

# Rare Earths and Precious Metals in the EU

## – Noosa Mining Conference

November 2024

Korsnäs Drilling main mine trend in August



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In accordance with section 734(6) of the Corporations Act 2001 (Cth) (Corporations Act):

- \* a prospectus prepared under the Corporations Act in relation to the Offer will be lodged with ASIC (**Prospectus**);
- \* the offers of the securities will be made in, or accompanied by, a copy of the Prospectus; and
- \* a person should consider the Prospectus in deciding whether to acquire the securities under the Offer. A prospectus prepared under the Corporations Act in relation to the Offer was lodged with ASIC on 21 October 2024.

**Competent Person's Statement:** The exploration results in this presentation were first announced by the Company to ASX on 20 June 2024, 30 September 2024 and 16 October 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements. The Exploration Target in this announcement has been reviewed by Jason Beckton, who is a member of The Australian Institute of Geosciences. Jason Beckton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beckton takes responsibility for the form and context in which the Exploration Target appears.

# Strategy - Prospech Limited

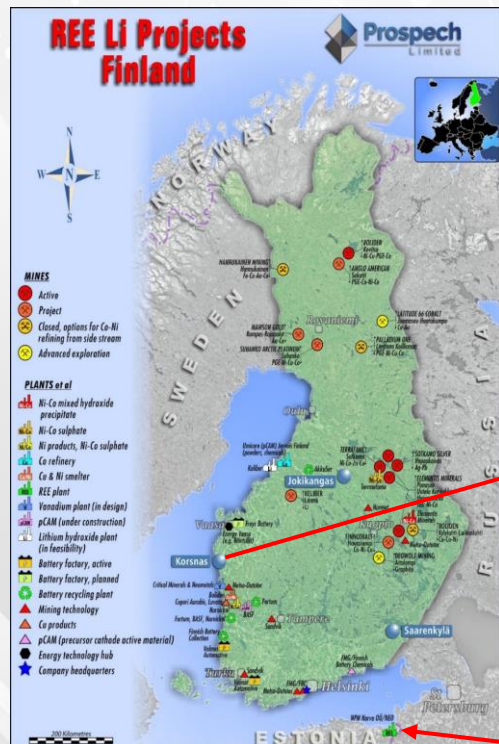
- **Size of the Prize**
  - REE and Gold Silver Copper Resources
- **Cost of the test**
  - Finland Resource – Metallurgy.
  - Slovakia – Drilling
  - EU support with recent €430k REMHub grant approval
- **Chances of Success**
  - Finland – Brownfield Asset - Upside every time we drill.
  - Slovakia – Greenfield near mine LANF 'Coka Rakita' target and known Cu Au porphyry



Slovakia – Kolba Cu Ag Co drill planning

# PROSPECH

## Summary and location of key projects

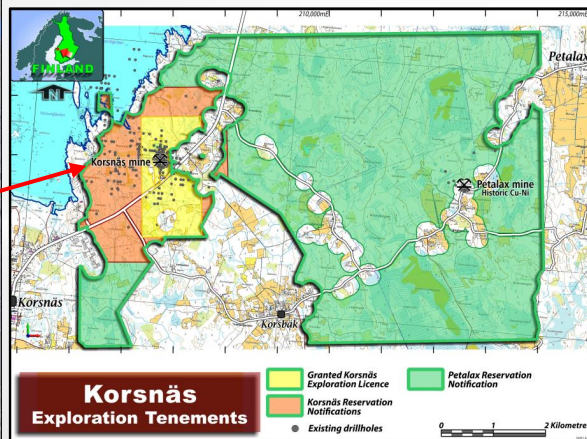


## Finland

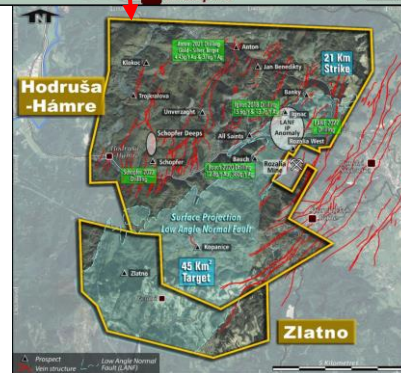
- Critical minerals – Korsnäs REE project
- Proximate to Neo Materials' REE refinery

## Slovakia

- Precious metals – Hodruša-Hámre
- Underexplored by modern methods



Neo Materials' REE refinery





# Problem – Lack of EU REE Supply

## Solution – Prospech's Korsnäs Project

EU Critical Raw Materials Act – 11 April 2024

Key points from the EU Critical Raw Materials Act – 11 April 2024:

1. **Aim:** Reduce dependence on countries outside the EU for critical minerals.
2. **2030 Objectives:**
  - **EU Extraction:** At least 10% of EU annual consumption to come from within the EU.
  - **EU Processing:** At least 40% of annual consumption to be processed within the EU.
  - **EU Recycling:** At least 25% of consumption to be met via domestic recycling.
  - **External Sources:** Not more than 65% of annual consumption to come from a single non-EU country at any relevant stage of processing.
3. **Streamlined Permitting:** Maximum of 27 months for Strategic Project approvals.
4. **Single Contact Point:** A centralised contact for all permitting matters.

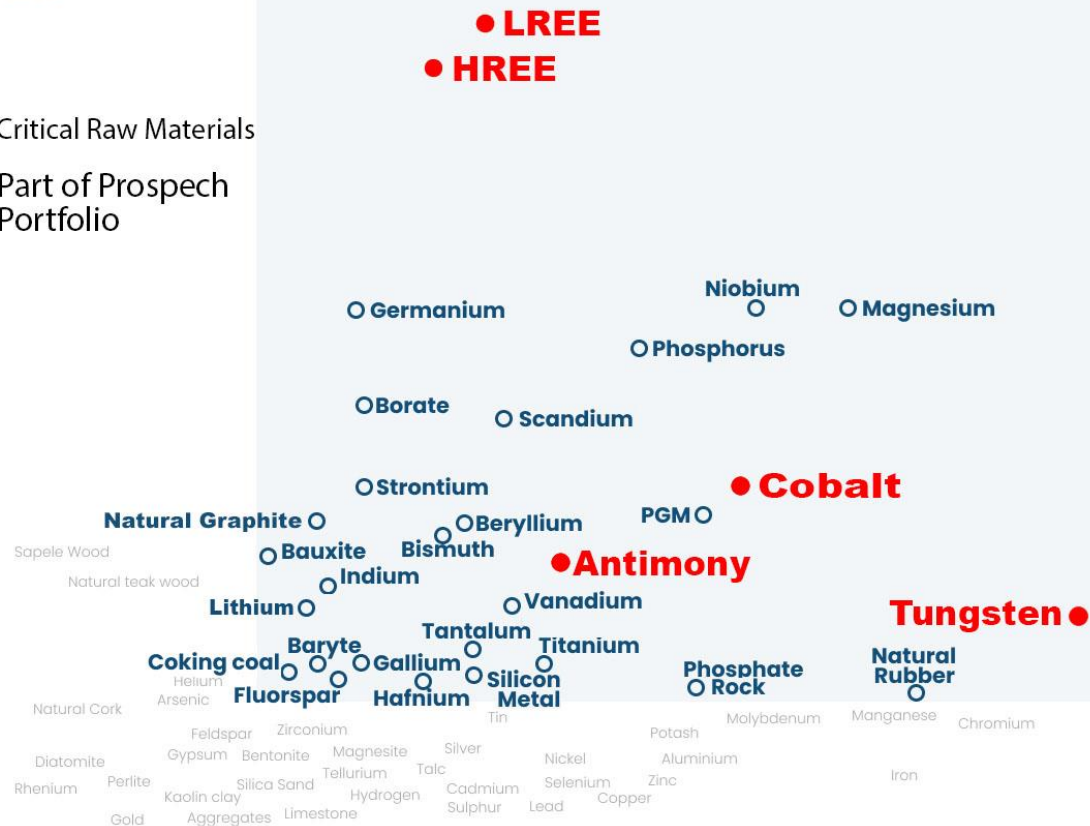
Prospech –  
Risk  
balanced by  
more than  
one  
commodity  
being  
defined.

## EU CRM LIST 2020



Supply Risk

- Critical Raw Materials
- Part of Prospech Portfolio



Economic Importance

# Korsnäs 2024 REE and HREE Drill Results

Recently 12m @ 1.9% TREO including 4m @ 5.1%

- First modern era drilling exceeded all our objectives
- Results support the preparation of a Korsnäs project resource estimate
- Assay results include spectacular results:

- KR-309: 12.0m @ 19,400 ppm TREO from 134.0m (NdPrO 3,567 ppm)  
4.0m @ 51,096 ppm TREO from 139.0m (NdPrO 9,157 ppm)
- KR-306: 15.4m @ 18,301 ppm TREO from 164.1m (NdPrO 3,251 ppm)  
8.5m @ 24,731 ppm TREO from 171.0m (NdPrO 4,383 ppm)

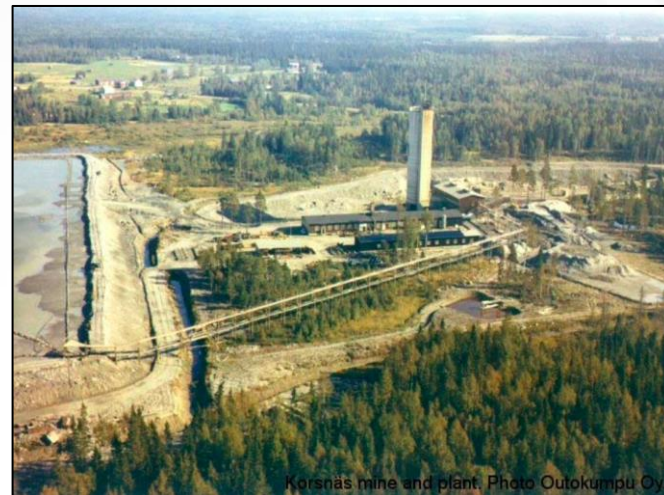
- Some recent assay results including HREE zones:

- KR-289: 12.1m\* @ 11,263 ppm TREO from 51.7m (NdPrO 3,322ppm)
- KR-231: 4.6m @ 10,039 ppm TREO from 93.3m (NdPrO 2,732ppm)
- KR-260: 4.4m @ 14,183 ppm TREO from 102.0m (NdPrO 4,507ppm)
- KR-273: 1.8m @ 20,482 ppm TREO from 89.3m (NdPr 6,287ppm)
- KR-272: 11.4m @ 13,383 ppm TREO from 102.7 (NdPrO 3,982 ppm)

Including 4.0m @ 32,831 ppm TREO from 106.7m (40.9 ppm Tb4O7; 227.4 ppm Dy2O3; 9,943 ppm NdPrO)

SO-187: 17.4m @ 9,798 ppm TREO from 0.0m (NdPrO 3,087 ppm)

Including 3.0m @ 48,465 ppm TREO from 11.4m (86.0 ppm Tb4O7; 313.4 ppm Dy2O3; 15,557 ppm NdPrO)



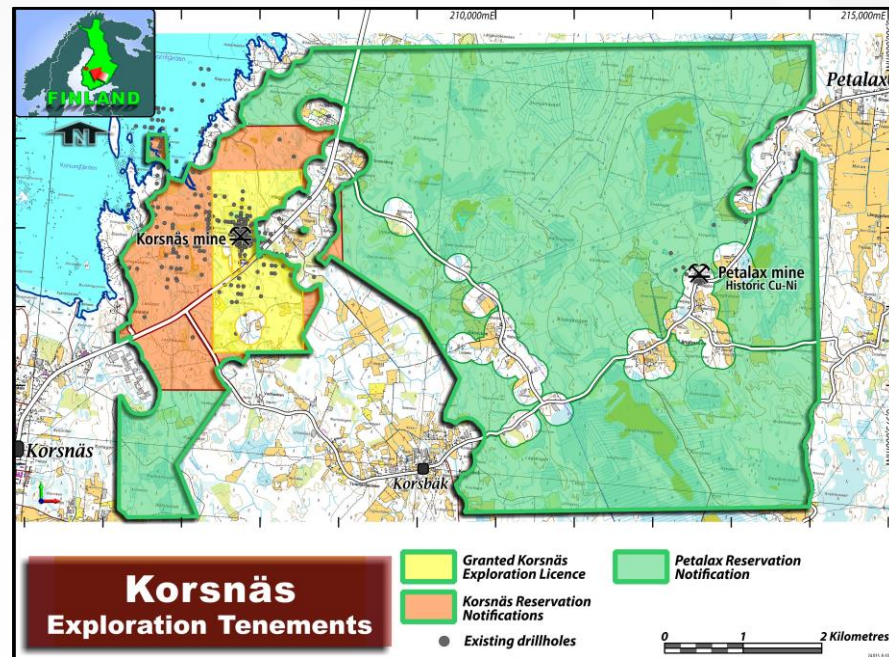
Korsnäs mine and plant. Photo Outokumpu Oy  
Aerial view of the historic Korsnäs mine and TSF

TREO = Total Rare Earth Oxides which is the sum of  $\text{La}_2\text{O}_3$ ,  $\text{CeO}_2$ ,  $\text{Pr}_6\text{O}_{11}$ ,  $\text{Nd}_2\text{O}_3$ ,  $\text{Sm}_2\text{O}_3$ ,  $\text{Eu}_2\text{O}_3$ ,  $\text{Gd}_2\text{O}_3$ ,  $\text{Tb}_4\text{O}_7$ ,  $\text{Dy}_2\text{O}_3$ ,  $\text{Ho}_2\text{O}_3$ ,  $\text{Er}_2\text{O}_3$ ,  $\text{Tm}_2\text{O}_3$ ,  $\text{Yb}_2\text{O}_3$ ,  $\text{Lu}_2\text{O}_3$  and  $\text{Y}_2\text{O}_3$ .  
NdPrO = the sum of  $\text{Pr}_6\text{O}_{11}$ ,  $\text{Nd}_2\text{O}_3$  and NdPr enrichment % =  $\text{NdPrO} / \text{TREO}$

Refer previous ASX announcements.

# Korsnäs REE Project

- **Historic (1958 - 1972) Outokumpu mine focused on lead production – a wealth of geologic data**
- **Drill core from 471 historic diamond core holes preserved by GTK – now sampled and assayed by Prospech**
- **REEs generally overlooked by Outokumpu in sampling, assaying and production**
- **Prospech's REE targets:**
  - Tailings storage facility (TSF) } Low hanging
  - Lanthanide concentrate stockpile (LnCS) } fruit
  - In situ, hard rock deposits
- **TSF Exploration Target: 0.72 – 0.93 Mt**
  - 6,200 – 6,500 ppm TREO<sup>1</sup> – (29%) NdPr<sup>2</sup> (see ASX announcement 20 June 2024)
- **LnCS (now drill tested by Prospech)**
  - Average 25,541 ppm TREO – 7,869 ppm (31%) NdPr
- **Hard rock deposits**
  - Preserved historic drill core logged, sampled and assayed by Prospech
  - Five gravity anomalies identified with a strike length of over 5 kilometres
  - First modern era diamond core drilling completed by Prospech



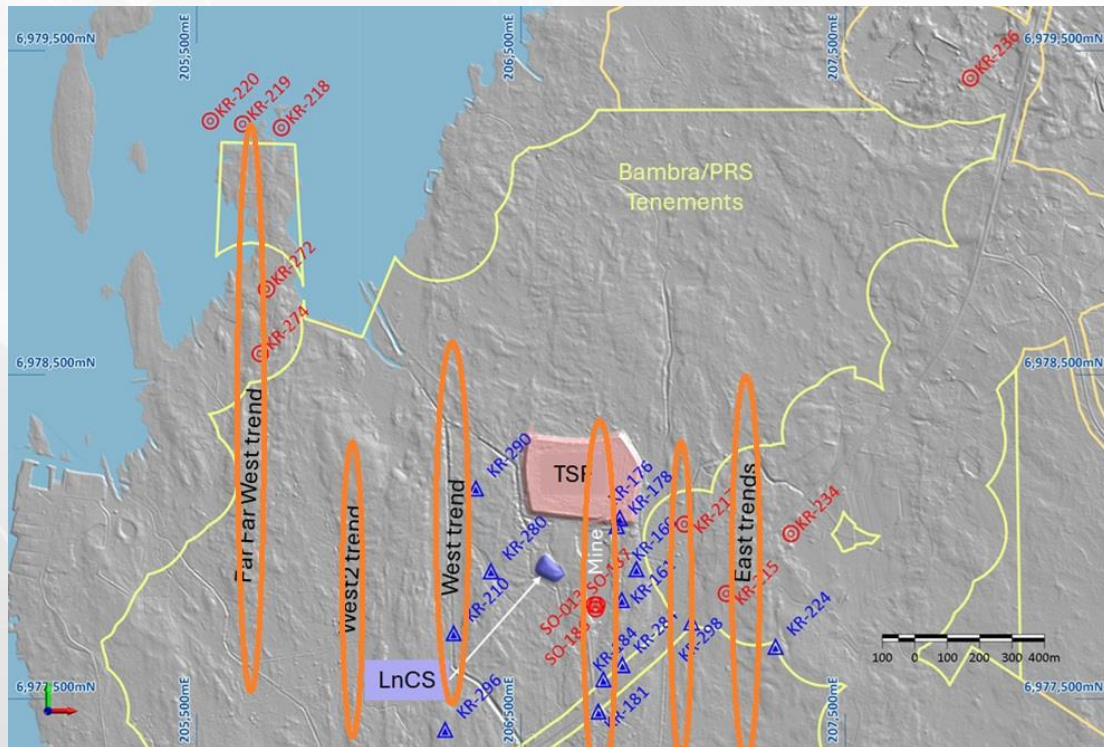
Refer previous ASX announcements.

- 1 TREO = Total Rare Earth Oxides which is the sum of  $\text{La}_2\text{O}_3$ ,  $\text{CeO}_2$ ,  $\text{Pr}_6\text{O}_{11}$ ,  $\text{Nd}_2\text{O}_3$ ,  $\text{Sm}_2\text{O}_3$ ,  $\text{Eu}_2\text{O}_3$ ,  $\text{Gd}_2\text{O}_3$ ,  $\text{Tb}_4\text{O}_7$ ,  $\text{Dy}_2\text{O}_3$ ,  $\text{Ho}_2\text{O}_3$ ,  $\text{Er}_2\text{O}_3$ ,  $\text{Tm}_2\text{O}_3$ ,  $\text{Yb}_2\text{O}_3$ ,  $\text{Lu}_2\text{O}_3$  and  $\text{Y}_2\text{O}_3$ .
- 2 NdPr enrichment % =  $\text{NdPr Oxide}(\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}) / \text{TREO}$ .



# Korsnäs REE Project

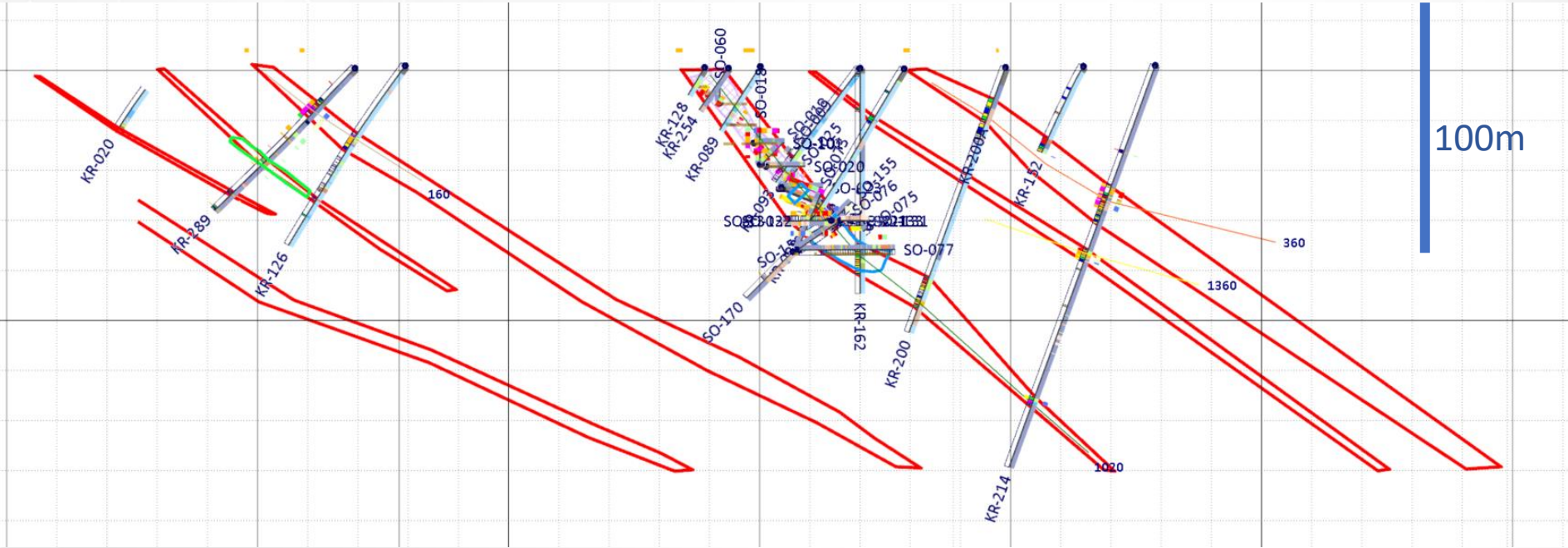
Historic core sampling and modelling indicate over 5km of REE zones to be tested



➤ **At least 5 parallel gravity anomalies exceeding 5 km – stacked carbonatite zones up to 20 metres thick**

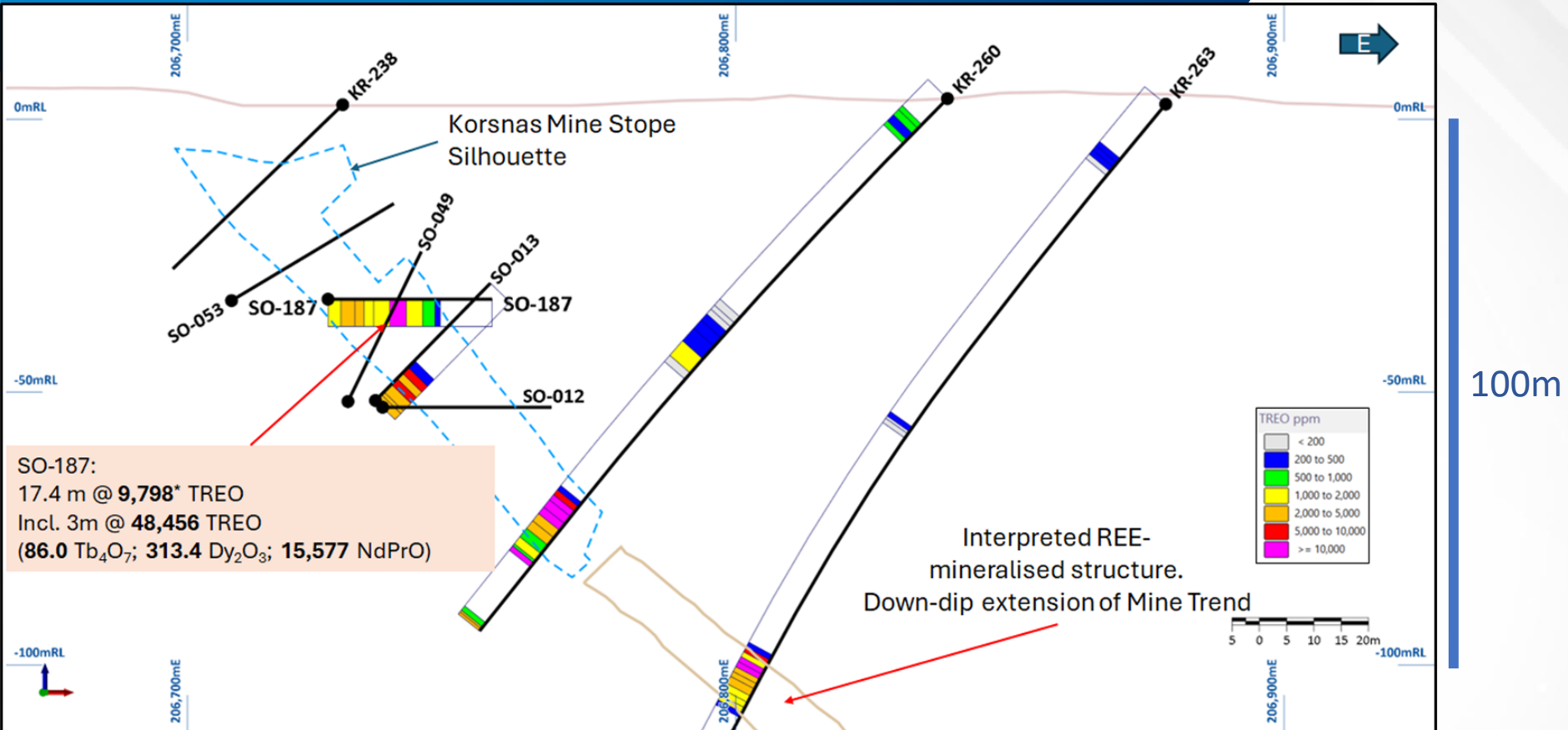
# Korsnäs – Stacked lenses – Probable drillout in fences

– geometric simplicity with grade



# Korsnäs – Stacked lenses

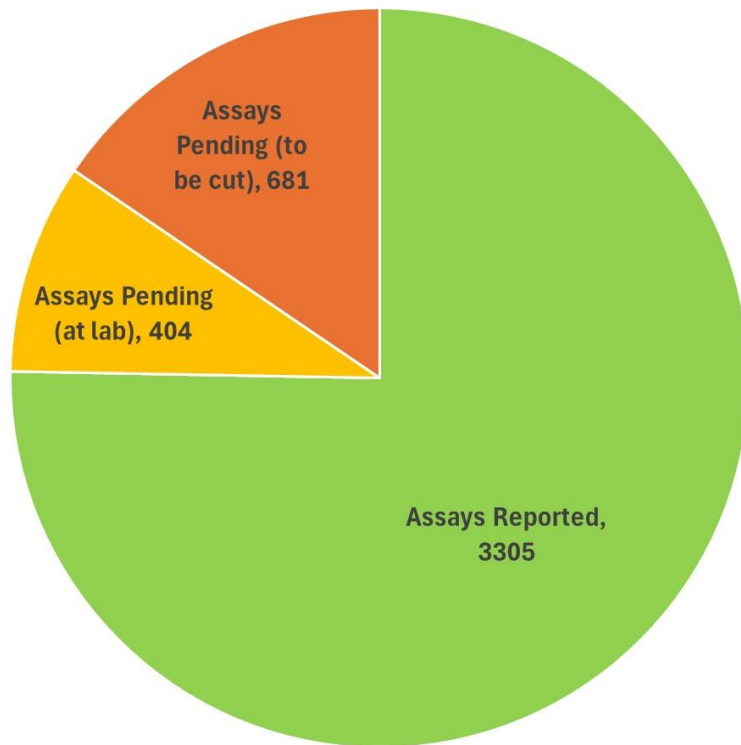
only one mined for Lead –  
The more we drill the more we will find





# Korsnäs – News Flow Non Stop

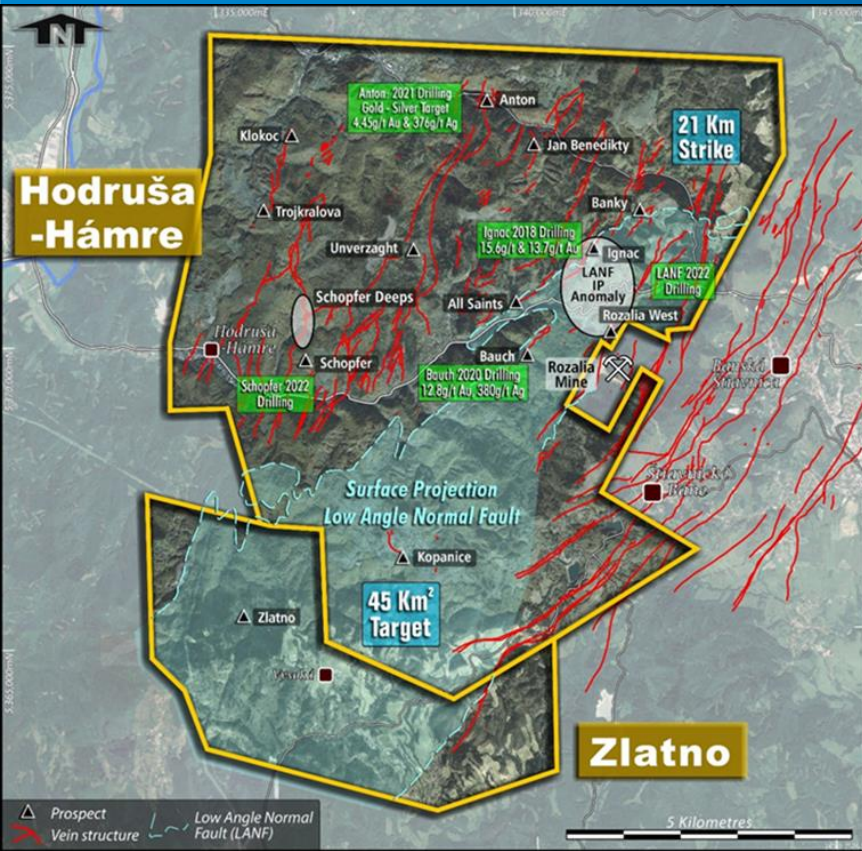
Korsnäs Historical Core Sampling Status, Oct 2024



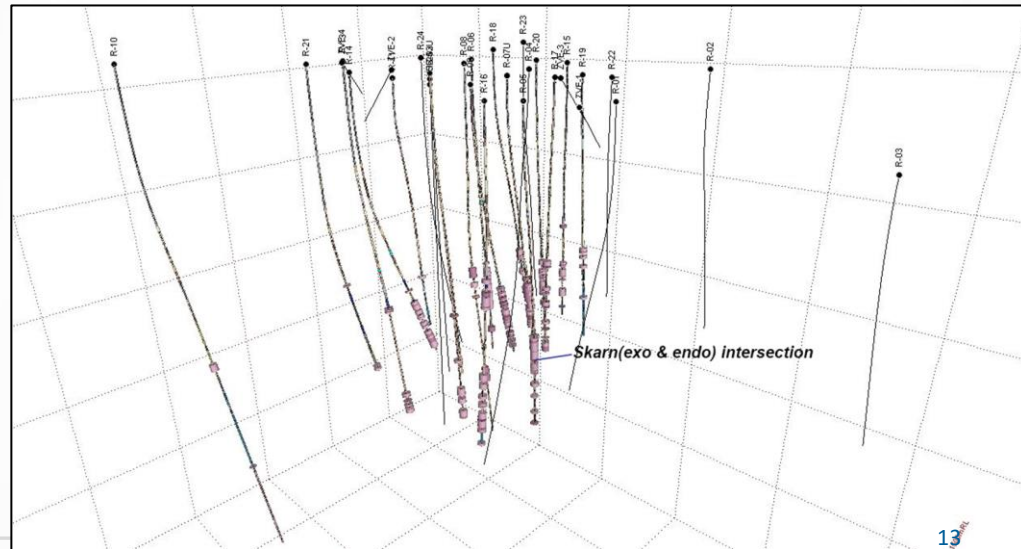
- **Historic drill core and assay results:**
  - **Drill core from 471 holes preserved by GTK**
  - **Cost to replicate historic drilling ~\$14M**
  - **Geologically logged and sampled by Prospech**
  - **~1,400 samples selected for assay**
  - **Assay results from ~700 samples are pending**

# Slovakian Projects

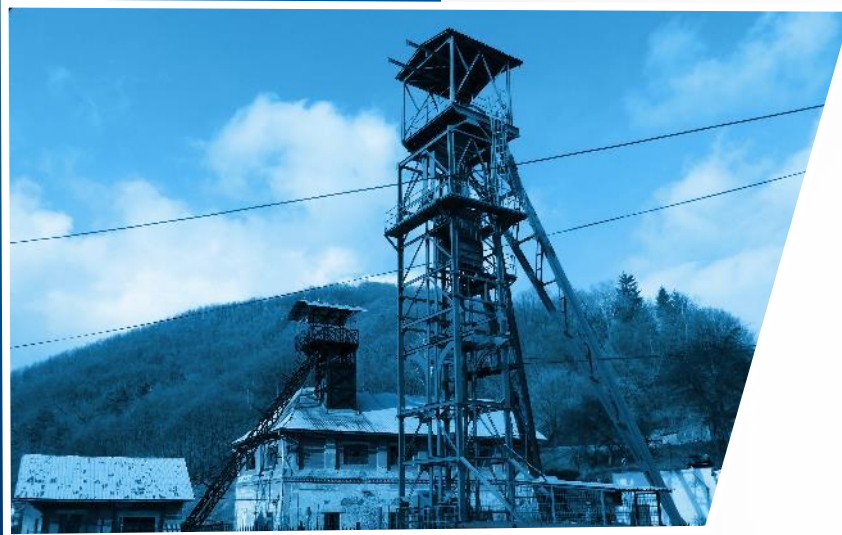
## Underexplored by modern methods



- Prospech also owns 100% of 6 Slovakian exploration licences, covering ~142 km²
- All highly prospective and underexplored by modern methods
- Focus on Hodruša-Hámre and newly acquired Zlatno
  - Multiple gold, silver and copper targets
  - Recently discovered partially tested skarn zone not yet drilled
  - Potential discovery zone similar to Serbian systems to the south – Coka Rakita of Dundee Precious Metals



# Capital Structure



## ASX: PRS

**302.6M**

Shares on Issue

**79.7M**

Options on Issue

**\$0.031**

Share Price  
(at close 18 Oct 2024)

**\$9.4M**

Market Capitalisation

**\$8.3M**

Enterprise Value

**\$1.1M**

Cash  
(as at 30 Jun 2024)



# Board and Management



## Thomas Mann

Non-Executive Chairman

Mr Mann has over 30 years' experience in financial markets and global trade having established a global trading corporation with offices in North America and the Asia-Pacific. Mr Mann is actively involved in capital raising and strategic development initiatives for public and private companies.

He retired as the Non-Executive Chairman of ASX listed Aeon Metals Limited in November 2016.



## John Levings

Executive Director

Mr Levings as Chief Geologist for Australian Development Limited (later re-named Normandy Gold Limited), Mr Levings was responsible for the discovery of the high-grade White Devil gold deposit (760,000 ounces of gold at 14.6 grams per tonne) in Tennant Creek. He is a Fellow of the Australasian Institute of Mining and Metallurgy.



## Jason Beckton

Managing Director

He is a professional geologist with over 30 years experience. Manager for the Palmarejo silver gold project in Mexico during 2004. More recently, Mr Beckton was Manager - the discovery at the Caspiche Porphyry in the Maricunga Gold Copper Belt of Chile.

Mr Beckton is a Non-Executive Director of Lode Resources Ltd (ASX:LDR) and White Rock Minerals Ltd (ASX:WRM)



## Stephen Gemell

Non-Executive Director

Mr Gemell has more than 40 years' experience in the mining industry. He has been Principal of Gemell Mining Engineers since its formation in Kalgoorlie in 1984.

He held appointments as a non-executive director of Astro Resources NL from March 2018 until October 2020 and Greenvale Mining Limited from June 2019 until September 2020.



## Peter Nightingale

Executive Director and CFO

Member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA. Mr Nightingale has, for more than 35 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of public listed companies including Bolnisi Gold N.L and Nickel Industries Limited. Mr Nightingale is currently a director of ASX listed Alpha HPA Limited.



## Richard Edwards

Company Secretary

Mr Edwards graduated with a Bachelor of Commerce degree from the University of New South Wales, is a Fellow of the Governance Institute of Australia, is a member of CPA Australia. He is currently Company Secretary of ASX listed Alpha HPA Limited and Nickel Industries Limited.

# Capital Raising

## Timetable

Non-renounceable Rights Issue – 1 for 4 (~75.6M shares) and  
Canaccord Genuity Australia mandated for placement of shortfall to raise up to \$2.2M

- Announce, lodge appendix 3B, prospectus
- Ex-date
- Record date
- Dispatch of prospectus, issue opens
- Issue closes
- Allotment
- Trading of New Shares expected

Monday, 21 October 2024

Wednesday, 23 October 2024

Thursday, 24 October 2024

Tuesday, 29 October 2024

Tuesday, 26 November 2024

Tuesday, 3 December 2024

Wednesday, 4 December 2024

# Capital Raising

## Use of funds

Prospech is seeking to raise a total of up to \$2,269,708 from this Offer, sufficient to fund the proposed exploration and evaluation expenditure.

Item	Proceeds of the Entitlement Offer and Placement	Full Subscription and Placement	%
		\$2,269,708	
1.	<b>Exploration Expenditure:</b>		
	<b>Korsnäs:</b>		
	REE drilling	1,000,000	44.1
	Resource estimation	70,000	3.1
	Metallurgical studies	150,000	6.6
	<b>Slovakia:</b>		
	Hodrusa/Zlatno drilling	400,000	17.6
2.	Geologic salaries	200,000	8.8
3.	Administration costs	120,000	5.3
4.	Expenses of the Offer	100,743	4.4
5.	Working capital	228,965	10.1
	<b>Total</b>	<b>2,269,708</b>	<b>100.0</b>

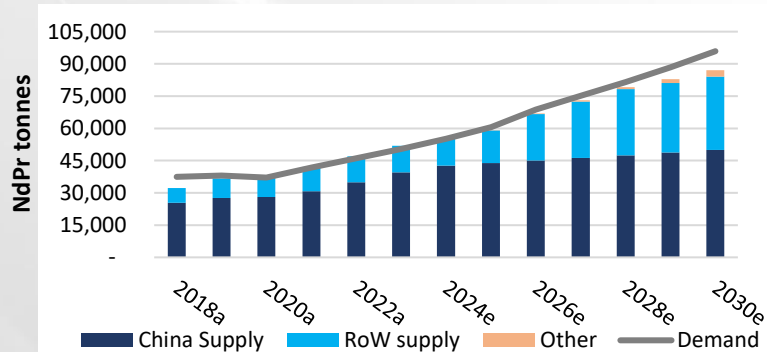
### Notes:

- This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions.
- Funds raised will, in the event less than Full Subscription and Placement is received, be allocated firstly towards the costs of the Offer, administration costs and general working capital and then towards the exploration program.
- The Company reserves the right to vary the way funds are applied.
- REE Drilling principally at Korsnäs will involve exploratory work to extend know high grade zones of which there are currently five defined. This is following up the successful confirmatory and metallurgical program reported by the company 16<sup>th</sup> October. Resource estimation is currently underway as are metallurgical testwork programs for which the core can now be selected and dispatched.
- Slovakian drill plans are being finalised for the LANF high grade gold structure adjacent to the producing mine at Rozalia including testing this surface to the south on our new Zlatno property. Data collation of historic information is now largely complete and drill design underway for a Čoka Rakita 1.8m ounce gold style target (Dundee Precious Metals Serbia – PEA April 2024).



# Commodity Outlook

## Rare Earth Elements



- “Rare earth prices have likely bottomed out and are poised to rise later this year on demand from electric vehicles (EVs) and wind power and as dominant producer China is expected to pull back on expanding output quotas”
- “NdPr oxide is likely to see an 800 metric ton deficit globally in 2024”

Source: Reuters

<https://www.reuters.com/markets/commodities/rare-earths-prices-seen-rebounding-second-half-2024-analysts-2024-02-05/>

Graphs are by courtesy and with permission of Canaccord Genuity

Source: Asian Metals, Canaccord estimates

# PROSPECH

The year ahead

## News flow in the year ahead includes:

- Focus on the Korsnäs REE project:
  - Resource estimate – Hardrock, TSF and LnCS
  - Drillout for project expansion
  - Metallurgical test work
  - Further assay results from historical drill core
  - Initiate TSF and LnCS permitting for a scoping study and development scenarios
- EU REMHub grant assistance
- High grade REE and hafnium mineralisation identified at Jokikangas
- Exploration results from Slovakian projects:
  - Hodruša-Hámre LAMF
  - Zlatno gold-copper porphyry system
  - Kolba copper-silver
  - Cejkov-Zemplin silver



# PROSPECH LIMITED

## Thank You

Contact us for further information

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