorities, the Group provided support to the Department of Forestry towards the regeneration of the Lualaba Forest Reserve, contributing to the restoration of a locally and ecologically significant natural resource. This support reflects the Group's recognition that environmental sustainability extends beyond its own licence area and forms part of its broader relationship with regional environmental authorities.
- **Ongoing stakeholder engagement**
  Throughout the year, the Group maintained continued, structured engagement with traditional leaders, community leadership structures, and government and council offices. This included regular dialogue with chiefs and headpersons, engagement with local council authorities, and coordination with relevant government departments; reinforcing open channels of communication and ensuring the Group's activities remain aligned with both community expectations and formal local governance structures.

Risks Specific to the Group

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

(a) Funding risk

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

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

(b) Permits, licences, and other regulatory risk

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

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

(c) Exploration risk

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

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

Matters Subsequent to the End of the Financial Year

Other than as stated below, no matter or circumstance has arisen since 30 June 2026 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 31 July 2026, two non-binding offers to buy Richwing Exploration (Proprietary) Limited, the wholly-owned subsidiary that hold the Omaruru Lithium Project, were received. The final commercial terms governing the additional payment are still being refined.
- On 17 August 2026, a total of 1,082,109 performance rights have lapsed which equate to the ratio of the 2026 short term incentive performance hurdles that have not been met.

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 2026 (2025: NIL).

Likely Developments / Strategies and Prospects

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

Information on Directors

Mark Wheatley

Non-Executive Director and Chairman

Experience and expertise

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

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

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

Other current listed directorships

None

Former listed directorships in the last three years

Peninsula Energy Limited (resigned 29 July 2025)

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

5,900,000 ordinary shares and 631,578 service rights

Sam Hosack

Managing Director

Experience and expertise

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

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

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

None

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

21,230,563 ordinary shares, 6,028,000 options, and 408,470 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

8,083,512 ordinary shares, 4,477,857 options, and 325,611 performance rights

Gerry Fahey

Non-Executive Director
resigned 25 November 2025

Experience and expertise

Mr Fahey has over 40 years' experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved in Zimbabwe with the development of the Eureka, Chaka, Globe and Phoenix gold mines and the following Australian gold projects: Kanowna Belle, Golden Feather, Sunrise and Wallaby. Gerry is currently a Director of Focus Minerals Ltd and a former Director of CSA Global Pty Ltd, Modun Resources Limited and a former member of the Joint Ore Reserve Committee (JORC).

Other listed current directorships

Focus Minerals Ltd (appointed 20 April 2011)

Battery Age Minerals Ltd (appointed 2 February 2023)

Former listed directorships in the last three years

None

Special responsibilities

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

Interest in shares, options, and rights of the Company at the date he ceased as director

3,000,000 ordinary shares

Gaurav Gupta

Non-Executive Director

Experience and expertise

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

Other current listed directorships

Toubani Resources Ltd (appointed 22 September 2025)

Canyon Resources Limited (appointed 29 November 2023)

Former listed directorships in the last three years

None

Special responsibilities

Member of the Remuneration and Nominations Committee and chairman and member of Audit and Risk Committee

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

157,895 ordinary shares and 315,790 service rights

Matt Pascall

Non-Executive Director

Experience and expertise

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

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

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

Other current listed directorships

None

Former listed directorships in the last three years

None

Special responsibilities

Member of the Audit and Risk Committee

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

157,895 ordinary shares and 315,790 service rights

Doug Jones

Non-Executive Director appointed 8 October 2025

Experience and expertise

Mr Jones has over 45 years' experience in the international minerals industry. He is a specialist in geology, exploration, resource development and project management.

Prior to joining Prospect, Mr Jones held senior executive and board roles with a range of ASX-, TSX- and AIM-listed companies, including his most recent role as General Manager (Exploration) at Perseus Mining, where he led teams that added substantial new gold Ore Reserves to Yaouré in Côte d'Ivoire and Edikan in Ghana. He has also been involved in the discovery and development of major deposits, including the +10Moz Siguiri gold deposit in Guinea and the 1.3Moz Saramacca deposit in Suriname. His technical expertise spans project generation, grass roots exploration, resource definition and feasibility studies across multiple commodities including gold, porphyry and iron oxide copper-gold, other base metals and uranium.

Other current listed directorships

Asara Resources Ltd

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

623,011 ordinary shares and 315,790 service rights

Company Secretary

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

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

Meetings of Directors

The number of Board and Committee meetings of the Company's board held during the year ended 30 June 2026 that each Director was eligible to attend, and the number of meetings attended by each Director were:

	Number of Meetings					
	Board		Audit & Risk		Remuneration & Nomination	
Director	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mark Wheatley	11	11	-	-	1	1
Sam Hosack	11	11	-	-	-	-
Ian Goldberg	11	11	-	-	-	-
Gerry Fahey	5	5	1	1	1	-
Gaurav Gupta	11	10	2	2	1	1
Matt Pascall	11	11	2	2	-	-
Doug Jones	8	8	1	1	-	-

Remuneration Report (Audited)

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

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

(2) Details of remuneration;

(3) Service agreements; and

(4) Share-based compensation.

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

This report details the nature and amount of remuneration for each director and executive of Prospect Resources Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by the *Corporations Act 2001* and its regulations.

For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term 'executive' includes those key management personnel who are not directors of the parent company.

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

It is the Group's objective to provide maximum stakeholder benefit from the retention of a high quality board and executives by remunerating directors and executives fairly and appropriately with reference to relevant employment market conditions.

To assist in achieving the objective, the Board links the nature and amount of executive director's and senior executive's emoluments to the Group's financial and operational performance. The intended outcomes of this remuneration structure are:

- Retention and motivation of directors and executives
- Performance rewards to allow directors and executives to share the rewards of the success of the Group.

The remuneration of an executive director will be decided by the Board. In determining competitive remuneration rates the Board reviews local and international trends among comparative companies and the industry generally. It also examines terms and conditions for any equity incentives issued.

In the prior years, external consultants were used for providing advice on remuneration. No similar service was utilised this year.

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 either the Black-Scholes or Monte Carlo Simulation methodology, as applicable.

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 senior management is to encourage the alignment of personal and shareholder returns. The intention of this program is to align the objectives of directors/executives with that of the business and shareholders. In addition, all directors and executives are encouraged to hold shares in the Company.

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

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

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

The first three year term ended in October 2025. Despite strong Company performance, the LTI options did not vest because the 35% annual share price growth hurdle (246% growth over three years) was not achieved. The Board reviewed the structure of the LTI program and has then revised for future issuances commencing this year whereby vesting of LTI options will depend on a measure of relative share price performance compared to a basket of peer group companies. The Board deemed this to be a fairer approach and a better long term incentive for staff compared to use of an arbitrary compound annual share price growth rate hurdle. The maximum value of the potential LTI equity award will remain as a percentage of fixed remuneration but the new LTI scheme adopted zero exercise price options (ZEPOs) rather than PEPOs to provide a better incentive should relative share price performance stay strong in a weaker copper price environment.

Group Performance, Shareholder Wealth and Key Management Personnel Remuneration

The Group continues to undertake 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. From this year onwards, the Board commenced in utilising 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 2026 and prior.

	30 June 2026	30 June 2025	30 June 2024	30 June 2023	30 June 2022
Revenue ($'000)	**586**	200	801	825	1,405
Net loss after tax from continuing operation ($'000)	**(6,033)**	(7,472)	(6,947)	(5,207)	(17,882)
Net gain / (loss) from discontinued operations ($'000)	**(1,885)**	(648)	(72)	(349)	415,389
Net (loss) / profit after tax ($'000)	**(7,918)**	(8,120)	(7,019)	(5,556)	397,507
Share price at end of year (cents)	**28.0**	17.0	15.5	16.0	97.0
Dividends paid (cents)	**-**	-	-	79.0	-
Basic earnings per share (cents per share)	**(1.06)**	(1.40)	(1.50)	(1.19)	(4.29)
Diluted earnings per share (cents per share)	**(1.06)**	(1.40)	(1.50)	(1.19)	(4.20)

Remuneration of Key Management Personnel

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

Name	Role	Particulars
Mark Wheatley	Director	Non-Executive Director and Chairperson
Gerry Fahey	Director	Non-Executive Director (resigned 25 November 2025)
Gaurav Gupta	Director	Non-Executive Director
Matt Pascall	Director	Non-Executive Director
Doug Jones	Director	Non-Executive Director (appointed 8 October 2025)
Sam Hosack	Director	Managing Director
Ian Goldberg	Director	Executive Director Finance and Chief Financial Officer
Duncan (Harry) Greaves	Executive	Senior Consultant
David Broomfield	Executive	Corporate Development Manager

2) Details of remuneration

	SHORT TERM		POST EMPLOYMENT	SHARE BASED PAYMENTS		OTHER[i]	Total	
	Salary & Fees	Bonus[ii]	Superannuation	Rights[ii]	Options[iii]	Leave provision movements		Performance related
2026	$	$	$	$	$	$	$	%
Non-Executive Directors								
M Wheatley	80,357	-	9,643	55,100	6,543	-	151,643	0%
G Fahey	14,881	-	1,786	-	4,090	-	20,757	0%
G Gupta	40,000	-	-	41,325	-	-	81,325	0%
M Pascall	40,000	-	-	41,325	-	-	81,325	0%
D Jones	26,786	-	3,214	41,325			71,325	
Executive Directors								
S Hosack	340,718	-	9,686	106,201	166,198	10,574	633,377	43%
I Goldberg	274,716	-	30,000	83,502	108,821	878	497,917	39%
Other Key Management Personnel								
H Greaves	-	-	-	61,110	86,421	-	147,531	100%
D Broomfield	217,337	58,547	30,764	-	75,643	759	383,050	35%
Total	**1,034,795**	**58,547**	**85,093**	**429,888**	**447,716**	**12,211**	**2,068,250**	

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

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

(ii) 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 68% (2025: 65%) was deemed achieved. This was formally approved by the board on 17 August 2026 (2025: 21 July 2025). The cash bonus becomes payable at the date of approval for the 50% and the remaining will be payable 12 months thereafter provided in both instances the personnel remains employed by the Group. For the performance rights, 50% will vest one year from grant date and the remaining will vest 12 months thereafter 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.

(iii) These options were part of the long term incentives (LTI). The options for executive directors and management will vest 3 years from grant dates provided the personnel remains employed and subject to (a) for options issued in prior years, the Company's underlying share price attaining 35% compounded annual growth rate over the three-year performance period from the grant dates and (b) for options issued this year, the Company's underlying share price compared over the three years in comparison with its industry peer group.

3) Service agreements

Non-Executive Directors

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

The Chairperson Mr Wheatley has a service agreement with a total annual salary of $87,600 inclusive of super. This was increased to $90,000 per year effective 26 November 2024. Days worked beyond 6 full days per month, which when agreed by the Managing Director prior, are billable at $1,000 per day. A total of $Nil was incurred for the financial year ended 30 June 2026 (2025: $Nil).

In addition to cash remuneration, the non-executive directors are eligible to participate in the Company's incentive plans in a form of share-based compensation. In the prior year, the non-executive directors were granted service rights that were subject to certain vesting conditions and vesting periods.

Executive Directors

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

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

In addition to cash remuneration, the executive directors are eligible to participate in the Company's incentive plans in a form of share-based compensation. In both the current and prior years, the executive directors were granted performance rights and share options as short-term incentives and long-term incentives, respectively. These were subject to certain vesting conditions and vesting periods.

Other Executives

Mr Greaves has a consulting agreement to provide special advisory services to the Board and senior management of the Company. He is eligible to participate in the short-term and long-term incentive schemes. In both the current and prior years, Mr Greaves was granted performance rights and share options as short-term incentives and long-term incentives, respectively. These were subject to certain vesting conditions and vesting periods.

Mr Broomfield has an executive service agreement as Corporate Development Manager with a total salary of $241,076 per annum inclusive of superannuation. He is eligible to participate in the short-term and long-term incentive schemes. In both the current and prior years, Mr Broomfield was awarded a cash bonus and granted share options as short-term incentives and long-term incentives, respectively. These were subject to certain vesting conditions and vesting periods.

Termination

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

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

4) Share-based compensation

During the year, the Company issued 3,320,000 share options, 2,052,633 service rights, and 2,766,206 performance rights to directors and other key management personnel. The terms and conditions of each grant of options and rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Series	No. of securities	Grant date fair value	Exercise price	Expiry date	Vesting date
Options					
Granted 25/11/25	2,160,000	$0.175	$NIL	16-Aug-29	16-Aug-28
Granted 16/08/25	1,160,000	$0.190	$NIL	16-Aug-29	16-Aug-28
	3,320,000				
Service rights					
Granted 25/11/25	684,211	$0.175	$NIL	21-Jul-29	21-Jul-26
Granted 25/11/25	684,211	$0.175	$NIL	21-Jul-29	21-Jul-27
Granted 25/11/25	684,211	$0.175	$NIL	21-Jul-29	21-Jul-28
	2,052,633				
Performance rights					
Granted 25/11/25	1,079,532	$0.175	$NIL	21-Jul-28	21-Jul-26
Granted 25/11/25	1,079,531	$0.175	$NIL	21-Jul-28	21-Jul-27
Granted 21/07/25	303,572	$0.175	$NIL	21-Jul-28	21-Jul-26
Granted 21/07/25	303,571	$0.175	$NIL	21-Jul-28	21-Jul-27
	2,766,206				

Subsequent to 30 June 2026, 885,186 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 2026	Opening balance	Purchases	Exercise of rights	Exercise of options	Disposal	Closing balance
M Wheatley	4,300,000	-	-	-	-	4,300,000
G Fahey[(i)]	2,000,000	-	-	1,000,000	-	3,000,000
G Gupta	-	-	-	-	-	-
M Pascall	-	-	-	-	-	-
D Jones[(ii)]	-	465,116	-	-	-	465,116
S Hosack	18,276,323	1,000,000	977,019	-	-	20,253,342
I Goldberg	6,600,769	-	713,951	-	-	7,314,720
H Greaves	5,517,954	-	538,152	-	-	6,056,106
D Broomfield	-	-	-	-	-	-
	36,695,046	**1,465,116**	**2,229,122**	**1,000,000**	**-**	**41,389,284**

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

(ii) The opening balance of shares presented represents the shareholdings at date of appointment as director.

Options held at 30 June 2026	Opening balance	Granted as compensation	Exercised	Forfeited	Closing balance	Vested during the year	Vested and exercisable
M Wheatley	1,600,000	-	-	-	1,600,000	533,333	1,600,000
G Fahey	1,000,000	-	(1,000,000)	-	-	-	-
G Gupta	-	-	-	-	-	-	-
M Pascall	-	-	-	-	-	-	-
D Jones	-	-	-	-	-	-	-
S Hosack	7,826,000	1,202,000	-	(3,000,000)	6,028,000	-	-
I Goldberg	5,519,857	958,000	-	(2,000,000)	4,477,857	-	-
H Greaves	4,357,857	608,000	-	(1,700,000)	3,265,857	-	-
D Broomfield	3,796,714	552,000	-	(1,500,000)	2,848,714	-	-
	24,100,428	**3,320,000**	**(1,000,000)**	**(8,200,000)**	**18,220,428**	**533,333**	**1,600,000**

Rights held at 30 June 2026	Opening balance	Granted as compensation	Vested and converted	Forfeited	Closing balance	Vested during the year	Vested and exercisable
Service rights							
M Wheatley	-	631,578	-	-	631,578	-	-
G Gupta	-	473,685	-	-	473,685	-	-
M Pascall	-	473,685	-	-	473,685	-	-
D Jones	-	473,685	-	-	473,685	-	-
	-	***2,052,633***	**-**	**-**	***2,052,633***	**-**	**-**
Performance rights							
S Hosack	2,158,269	1,201,384	(977,019)	(612,500)	1,770,134	977,019	-
I Goldberg	1,634,405	957,679	(713,951)	(477,273)	1,400,860	713,951	-
H Greaves	1,190,140	607,143	(538,152)	(338,068)	921,063	538,152	-
D Broomfield	-	-	-	-	-	-	-
	4,982,814	***2,766,206***	***(2,229,122)***	***(1,427,841)***	***4,092,057***	***2,229,122***	**-**
	4,982,814	**4,818,839**	**(2,229,122)**	**(1,427,841)**	**6,144,690**	**2,229,122**	**-**

(End of Remuneration Report)

Additional Information

(a) Shares under option and rights

At 30 June 2026 the Company had 40,022,607, 4,998,486, and 2,052,633 in unlisted options, performance rights, and service rights, respectively, over ordinary shares under issue (30 June 2025: 58,014,952 and 6,814,419 in unlisted options and performance rights, respectively).

(b) Insurance of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the company secretary, and any executive officers of the Company and of any related body corporate against a liability incurred by such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(c) Agreement to indemnify officers

The Company has entered into agreements with the directors and company secretaries to provide access to Company records and to indemnify them. The indemnity relates to any liability as a result of being, or acting in their capacity as, an officer of the Company to the maximum extent permitted by law; and for legal costs incurred in successfully defending civil or criminal proceedings.

No liability has arisen under these indemnities as at the date of this report.

(d) Proceedings on behalf of the Company

To the best of the directors' knowledge, no person has applied to the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened on behalf of the Company with leave of the court under Section 237.

(e) Indemnity of auditor

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

(f) Audit services

During the financial year $94,812 (excluding GST) was paid or payable for audit services provided by Stantons (2025: $88,148). Non related audit firms have been paid or are payable $17,803 for audit services of subsidiaries (2025: $7,023).

(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 68 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 2026 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 2026

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 2026 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 2026.

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

Sam Hosack
Managing Director

Perth, Western Australia
Dated 24 September 2026

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated 2026 $'000	2025 $'000
Continuing operations			
Revenue			
Other income	4	**586**	200
Expenses			
Depreciation expense	12	**(113)**	(155)
Employee benefits expenses		**(3,327)**	(3,762)
Foreign currency exchange gain		**297**	171
Interest expense		**(6)**	(4)
Share based payments expense	18(a)(ii)(iii)	**(1,346)**	(1,339)
Impairment of property, plant and equipment		**-**	(40)
Expected credit losses on trade and other receivables	8	**-**	(284)
Other administrative expenses		**(2,124)**	(2,259)
Loss from continuing operations before income tax		**(6,033)**	(7,472)
Income tax expense	5	**-**	-
Loss from continuing operations after tax		**(6,033)**	(7,472)
Loss from discontinued operations	20(b)	**(1,885)**	(648)
Loss for the year		**(7,918)**	(8,120)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(1,109)**	187
Other comprehensive income / (loss) for the year net of tax		**(1,109)**	187
Total comprehensive loss for the year		**(9,027)**	(7,933)
Loss attributable to:			
Equity holders of the Company		**(7,908)**	(8,106)
Non-controlling interests	20(a)	**(10)**	(14)
		(7,918)	(8,120)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(9,017)**	(7,919)
Non-controlling interests	20(a)	**(10)**	(14)
		(9,027)	(7,933)
Loss per share from continuing operations			
Basic loss per share (cents)	28	**(0.81)**	(1.29)
Diluted loss per share (cents)	28	**(0.81)**	(1.29)
Loss per share from discontinuing operations			
Basic loss per share (cents)	28	**(0.25)**	(0.11)
Diluted loss per share (cents)	28	**(0.25)**	(0.11)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated 2026 $'000	2025 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	**36,616**	21,062
Trade and other receivables	8	**2,541**	781
Short term investment	9	**5,000**	-
Other current assets	10	**111**	113
Assets held for sale	11	**-**	3,311
Total Current Assets		**44,268**	25,267
Non-Current Assets			
Property, plant and equipment	12	**1,286**	1,049
Exploration and evaluation expenditure	13	**39,198**	22,115
Total Non-Current Assets		**40,484**	23,164
Total Assets		**84,752**	48,431
LIABILITIES			
Current Liabilities			
Trade and other payables	14	**1,774**	2,028
Liabilities directly associated with the assets held for sale	10	**-**	11
Lease liability	15	**42**	56
Provisions	16	**132**	121
Total Current Liabilities		**1,948**	2,216
Non-Current Liabilities			
Lease liability	15	**-**	44
Provisions	16	**67**	40
Total Non-Current Liabilities		**67**	84
Total Liabilities		**2,015**	2,300
Net Assets		**82,737**	46,131
EQUITY			
Contributed equity	17	**101,517**	55,952
Reserves	18	**29,910**	30,960
Accumulated losses	19	**(48,669)**	(40,761)
Total Equity Attributable to Shareholders of Parent Company		**82,758**	46,151
Non-controlling interests	20(a)	**(21)**	(20)
Total Equity		**82,737**	46,131

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Payments to suppliers and employees		**(6,704)**	(6,296)
Income tax paid		**-**	-
Net cash outflow from operating activities	7(a)	**(6,704)**	(6,296)
Cash flows from investing activities			
Interest received		**501**	200
Payments for capitalised exploration and evaluation expenditure	13	**(11,434)**	(7,056)
Payments for additional interest in the Mumbezhi Copper Project	13	**(6,057)**	-
Payments for investment in short term investment	9	**(5,000)**	-
Payment for property, plant and equipment	12	**(681)**	(640)
Proceeds from disposal of subsidiaries	20(b)	**1,319**	-
Net cash outflow from investing activities		**(21,352)**	(7,496)
Cash flows from financing activities			
Payment for lease		**(52)**	(60)
Interest paid		**(6)**	(4)
Proceeds from issuance of shares	17	**45,000**	27,566
Capital raising costs		**(2,648)**	(1,171)
Proceeds from exercise of options		**1,437**	-
Net cash inflow from financing activities		**43,731**	26,331
Net increase in cash and cash equivalents		**15,675**	12,539
Cash and cash equivalents at beginning of year		**21,062**	8,337
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(121)**	186
Cash and cash equivalents at end of year	7	**36,616**	21,062

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Contributed equity $'000	Share based payments reserves $'000	Foreign currency translation reserves $'000	Other reserves $'000	Accumulated losses $'000	Attributable to owners of the parent $'000	Non-controlling interests $'000	Total Equity $'000
Balance at 30 June 2024		29,312	12,326	18,164	(877)	(32,655)	26,270	(6)	26,264
Loss for the year from continuing operations		-	-	-	-	(7,461)	(7,461)	(11)	(7,472)
Loss for the year from discontinued operations		-	-	-	-	(645)	(645)	(3)	(648)
Loss for the year		-	-	-	-	(8,106)	(8,106)	(14)	(8,120)
Other comprehensive income		-	-	187	-	-	187	-	187
Total comprehensive income for the year		-	-	187	-	(8,106)	(7,919)	(14)	(7,933)
Issue of shares from capital placements	17(b)	27,566	-	-	-	-	27,566	-	27,566
Transaction costs related to issue of shares	17(b)	(1,664)	400	-	-	-	(1,264)	-	(1,264)
Payment of director fees through shares	17(b)	159	-	-	-	-	159	-	159
Issue of shares on exercise of performance rights	18(a)	404	(404)	-	-	-	-	-	-
Issue of shares on exercise of share options	18(a)	175	(175)	-	-	-	-	-	-
Share based payments	18(a)	-	1,339	-	-	-	1,339	-	1,339
Balance at 30 June 2025		**55,952**	**13,486**	**18,351**	**(877)**	**(40,761)**	**46,151**	**(20)**	**46,131**
Loss for the year from continuing operations		**-**	**-**	**-**	**-**	**(6,012)**	**(6,012)**	**(10)**	**(6,022)**
Loss for the year from discontinued operations		**-**	**-**	**-**	**-**	**(1,896)**	**(1,896)**	**-**	**(1,896)**
Loss for the year		**-**	**-**	**-**	**-**	**(7,908)**	**(7,908)**	**(10)**	**(7,918)**
Other comprehensive income		**-**	**-**	**(1,109)**	**-**	**-**	**(1,109)**	**-**	**(1,109)**
Total comprehensive income for the year		**-**	**-**	**(1,109)**	**-**	**(7,908)**	**(9,017)**	**(10)**	**(9,027)**
Issue of shares from capital placements	17(b)	**45,000**	**-**	**-**	**-**	**-**	**45,000**	**-**	**45,000**
Transaction costs related to issue of shares	17(b)	**(2,407)**	**-**	**-**	**-**	**-**	**(2,407)**	**-**	**(2,407)**
Payment of director fees through shares	17(b)	**151**	**-**	**-**	**-**	**-**	**151**	**-**	**151**
Issue of shares on exercise of performance rights	18(a)	**313**	**(313)**	**-**	**-**	**-**	**-**	**-**	**-**
Issue of shares on exercise of share options	18(a)	**2,508**	**(1,021)**	**-**	**-**	**-**	**1,487**	**-**	**1,487**
Share based payments	18(a)	**-**	**1,346**	**-**	**-**	**-**	**1,346**	**-**	**1,346**
Disposal of subsidiaries	18(b)	**-**	**-**	**47**	**-**	**-**	**47**	**9**	**56**
Balance at 30 June 2026		**101,517**	**13,498**	**17,289**	**(877)**	**(48,669)**	**82,758**	**(21)**	**82,737**

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2026

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 2026 was authorised for issue in accordance with a resolution of the directors on 24 September 2026.

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 2026. 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.

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

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

  » Whether a currency is exchangeable into another currency

  » The spot exchange rate to use when it is not exchangeable

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

  » An entity can obtain the other currency within a time frame that allows for a normal administrative delay, and

  » A market or exchange mechanism creates enforceable rights and obligations over an exchange transaction

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

  » If an entity can only obtain an insignificant amount of the other currency

  » At the measurement date for the specified purpose

  When a currency is not exchangeable:

  » An entity shall estimate the spot exchange rate

  » The estimate would reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions

  » The entity must also disclose information on how the lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

- AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*

  This standard amends AASB 136 and AASB 137 to add additional illustrative examples to their accompanying guidance. The objective of the new examples is to illustrate how an entity applies the requirements of the standards to report the effects of uncertainties in its financial statements. In particular, the examples demonstrate:

  » In relation to AASB 136 – how an entity discloses information about the key assumptions it uses to determine the recoverable amounts of assets.

  » In relation to AASB 137 – how an entity might disclose information about plant decommissioning and site-restoration obligations.

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 2026. The Group is yet to assess the impact of the adoption of these standards and amendments on the financial statements.

- AASB 18 *Presentation and Disclosure in Financial Statements*

  AASB 18 will replace AASB 101 Presentation of Financial Statements and retrospective application will be required. The key presentation and disclosure requirements established by AASB 18 are:

  New structure for the statement of profit or loss

  » Income and expenses must be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations.

  » Presentation of mandatory subtotals: 'operating profit or loss', 'profit or loss before financing and income taxes', and 'profit or loss'.

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

  Disclosure of management-defined performance measures (MPMs)

  An MPM is a subtotal of income and expenses that an entity uses in public communications outside the financial statements to convey management's view of an aspect of the entity's overall financial performance to users.

» Disclosures of MPMs must be made in a single note.
» Include information such as:
  - How the measure is calculated
  - How it provides useful information
  - Reconciliation to the most comparable subtotal specified by AASB 18 or another standard
» ASIC is considering whether amendments will be made to its guidance in RG230 *Disclosing non-IFRS financial information*.

The Group will adopt this amendment in the financial year ending 30 June 2028.

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

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

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

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

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

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

(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.

(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(z).

(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 the statement of profit or loss and other comprehensive income.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred on granted exploration licences is accumulated in respect of each identifiable area of interest. These costs are carried forward where the rights to tenure of the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to any abandoned area will be written off in full against profit in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area of interest according to the rate of depletion of the economically recoverable reserves. A regular review will be undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(m) Mine properties

(i) Mines under construction

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

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

(ii) Mine properties and property, plant and equipment

- *Initial recognition*

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

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

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

- *Depreciation / amortisation*

Accumulated mine development costs are depreciated/ amortised on a Unit Of Production (UOP) basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case, the straight-line method is applied. The unit of account for run-of-mine (ROM) costs is tonnes of ore, whereas the unit of account for post-ROM costs are recoverable tonnes of minerals. 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 derecognized.

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

- *Stripping (waste removal) costs*

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

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

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

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

If any of the criteria are not met, the production stripping costs are charged to statement of profit or loss and other comprehensive income 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.

- *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 and other comprehensive income 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 and other comprehensive income 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.

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 statement of profit or loss and other comprehensive income. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

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

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

(ii) Classification and measurement

- ***Financial assets***

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

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

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

Classifications are determined by both:

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

Financial assets at amortised cost

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

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

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

Financial assets at fair value through other comprehensive income

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

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and other comprehensive income 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 the statement of profit or loss and other comprehensive income.

(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 the statement of profit or loss and other comprehensive income, 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 statement of profit or loss and other comprehensive income.

(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 the statement of profit or loss and other comprehensive income 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 (performance or service) 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 and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

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

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

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

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

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

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

(i) exploration and evaluation expenditure

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

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

(ii) Provision for expected credit losses

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

(iii) Share based payments

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

(iv) deferred tax assets

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

(aa) Rounding of amounts

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

3) SEGMENT INFORMATION

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

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

(b) Geographical segments

Segment revenue, results and depreciation exclude discontinued operations.

	Australia		Africa		Consolidated	
Continuing operations	**2026 $'000**	2025 $'000	**2026 $'000**	2025 $'000	**2026 $'000**	2025 $'000
Revenue from external customers						
Other income	**586**	200	**-**	-	**586**	200
Total segment revenue	**586**	200	**-**	-	**586**	200
Results						
Segment net loss before tax - Continuing	**(5,034)**	(4,143)	**(999)**	(3,329)	**(6,033)**	(7,472)
Segment net loss before tax - Discontinued	**(1,881)**	(34)	**(4)**	(614)	**(1,885)**	(648)
Segment net loss before tax	**(6,915)**	(4,177)	**(1,003)**	(3,943)	**(7,918)**	(8,120)
Assets						
Segment assets	**40,508**	21,029	**44,244**	27,402	**84,752**	48,431
Liabilities						
Segment liabilities	**875**	1,070	**1,140**	1,230	**2,015**	2,300
Other segment information						
Impairment of assets	**-**	-	**-**	40	**-**	40
Depreciation expense	**61**	60	**52**	95	**113**	155

4) REVENUE FROM CONTINUING OPERATIONS

	2026 $'000	2025 $'000
Interest income	**586**	200
Total revenue from continuing operations	**586**	200

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5) INCOME TAX

(a) Components of income tax expense

	2026 $'000	2025 $'000
Current income tax	-	-
Deferred income tax	-	-
Income tax expense	-	-

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

	2026 $'000	2025 $'000
Loss before income tax – continuing operations	(6,033)	(7,472)
Profit before income tax – discontinued operations	(1,885)	(648)
Loss before income tax	(7,918)	(8,120)
Tax at the Australian tax rate of 25% (2025: 25.0%)	(1,979)	(2,030)
Tax effect of differential corporate tax rates	(14)	(75)
Tax effect of amounts which are not deductible in calculating taxable income:		
Share based payments	337	335
Others	719	511
Over / under recognition of prior year tax expense	(184)	156
Net deferred tax assets not brought to account	1,121	1,103
Income tax expense	-	-
Income tax expense is attributable to:		
Profit from continuing operations	-	-
Profit from discontinuing operations	-	-

(c) Deferred income tax

Deferred income taxes relate to the following:

	2026 $'000	2025 $'000
Deferred tax liabilities	$'000	$'000
Right of use assets	10	25
Prepayments	-	14
Unrealised foreign exchange movement	31	476
Deferred tax assets used to offset deferred tax liabilities	(41)	(515)
	-	-
Deferred tax assets		
Lease liabilities	11	25
Accruals	156	250
Provisions and others	245	152
Exploration and evaluation expenditure	460	641
Unused tax losses	7,110	6,267
Deferred tax assets used to offset deferred tax liabilities	(41)	(515)
Deferred tax assets not recognised	(7,941)	(6,820)
	-	-

At the reporting date the Group has unrecognised tax losses of $27,943,014 (2025: $24,874,894) 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

	2026 $'000	2025 $'000
Income tax payable	-	-

6) FINANCIAL RISK MANAGEMENT

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

(a) Market Risk

- **Interest rate risk**

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

	2026 $'000	2025 $'000
Interest bearing – cash and cash equivalents	34,453	17,231
Interest bearing – short term investment	5,000	-
Total cash and cash equivalents	39,453	17,231
Weighted average interest rate	2.68%	2.74%

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) (2025: +/-50 bps), as follows:

	+ / - basis points (bps)	Impact to profit before tax $'000
2026		
Increase in interest rate	+ 50 bps	197
Decrease in interest rate	- 50 bps	(197)
2025		
Increase in interest rate	+ 50 bps	86
Decrease in interest rate	- 50 bps	(86)

- **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 copper and other commodity prices. The Group will develop strategies to mitigate this risk when it moves from the exploration & development phase into the production phase.

(b) Currency Risk

Currency risk arises from investments and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

The Group is exposed to foreign currency risk in the form of financial instruments held currency other than the functional currently of the Company. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2026 $'000	2025 $'000
Cash and cash equivalents – USD	**7,523**	3,187
VAT receivable – ZMW	**1,966**	638
Trade and other payables – USD	**(41)**	(53)
Total Exposure	**9,448**	3,772

Assuming all other variables remain constant, a 10% increase or decrease of the Australian dollar at 30 June 2026 against the USD and ZMW would have resulted in a decrease in loss before tax by $1,049,000 (2025: $419,000) or increase in loss before tax by $859,000 (2025: $343,000).

(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.

The receivables are mainly relating to GST and VAT receivables.

(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.

7) CASH AND CASH EQUIVALENTS

	2026 $'000	2025 $'000
Total cash and cash equivalents	**36,616**	21,062
(a) Reconciliation of operating loss after income tax to net cash flows used in operating activities		
Loss after tax - from continuing operation	**(6,033)**	(7,472)
Loss after tax - from discontinued operation	**(1,885)**	(648)
Loss after tax	**(7,918)**	(8,120)
Adjustments to reconcile loss after tax to net cash flows		
Non-cash income and expense items		
Depreciation	**113**	155
Share based payments	**1,346**	1,339
Impairment of exploration and evaluation expenditure	**-**	585
Impairment of property, plant and equipment	**-**	40
Expected credit losses on trade and other receivables	**-**	284
Others		
Interest income received	**(586)**	(200)
Loss on disposal of subsidiaries	**1,875**	-
Changes in operating assets and liabilities		
(Increase) / decrease in operating trade and other receivables	**(1,760)**	(779)
(Increase) / decrease in other assets	**2**	31
(Decrease) / increase in operating trade and other payables	**186**	351
(Decrease) / increase in provisions	**38**	18
(Decrease) in tax liabilities	**-**	-
Net cash (outflows) from operating activities	**(6,704)**	(6,296)

8) TRADE AND OTHER RECEIVABLES

	2026 $'000	2025 $'000
GST / VAT receivable	**2,450**	1,031
Deferred payment from disposal of subsidiaries	**224**	-
Other receivables	**138**	34
	2,812	1,065
Allowance for expected credit losses	**(271)**	(284)
Total trade and other receivables	**2,541**	781

The deferred payment from disposal of subsidiaries pertained to the sale of the Stepaside Lithium Project in November 2025 (see note 20(b)). This was received in August 2026.

An impairment analysis is performed at each reporting date using a specific identification to measure expected credit losses. The provision is based on a number of factors assessed such as days past due, similar loss patterns with the counterparty, and the counterparty's liquidity status. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security. The Group recognised an allowance for expected credit loss for the VAT receivable in certain Africa based subsidiary of $271,001 (2025: $284,424).

At 30 June 2026, a total of $1,803,973 in trade and other receivables is past due but not impaired (2025: $637,857).

9) SHORT TERM INVESTMENT

At 30 June 2026, the Company held a 12-months bank term deposit with a principal amount of $5,000,000 (2025: $Nil). This bears interest of 5.08% and will mature on 27 February 2027.

10) OTHER CURRENT ASSETS

	2026 $'000	2025 $'000
Prepayments	**90**	85
Deposits	**21**	28
Total other current assets	**111**	113

11) ASSETS HELD FOR SALE

	2026 $'000	2025 $'000
Other current assets	**-**	18
Property, plant and equipment	**-**	3
Exploration and evaluation expenditure	**-**	3,290
Total assets held for sale	**-**	3,311

On 9 May 2024, the Board resolved that the Group commence the process to sell Step Aside Lithium Project in Zimbabwe. The assets and liabilities of the entities for disposal have been presented as held for sale. On 4 November 2025, the Group signed an agreement to sell the Step Aside Lithium Project to a third party private company based in Africa. The sale was completed on 24 November 2025 (see note 20(b)).

12) PROPERTY, PLANT AND EQUIPMENT

	2026 $'000	2025 $'000
Right of use asset	**40**	99
Building	**507**	233
Plant and machinery	**32**	51
Vehicles	**438**	350
Furniture and fixtures	**14**	20
Office equipment	**255**	296
Total property, plant and equipment	**1,286**	1,049

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

Reconciliation of Property, plant and equipment – 2026

	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	238	118	7	143	568	77	404	1,555
Additions	311	-	-	4	246	8	284	853
Disposals	-	-	-	(6)	(102)	(1)	(7)	(115)
Effect of foreign currency exchange differences	(15)	-	-	(6)	(23)	(3)	(20)	(67)
Closing balance at cost	534	118	7	135	689	82	661	2,226
Opening accumulated depreciation and impairment	(5)	(19)	(7)	(92)	(218)	(57)	(108)	(506)
Depreciation	(23)	(59)	-	(20)	(109)	(12)	(311)	(534)
Disposals	-	-	-	5	71	-	6	82
Impairment	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	1	-	-	4	5	1	7	18
Closing accumulated depreciation and impairment	(27)	(78)	(7)	(103)	(251)	(68)	(406)	(940)
Net written down value	507	40	-	32	438	14	255	1,286

Reconciliation of Property, plant and equipment – 2025

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

	2026 $'000	2025 $'000
Depreciation	534	249
Depreciation transferred to capitalised exploration and evaluation expenditure	(421)	(94)
Depreciation recognised in statement of profit or loss and other comprehensive income	113	155

13) EXPLORATION AND EVALUATION EXPENDITURE

	2026 $'000	2025 $'000
Exploration and evaluation expenditure comprises:		
Mumbezhi – Copper	**36,815**	19,769
Omaruru – Lithium	**2,383**	2,346
Total exploration and evaluation	**39,198**	22,115

	2026 $'000	2025 $'000
Opening balance	**22,115**	14,011
Acquisition of additional 5% interest in Mumbezhi Copper Project	**6,057**	-
Expenditure incurred	**12,168**	8,000
Effect of foreign currency exchange differences	**(1,142)**	104
Total exploration and evaluation expenditure	**39,198**	22,115

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

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

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

The conditions precedent for the agreements with Orpheus and GDC were satisfied on 30 April 2024 and 31 May 2024, respectively, and the upfront payment to Orpheus and cash and share consideration to GDC were due and fully settled.

On 23 March 2026, the Group acquired an additional 5% interest in the Mumbezhi Copper Project from GDC for US$4,250,000 (A$6,057,000).

At 30 June 2026, no payment was required for the milestone payments as the conditions for these remain yet to be achieved (30 June 2025: $nil).

The Omaruru Lithium Project ("Omaruru") is held through the Group's wholly-owned subsidiary in Namibia, Richwing Exploration (Proprietary) Limited ("Richwing"). The exploration licence was issued and renewable every two years and the latest tenure was due for renewal on 12 February 2026. The renewal application was submitted in October 2025, which was well within the required timeframe, and the approval confirmation is outstanding as at 30 June 2026. The Directors have assessed the Group's rights to tenure and, having regard to the status of the renewal process and ongoing engagement with the relevant authorities, are satisfied that the Group continues to hold the rights necessary to continue its exploration activities.

In March 2026, the Group received non-binding offers from two external parties to acquire the Group's 100% interest in Richwing, which will include the disposal of this project. The revised non-binding offers were received on 31 July 2026 (see note 29).

14) TRADE AND OTHER PAYABLES

	2026 $'000	2025 $'000
Trade payables [i]	**837**	1,004
Accruals	**937**	1,024
Total trade and other payables	**1,774**	2,028

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

15) LEASE LIABILITY

	2026 $'000	2025 $'000
The balance sheet shows the following amounts relating to leases:		
Right-of-use asset – office space		
Lease liabilities		
Current	**42**	56
Non current	**-**	44
Total lease liabilities	**42**	100

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

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

16) PROVISIONS

	2026 $'000	2025 $'000
Current		
Annual leave provision	**82**	77
Long service leave provision	**50**	44
Total current provisions	**132**	121
Non current		
Long service leave provision	**67**	40
Total non current provisions	**67**	40

17) CONTRIBUTED EQUITY

	2026 No. of Shares	2025 No. of Shares
(a) Issued share capital		
Ordinary shares fully paid	**832,737,627**	700,587,177

(b) Movement in ordinary share capital

	No. of Shares	**$'000**
Balance at 30 June 2024	478,679,885	29,312
Capital placements	214,030,171	27,566
Payment for subsidiary director's fees	1,400,352	159
Exercise of performance rights	3,976,769	404
Exercise of options	2,500,000	175
Cost of capital raising paid in options (note 18(a)(ii))	-	(400)
Cost of capital raising paid in cash	-	(1,264)
Balance at 30 June 2025	**700,587,177**	**55,952**
Capital placements	**118,421,053**	**45,000**
Payment for subsidiary director's fees	**730,661**	**151**
Exercise of performance rights	**3,081,250**	**313**
Exercise of options	**9,917,486**	**2,508**
Cost of capital raising paid in cash	**-**	**(2,407)**
Balance at 30 June 2026	**832,737,627**	**101,517**

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.

In the prior year, a number of capital raising activities were conducted that resulted in the issue of new ordinary shares totalling 214,030,171 and generated a combined total of $27,565,526 in funds before share issue costs. These pertained to the capital raising in (a) August 2024 that was participated by institutional and sophisticated investors (64,800,000 shares) and Eagle Eye Asset Holdings Pte Ltd (Eagle Eye) (14,750,000 shares) at an issue price of $0.10 per share, (b) September 2024 offered to eligible shareholders through the participation in the Share Purchase Plan (11,230,000 shares) at an issue price of $0.10, (c) in April 2025 and June 2025 that was participated by First Quantum Minerals Limited, through its subsidiary, FQMA Holdings Pty Ltd, (104,386,973 shares) and Eagle Eye (18,863,198 shares) at an issue price of $0.15.

In February 2026, a capital raising was completed via equity placement of 118,421,053 at $0.38 per new share. The Group was able to raise total funds of $45,000,000 before share issue costs. This was participated by institutional and sophisticated investors (100,532,492 shares) and Eagle Eye (17,888,561 shares).

18) RESERVES

	2026 $'000	2025 $'000
Share based payments reserves	**13,498**	13,486
Other reserves	**(877)**	(877)
Foreign currency translation reserve	**17,289**	18,351
Total reserves	**29,910**	30,960

Nature and Purpose of Reserves
The share based payments reserve arises pursuant to an issue of shares or options as consideration for a service or an acquisition transaction.

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and translation differences on intercompany loans.

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

(a) Share Based Payments Reserve

(i) Balance at yearend

	No. of Options and Rights	$'000
30 June 2026		
Options	**40,022,607**	**13,001**
Rights	**7,051,119**	**497**
	47,073,726	**13,498**
30 June 2025		
Options	58,014,952	13,187
Rights	6,814,419	299
	64,829,371	13,486

(ii) Movement in options

	No. of Options	$'000
Balance at 30 June 2024	37,667,033	11,988
Grant of options in lieu of broker fees	8,000,000	400
Grant of options to employees, consultants, and director	15,181,253	-
Forfeiture	(333,334)	(24)
Exercise of options	(2,500,000)	(175)
Share based payment expense	-	998
Balance at 30 June 2025	**58,014,952**	**13,187**
Grant of options to employees, consultants, and directors	**6,695,000**	**-**
Exercise of options	**(9,917,486)**	**(1,021)**
Forfeiture	**(14,769,859)**	**(23)**
Share based payment expense	**-**	**858**
Balance at 30 June 2026	**40,022,607**	**13,001**

(iii) Movement in rights

	No. of Options	$'000
Balance at 30 June 2024	6,696,448	338
Grant of performance rights to employees, consultants, and directors	5,725,067	-
Exercise of performance rights	(3,976,769)	(404)
Forfeiture of performance rights	(1,630,327)	-
Share based payment expense	-	365
Balance at 30 June 2025	**6,814,419**	**299**
Grant of performance rights to employees, consultants, and directors	**3,381,591**	**-**
Grant of service rights to non-executive directors	**2,052,633**	**-**
Exercise of performance rights	**(3,081,250)**	**(313)**
Forfeiture of performance rights	**(2,116,274)**	**(31)**
Share based payment expense	**-**	**542**
Balance at 30 June 2026	**7,051,119**	**497**

(b) Foreign Currency Translation Reserve

	2026 $'000	2025 $'000
Movement in reserve		
Opening balance	**18,351**	18,164
Disposal of subsidiary	**47**	-
Currency translation differences	**(1,109)**	187
Closing balance	**17,289**	18,351

19) ACCUMULATED LOSSES

	2026 $'000	2025 $'000
Balance at the beginning of the year	**40,761**	32,655
Net loss attributable to equity holders of the Company	**7,908**	8,106
Accumulated losses at end of year	**48,669**	40,761

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	
			2026	2025
Prospect Minerals Pte Ltd	Holding company	Singapore	**100%**	100%
Promin Resource Holdings Pte Ltd	Holding company	Singapore	-	100%
Stepaside Lithium Pte Ltd	Holding company	Singapore	-	100%
Prospect Copper Holdings Pte Ltd	Holding company	Singapore	**100%**	100%
Hawkmoth Mining & Explorations (Pvt) Limited	Exploration & evaluation	Zimbabwe	**100%**	100%
Harrier Nickel Resources (Private) Limited	Exploration & evaluation	Zimbabwe	-	100%
Eagle Lithium Resources (Private) Ltd	Exploration & evaluation	Zimbabwe	-	90%
Hawk Rare Earth (Private) Limited	Exploration & evaluation	Zimbabwe	-	100%
Sarita Mineral Resources Limited	Mining and quarrying	Zambia	**99.93%**	99.93%
Osprey Resources Limited	Mining and quarrying	Zambia	**90%**	85%
Prospect Resources (Mauritius) Limited	Holding company	Mauritius	**100%**	100%
Belham Investments (Proprietary) Limited	Exploration & evaluation	Namibia	**100%**	100%
Richwing Exploration (Proprietary) Limited	Exploration & evaluation	Namibia	**100%**	100%

In November 2025, the Step Aside Lithium Project was sold that resulted to the disposal of Promin Resource Holdings Pte Ltd, Stepaside Lithium Pte Ltd, Harrier Nickel Resources (Private) Limited, Eagle Lithium Resources (Private) Ltd, Hawk Rare Earth (Private) Limited.

In March 2026, the Group acquired additional 5% interest in the Mumbezhi Copper Project through increasing its ownership interest in Osprey Resources Limited.

(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		Loss allocated to non-controlling interests	
		2026 %	2025 %	**2026 $'000**	2025 $'000	**2026 $'000**	2025 $'000
Eagle Lithium Resources (Private) Ltd	Zimbabwe	**-**	10%	**-**	(3)	**-**	(9)
Sarita Mineral Resources Limited	Zambia	**0.07%**	0.07%	**-**	-	**-**	-
Osprey Resources Limited	Zambia	**10%**	15%	**(10)**	(11)	**(21)**	(11)
				(10)	(14)	**(21)**	(20)

(b) Discontinued Operations

(i) Description

On 9 May 2024 the Board resolved that the Group commence the process of marketing the Step Aside Lithium Project, which would involve the disposal of subsidiaries such as Promin Resource Holdings Pte Ltd, Stepaside Lithium Pte Ltd, Eagle Lithium Resources (Private) Ltd, Harrier Nickel Resources (Private) Limited, and Hawk Rare Earth (Private) Limited. The proceeds will be utilised to fund the exploration activities of the other projects and any other opportunities.

The results of operations and the assets and liabilities of these subsidiaries for disposal were presented in the Consolidated Statement of Profit or Loss and Comprehensive Income under discontinuing operations and in the Statement of Financial Position under assets held for sale.

On 4 November 2025, the Group signed an agreement to sell the Step Aside Lithium Project to a third party private company based in Africa. The agreement involved upfront payment of US$850,000 upon completion, the deferred payment of US$150,000 due in 6 months from the completion of the sale, and the conditional payment of US$1,200,000 payable within 24 months from completion of the sale. The conditional payment is subject to the buyer achieving specific development milestones, including the entry into binding offtake agreements, upgrades to the mineral resource of the project, or future sale transaction where the value of the project is more than US$5,000,000.

The upfront payment and deferred payment were recognised as sale proceeds amounting to US$1,000,000 (AU$1,550,860) this year whereas the conditional payment will be recognised once conditions are achieved.
The Group recognised a net loss of disposal of $1,874,869 million, as follows:

	24 November 2025 $'000
Upfront payment	1,319
Deferred payment receivable	232
Total sale consideration received	**1,551**
Cash in bank	11
Other current assets	24
Exploration and evaluation expenditure	3,347
Property, plant and equipment	2
Trade and other payables	(13)
Foreign currency translation reserve	46
Non-controlling interests	9
Net assets disposed	**3,426**
Net loss from disposal	**1,875**

(ii) Financial performance and cashflow information

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

	2026 $'000	2025 $'000
Revenue	-	-
Expenses	(1,885)	(648)
Loss before income tax	**(1,885)**	(648)

The expense primarily relates to Step Aside Lithium Project's loss on sale $1,874,869 (2025: $NIL) and impairment of $NIL (2025: $584,797).

21) PROSPECT RESOURCES LIMITED PARENT COMPANY INFORMATION

	2026 $'000	2025 $'000
Assets		
Current assets	**40,447**	20,890
Non-current assets	**51,157**	34,871
Total Assets	**91,604**	55,761
Liabilities		
Current liabilities	**796**	966
Non-current liabilities	**15,478**	17,051
Total Liabilities	**16,274**	18,017
Net Assets	**75,330**	37,744
Equity		
Contributed equity	**101,517**	55,952
Reserves	**13,498**	13,486
Accumulated losses	**(39,685)**	(31,694)
	75,330	37,744
Financial Performance		
Loss for the year	**(7,991)**	(4,115)
Other comprehensive income	**-**	-
Total Comprehensive Loss	**(7,991)**	(4,115)

Parent Entity Contingencies and Guarantees
The parent entity has not guaranteed any loans for any entities during the year (2025: 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 $595,368 (2025: $584,882).

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

22) SHARE-BASED PAYMENTS

During the year, the Group recognised share based payments expense of $1,346,070 (2025: $1,339,316) 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 2026	
	Employees and consultants Long Term Incentive	Directors Long Term Incentive
No. of options	4,535,000	2,160,000
Grant date	16/08/2025	25/11/2025
Share price	$0.19	$0.175
Exercise price	$Nil	$Nil
Expiry date	16/08/2029	16/08/2029
Fair value at grant date	$0.19	$0.175
Vesting condition and period	(i(a))	(i(a))

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

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

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

(a) The personnel remaining in employment of the Group by 16 August 2028 and the Company's underlying share price performance over the three years in comparison with peer group that will determine the options to vest, as follows:

- 100% if the Company performance falls within the top third of the peer group
- 50% if the Company performance falls within the middle third of the peer group
- 0% if the Company performance falls within the bottom third of the peer group

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

(c) 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 Group 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 2026		
	Employees and consultants Short Term Incentive	Executive directors Short Term Incentive	Non-executive directors Long Term Incentive
No. of Rights	1,222,528	2,159,063	2,052,633
Grant date	21/07/2025	25/11/2025	25/11/2025
Share price	$0.185	$0.175	$0.175
Exercise price	$0.00	$0.00	$0.00
Expiry date	21/07/2028	21/07/2028	21/07/2029
Fair value at grant date	$0.185	$0.175	$0.175
Vesting condition and period	(i)	(i)	(iii)

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

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

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

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

(iii) The non-executive directors long term incentive service rights vest evenly on 21 July 2026, 21 July 2027, and 21 July 2028 and require they remain directors of the Group at the end of each vesting periods.

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

	2026 No.	2026 WAEP $/Share	2025 No.	2025 WAEP $/Share
Outstanding at 1 July	**58,014,952**	**0.17**	37,667,033	0.15
Granted during the year	**6,695,000**	**0.00**	23,181,253	0.17
Forfeited during the year	**(14,769,859)**	**0.15**	(333,334)	0.15
Exercised during the year	**(9,917,486)**	**0.19**	(2,500,000)	-
Expired during the year	**-**	**-**	-	-
Outstanding at 30 June	**40,022,607**	**0.15**	58,014,952	0.17
Exercisable at 30 June	**8,433,331**	**0.19**	10,399,998	0.19

The weighted average remaining contractual life for the share options outstanding as at 30 June 2026 is 1.56 years (2025: 1.95 years).

The range of exercise prices for options outstanding at the end of the year was $Nil - $0.20 (2025: $0.12 - $0.20).

23) COMMITMENTS FOR EXPENDITURE

(a) Exploration Commitments

The Group has mining and exploration tenement. These tenements do not have a requirement for minimum commitment for exploration spend.

(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 $697,930 as at 30 June 2026 (2025: $779,554).

24) CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2026, the Group has identified potential regulatory fines pertaining to the newly implemented *Statutory Instrument No. 68 of 2025 (Geological and Minerals Development Regulations)* in Zambia. This regulation took effect on 1 January 2026 and applies to mining and mining-related companies that operated in Zambia. This requires companies to integrate local business into the supply chain and mandates to reserve portion of procurement budgets and all non-core services exclusively for citizen-owned enterprises. Additionally, this requires submission of compliance reports on a timely basis. The Group's maximum exposure to these fines as at 30 June 2026 is estimated to be ZMW 5,240,000 (AU$421,500). The Group has initiated the process to request the reversal of these fines. While the outcome of this reversal is uncertain, management believes the likelihood of a financial payout is possible but not probable. Accordingly, no provision has been recognised in the financial statements. No contingent liabilities were identified as at 30 June 2025.

On 4 November 2025, the Group signed an agreement to sell the Step Aside Lithium Project to a third party private company based in Africa (see note 20(b)). Part of the consideration was a conditional payment of US$1,200,000 payable within 24 months from completion of the sale. The conditional payment is subject to the buyer achieving specific development milestones, including the entry into binding offtake agreements, upgrades to the mineral resource of the project, or future sale transaction where the value of the project is more than US$5,000,000. No asset has been recognised as at 30 June 2026 as the receipt of funds is not yet virtually certain.

25) AUDITORS REMUNERATION

	2026 $'000	2025 $'000
Audit of the consolidated group by Stantons	**$'000**	$'000
Audit and review of the financial reports	**95**	88
Other services	**-**	-
	95	88
Auditor of subsidiaries by component auditors		
Audit services	**18**	7

26) KEY MANAGEMENT PERSONNEL DISCLOSURES

	2026 $'000	2025 $'000
The aggregate compensation made to Key Management Personnel of the Group is set out below:		
Short term employee benefits	**1,105,553**	1,265,914
Post employment benefits	**85,093**	77,181
Share based payments	**877,604**	751,399
Total compensation made to key management personnel	**2,068,250**	2,094,494

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 2026 include outstanding director fees of $NIL (2025: $51,000).

28) EARNINGS PER SHARE (EPS)

	2026	2025
Continuing operation		
Loss after income tax attributable to members of Prospect Resources Limited ($'000)	**(6,022)**	(7,461)
Weighted average number of ordinary shares outstanding during the year for basic EPS	**745,401,985**	579,229,458
Weighted average number of ordinary shares outstanding during the year for diluted EPS	**745,401,985**	579,229,458
Basic loss per share (cents per share)	**(0.81)**	(1.29)
Diluted loss per share (cents per share)	**(0.81)**	(1.29)
Discontinued operation		
Profit after income tax attributable to members of Prospect Resources Limited ($'000)	**(1,885)**	(645)
Weighted average number of ordinary shares outstanding during the year for basic EPS	**745,401,985**	579,229,458
Weighted average number of ordinary shares outstanding during the year for diluted EPS	**745,401,985**	579,229,458
Basic earnings per share (cents per share)	**(0.25)**	(0.11)
Diluted earnings per share (cents per share)	**(0.25)**	(0.11)

As at 30 June 2026, 40,022,607 unlisted options and 7,051,119 rights which represent potential ordinary shares of 40,022,607 and 7,051,119, respectively (2025: 58,014,952 unlisted options and 6,814,419 rights which represent potential ordinary shares of 58,014,952 and 6,814,419), were not considered dilutive for the purposes of calculating the loss per share for the year ended 30 June 2025, as they would decrease the loss per share.

29) SUBSEQUENT EVENTS

Other than as stated below, no matter or circumstance has arisen since 30 June 2026 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 17 August 2026, a total of 1,082,109 performance rights have lapsed which equate to the ratio of the 2026 short term incentive performance hurdles that have not been met.
- On 31 July 2026, two non-binding offers to buy Richwing Exploration (Proprietary) Limited, the wholly-owned subsidiary that hold the Omaruru Lithium Project, were received. The final commercial terms governing the additional payment are still being refined.

Consolidated Entity Disclosure Statement

AS AT 30 JUNE 2026

AS AT 30 JUNE 2026						
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
Prospect Copper Holdings Pte Ltd	Body corporate	-	100%	Singapore	Foreign	Singapore
Hawkmoth Mining & Explorations (Pvt) Limited	Body corporate	-	100%	Zimbabwe	Foreign	Zimbabwe
Sarita Mineral Resources Limited	Body corporate	-	99.93%	Zambia	Foreign	Zambia
Osprey Resources Limited	Body corporate	-	90%	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

Stantons

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24 September 2026

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 Audit Director for the audit of the financial statements of Prospect Resources Limited for the year ended 30 June 2026, 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)

Eliya Mwale

Eliya Mwale
Director

Liability limited by a scheme approved under Professional Standards Legislation

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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 ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, 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, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 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 & Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matters	How the matter was addressed in the audit
Carrying value of the Exploration and Evaluation Assets *(refer to Notes 2(l) and 13 to the financial statements)* As at 30 June 2026, exploration and evaluation expenditure totalled $39.198 million. The carrying value of these assets is a key audit matter due to: • The significance of these amounts as they represent the largest assets and constitute approximately 46% of the total assets as at 30 June 2026; and • The necessity to assess management's application of the requirements of the accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6), in light of any indicators of impairment that may be present.	Inter alia, our audit procedures included the following: i. Assessing the Group's accounting policy for compliance with AASB 6; ii. Assessing the management's determination of its areas of interest to ensure consistency with the definition in AASB 6; iii. Evaluating costs capitalised, on a sample basis, during the year to ensure compliance with the Group's accounting policy and the requirements of AASB 6; iv. Evaluating Group's documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: - Minutes of meetings of the Board and management; - Announcements made by the Company to the Australian Securities Exchange; and - Cash flow forecasts; v. 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; and vi. Assessing the adequacy of the related disclosure in the notes to the financial statements.

Key Audit Matters	How the matter was addressed in the audit
Share based payments *(Refer to Notes 2(y) and 22 to the financial statements)* During the financial year, the Group recognised share-based payment expenses of $1.346 million in the consolidated statement of profit or loss and other comprehensive income. The Group entered into a number of share-based payment arrangements during the year, including performance rights and options to directors, employees and consultants in exchange for services. Share-based payment is a key audit matter due to: ▪ Significance of the share-based payment expense;	Inter alia, our audit procedures included the following: i. Reviewing minutes of meetings, ASX announcements, agreements and considering other transactions undertaken during the year to obtain an understanding of the contractual nature and terms and conditions of share-based payment arrangements. ii. Assessing appropriateness of the valuation methods used and the reasonableness of the assumptions used in the Group's valuation of share options being the share price of the underlying equity at grant date, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date;

Independent Auditor's Report

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- the complex and significant judgement and estimates used in determining the fair value of the share-based payment; and
- the use of valuation models requiring assumptions regarding volatility, risk-free interest rates, expected term and market-based vesting conditions.

iii. Recalculation of the estimated fair value of the share options using the valuation methodology selected, on a sample basis;

iv. Challenging management's assumptions in relation to the likelihood of achieving the vesting conditions;

v. Assessing the allocation of the share-based payment expense over the relevant vesting period; and

vi. 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 2026 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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

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

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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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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, actions taken to eliminate threats or safeguards applied.

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 the 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.

Independent Auditor's Report

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Prospect Resources Limited for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

Stantons International Audit and Consulting Pty Ltd

Eliya Mwale

Eliya Mwale
Director
West Perth, Western Australia
24 September 2026

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 6 September 2026.

(a) Substantial Shareholders

The substantial shareholders are:

Holder Name	Holding Balance	% IC
HSBC Custody Nominees (Australia) Limited	207,864,500	24.89%
FQMA Holdings Pty Ltd	104,386,973	12.50%
CITICORP Nominees Pty Limited	67,619,086	8.10%
BNP Paribas Noms Pty Ltd	59,619,397	7.14%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	49,558,322	5.93%

(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 and rights.

(c) Number of Holders

Class of Equity Securities	Number of holders
Fully paid ordinary shares	2,964
Options	34
Performance rights	5
Service rights	4

(d) Distribution of Equity Security Holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	490	218,993	0.03%
Above 1,000 up to and including 5,000	853	2,447,343	0.29%
Above 5,000 up to and including 10,000	447	3,552,866	0.43%
Above 10,000 up to and including 100,000	882	32,101,678	3.84%
Above 100,000	291	796,978,825	95.41%
Totals	**2,963**	**835,299,705**	**100.00%**

(e) Less than Marketable Parcels

There were 831 holders of less than a marketable parcel of ordinary shares.

(f) Equity Security Holders

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

Position	Holder Name	Holding	% Issued Shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	207,864,500	24.89%
2	FQMA HOLDINGS PTY LTD	104,386,973	12.50%
3	CITICORP NOMINEES PTY LIMITED	67,619,086	8.10%
4	BNP PARIBAS NOMS PTY LTD	59,619,397	7.14%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	49,558,322	5.93%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	28,804,702	3.45%
7	MBM CAPITAL PARTNERS LLP	21,625,000	2.59%
8	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	20,015,350	2.40%
9	ADANSONIA MANAGEMENT SERVICES LTD <THE HUNTLEY GRANTA A/C>	16,683,342	2.00%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	14,097,662	1.69%
11	MORGAN STANLEY SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	13,434,417	1.61%
12	MR KENNETH JOSEPH HALL <HALL PARK A/C>	13,150,000	1.57%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,000,000	1.20%
14	BUTTONWOOD NOMINEES PTY LTD	8,890,511	1.06%
15	MR VALENTINE CHITALU	7,315,000	0.88%
16	FARVIC CONSOLIDATED MINES (PVT) LTD	7,123,260	0.85%
17	MR KYECHUN LEE	6,014,590	0.72%
18	MRS SAMANTHA JAYNE GOLDBERG	4,185,000	0.50%
19	WHEATLEY CONSULTING SERVICES PTY LTD <WHEATLEY FAM SF A/C>	4,136,046	0.50%
20	BNP PARIBAS NOMINEES PTY LTD <UOBKH R'MIERS>	3,802,940	0.46%
Total		**668,326,098**	**80.01%**
Total issued capital - selected security class(es)		**835,299,705**	**100.00%**

Restricted securities

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

Unquoted equity securities

Class of Unquoted Securities	Number on Issue	Number of Holders
Unlisted options	40,022,607	34
Unlisted performance rights	1,670,089	5
Unlisted service rights	1,736,843	4

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) Richwing Exploration (Pty) Limited ("Richwing") – Omaruru Lithium Project

2) Osprey Resources Limited ("Osprey") – Mumbezhi Copper Project

Tenement type & number	Tenement name	Country	Project	Registered company name	% Held at 30 June 2026
EPL 5533	Omaruru	Namibia	Omaruru	Richwing	100%
39445-HQ-LML	Mumbezhi	Zambia	Mumbezhi	Osprey	90%
39465-HQ-LML	Mumbezhi	Zambia	Mumbezhi	Osprey	90%


MUMBEZHI
COPPER PROJECT

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