

2 July 2024

KORSNÄS REE CONCENTRATE STOCKPILE SAMPLING COMPLETED

- Auger sampling the Lanthanide concentrate stockpile adjacent to the Korsnäs mine and Tailings Storage Facility (TSF) has been completed.
- Nine holes were drilled and 67 samples, collected at 1 metre intervals, have been despatched for assay.
- Sampling of the Lanthanide concentrate stockpile follows excellent assay results from Prospech's drilling of the TSF.
- Rare Earth Elements from 0.87 million tonnes of ore processed for lead recovery by the Korsnäs mine are accumulated in the TSF and Lanthanide concentrate stockpile.
- The Lanthanide concentrate stockpile consists of REE concentrate produced but not sold by the historic Korsnäs mine operator.
- The Lanthanide concentrate stockpile and TSF are pre-mined and readily accessible for potential exploitation.
- A contract has been signed for a drill program to test sections of at least six known parallel REE mineralised zones (hard rock target), scheduled for July-August 2024.
- The hard rock target offers significant potential for scale expansion.

The Directors of Prospech Limited (**Prospech** or **the Company**) are pleased to announce the ongoing exploration and development of the Company's wholly-owned Korsnäs project. This follows excellent assay results from samples of the historical Korsnäs core held by the Geologic Survey of Finland (**GTK**), with more results pending, as well as promising assay results from Prospech's drilling of the TSF. The Company has now completed auger drilling of the Lanthanide concentrate stockpile.

Prospech, through its wholly owned Finnish subsidiary Bambra Oy (**Bambra**), retains exploration tenure over the Korsnäs mine site, including the TSF and Lanthanide concentrate stockpile. The tenure also features at least six sub-parallel geological structures, shown by assay results from preserved drill core, to be rich in REEs (the hard rock target) which will now, following completion of the auger sampling of the Lanthanide concentrate stockpile, be drill tested by Prospech.

Location and Access

The Korsnäs REE project is located on Finland's west coast, near the Gulf of Bothnia (Figure 1). It is centred around a historic lead mine, situated 45 km southwest of Vaasa, 4 km northeast of Korsnäs, and 171 km from the significant port of Kokkola. The project is 700 km by road and vehicular ferry from the Neo Performance Materials REE processing facility in Narva, Estonia.



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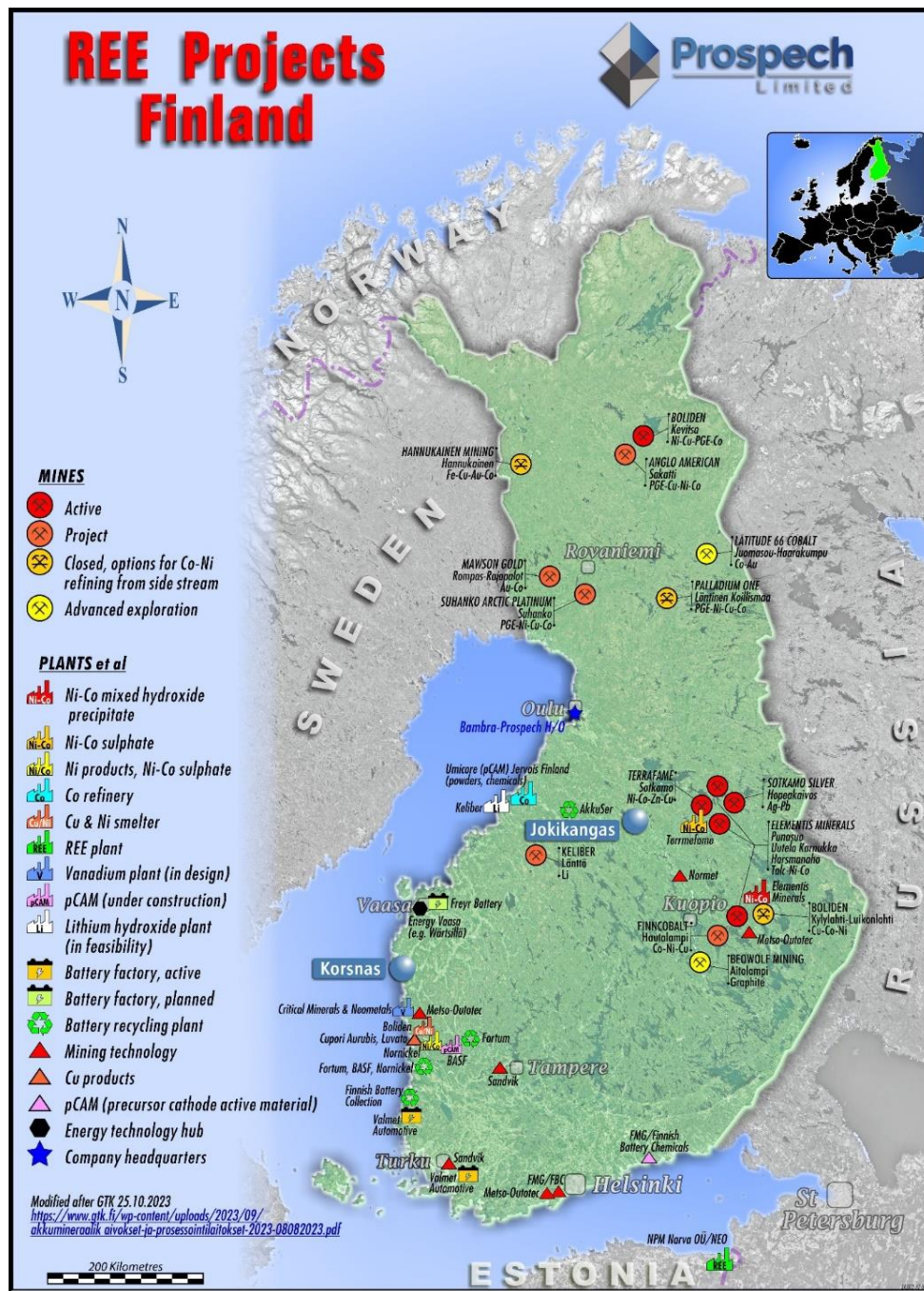


Figure 1: Location of Korsnäs project close to existing battery infrastructure in western Finland.

Historical Information

The Korsnäs lead mine, located on Finland's west coast, was operational from 1958 to 1972. During this period, 0.87 million tonnes of ore were processed, focused solely on lead production, yielding a reported recovered grade of 3.6% Pb.

Outokumpu Oy, the original mine operator, was aware that the Korsnäs orebody contained Rare Earth Elements (**REEs**). Initially, the REEs were discarded in the TSF but records indicate that an REE concentrate was produced from more than 0.5 million tonnes of ore but was never sold and remains stockpiled at the mine in the Lanthanide concentrate stockpile. According to historic mine records, the Korsnäs mine produced 50,250 tonnes of lanthanide concentrate at an average grade of 3.05% of undifferentiated lanthanide elements from 1965 to July 1972 when the mine was closed.

Prospech has now completed auger sampling of the Lanthanide concentrate stockpile. Preparation and drilling photos are shown in Figure 2 below.

This Lanthanide concentrate stockpile will complement the Company's previously reported Exploration Target defined for the TSF (ASX announcement: 20 June 2024) and facilitate further scoping studies on the Korsnäs project REE production potential.



Figure 2: Post removal of a barren rock cap samples can be extract with no wall contamination down to basement at 7.5m depth.

Prospech Managing Director, Mr. Jason Beckton, emphasised the significance of the Korsnäs REE venture's success, stating, *"We fully understand that our success hinges on accurately delineating a hard-rock mineral resource and establishing a viable process route. To help achieve this, we have signed a contract with Arctic Drilling Company (ADC) of Finland for a diamond drilling program, targeting 1,000 to 1,200 metres of large diameter core, scheduled for July and August this year. This drilling is crucial for several reasons: confirming historical drilling data, obtaining oriented core to enhance the confidence of our geological interpretations, and most importantly, providing fresh material for metallurgical test work."*

The recent positive results from the TSF, combined with the completion of deep auger sampling of the Lanthanide concentrate stockpile, present us with a promising opportunity. These developments may form the foundation for a starter project, capitalising on what we see as low-hanging fruit."

The main road between Vaasa and Korsnäs passes through the project area, which has access to grid power and communications. The Lanthanide concentrate stockpile is just 400 metres from the main road (Figure 3).

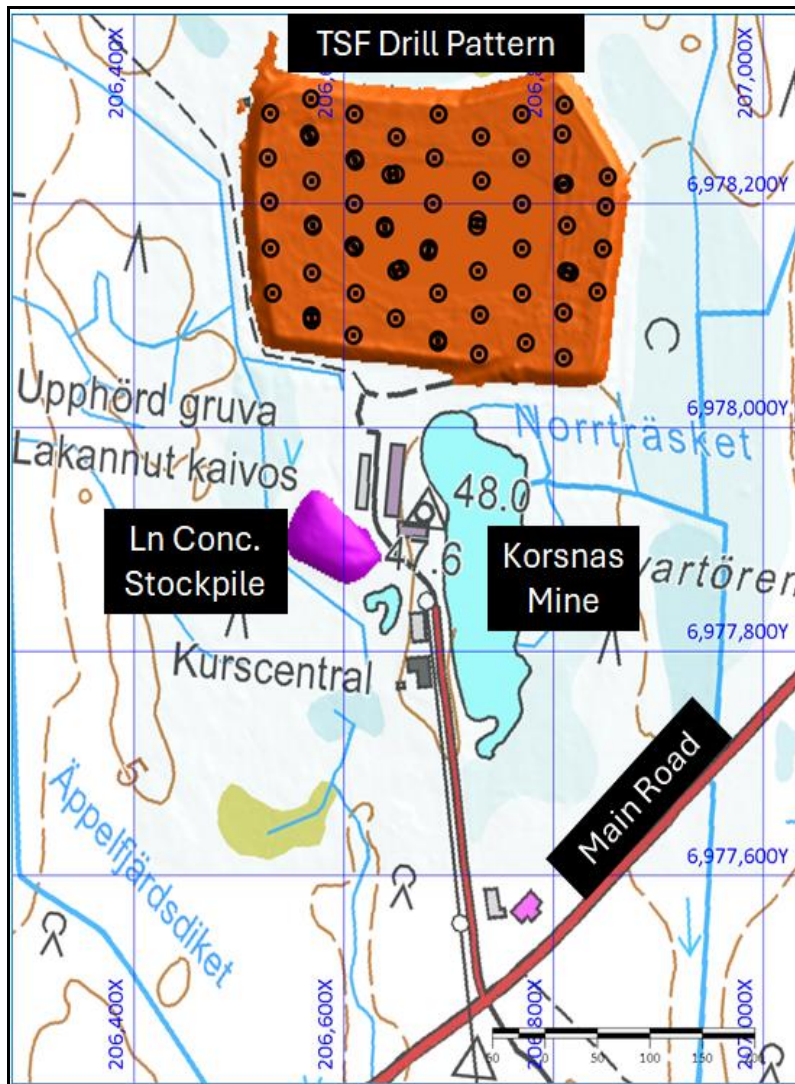


Figure 3: Korsnäs auger drilling has been completed on the Lanthanide concentrate stockpile (Ln Conc. Stockpile) adjacent to the previously drilled TSF.

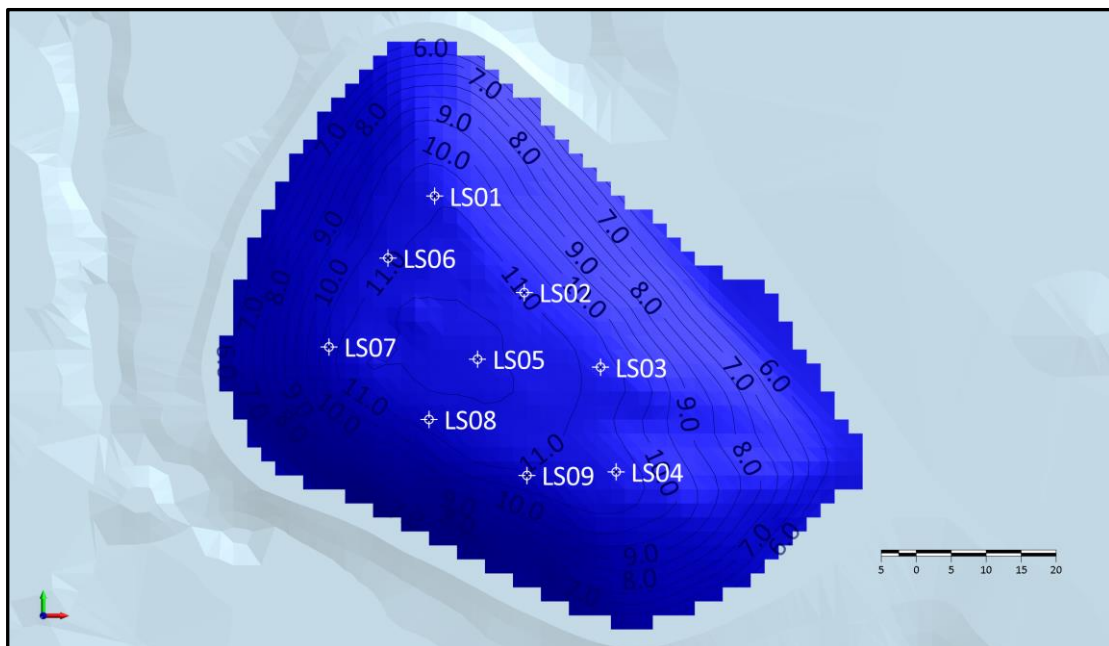


Figure 4: As planned, Prospech completed auger drilling at nine locations shown above to test the Lanthanide concentrate stockpile. The Company will also drill more auger holes on the edge of the previously drilled TSF to enhance confidence in a pending resource estimate of the TSF.

About Prospech Limited

Founded in 2014, the Company engages in mineral exploration in Finland and Slovakia, with the goal of discovering, defining, and developing critical elements such as rare earths, lithium, cobalt, copper, silver, and gold resources.

Prospech is taking steps to be a part of the mobility revolution and energy transition in Europe. The Company has a portfolio of prospective cobalt and precious metals projects in Slovakia and through its acquisition of the Finland Projects has acquired prospective rare earth element and lithium projects. Eastern and Northern Europe are areas that are highly supportive of mining and have a growing demand for locally sourced rare earths and lithium. With the demand for these minerals increasing, Prospech is positioning itself to be a major player in the European market.

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This announcement has been authorised for release to the market by the Managing Director.

Competent Person's Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geoscientists. Mr Beckton, who is Managing Director of the Company, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beckton consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

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