



Prospech
Limited
ABN 24 602 043 265



RARE EARTH DRILL – METALLURGY RESULTS & GOLD SILVER UPDATE

February 2025

ASX: PRS | FSE: 1P80 | prospech.com.au

Korsnäs Drilling KR305 of the main mine zone

DISCLAIMER

Cautionary statements

Cautionary Statement

The announcement and information, opinions or conclusion expressed in the course of this announcement contains forecasts and forward-looking information. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. There are a number of risks, both specific to Prospech Limited ('Prospech' or 'the Company'), and of a general nature which may affect the future operating and financial performance of Prospech, and the value of an investment in Prospech, including and not limited to title risk, renewal risk, economic conditions, stock market fluctuations, commodity demand and price movements, timing of access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve estimations, cultural heritage risks, foreign currency fluctuations, and mining development, construction and commissioning risk.

Competent Person's Statement

The information in this Report that relates to the Inferred Resource Estimate, Exploration Target and 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.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

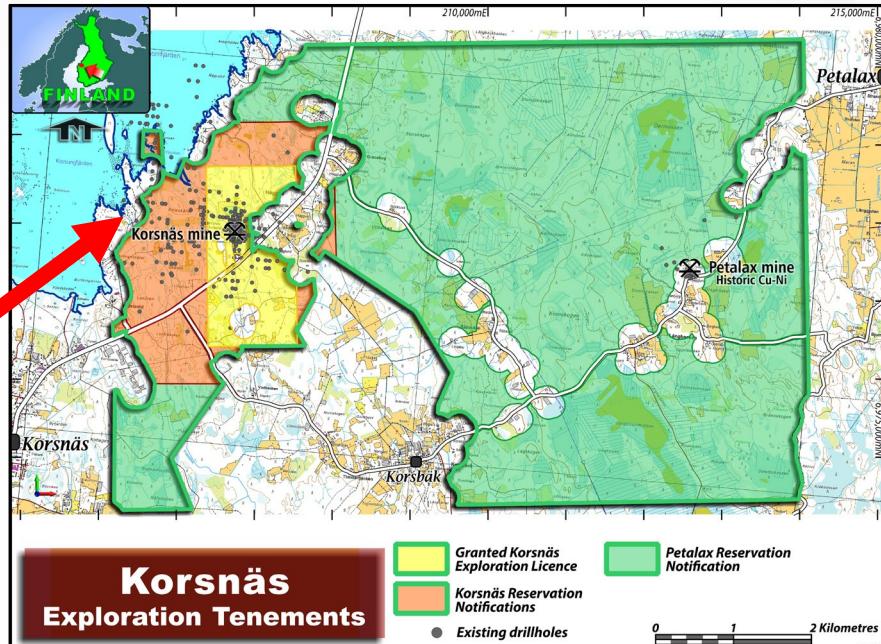
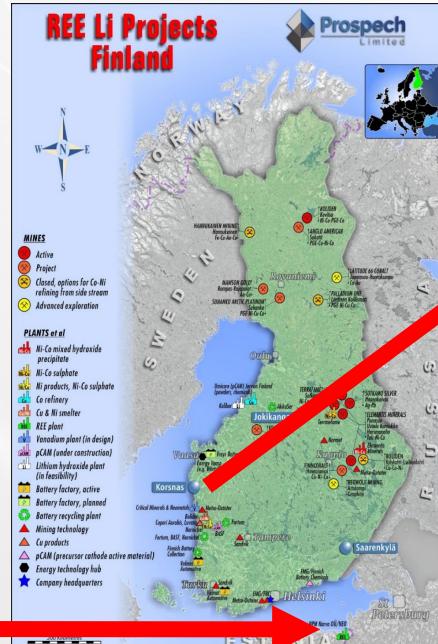
The potential quantity and grade of the stated Exploration Target is conceptual in nature, there is currently insufficient exploration completed to support a mineral resource of this size and it is uncertain whether continued exploration will result in the estimation of a JORC resource. The Exploration Target has been prepared in accordance with the JORC Code (2012).

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Summary and location of key projects

Finland

- Korsnäs REE Project (Critical Minerals)
- Proximate to Neo Materials' Refinery (REE)

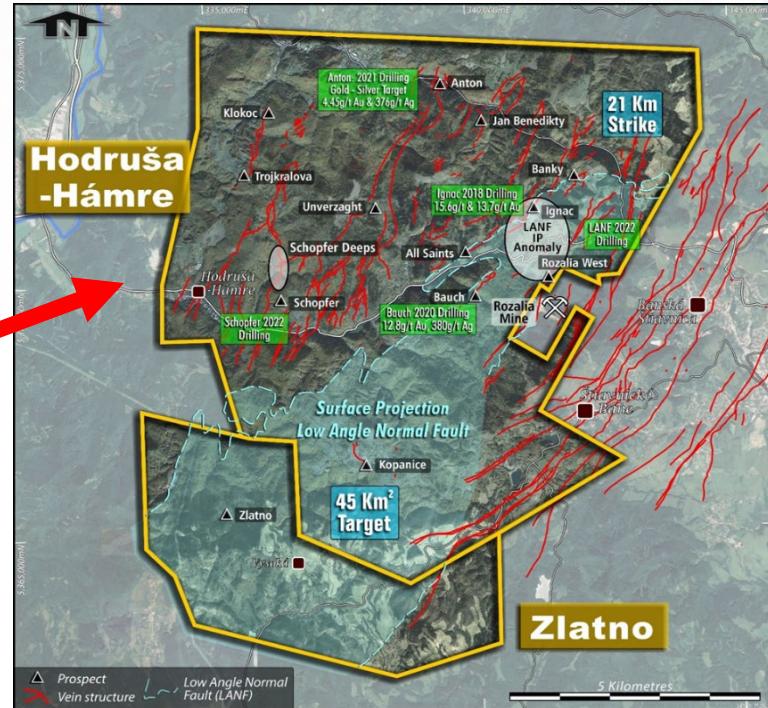


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Summary and location of key projects

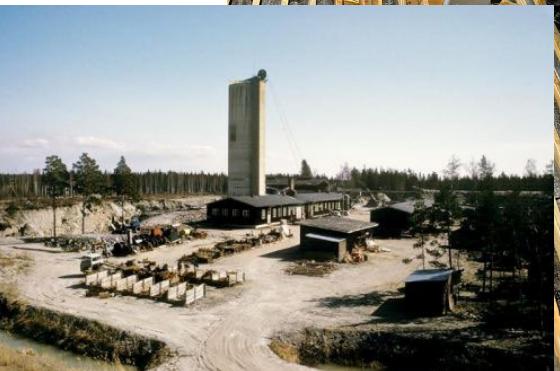
Slovakia

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



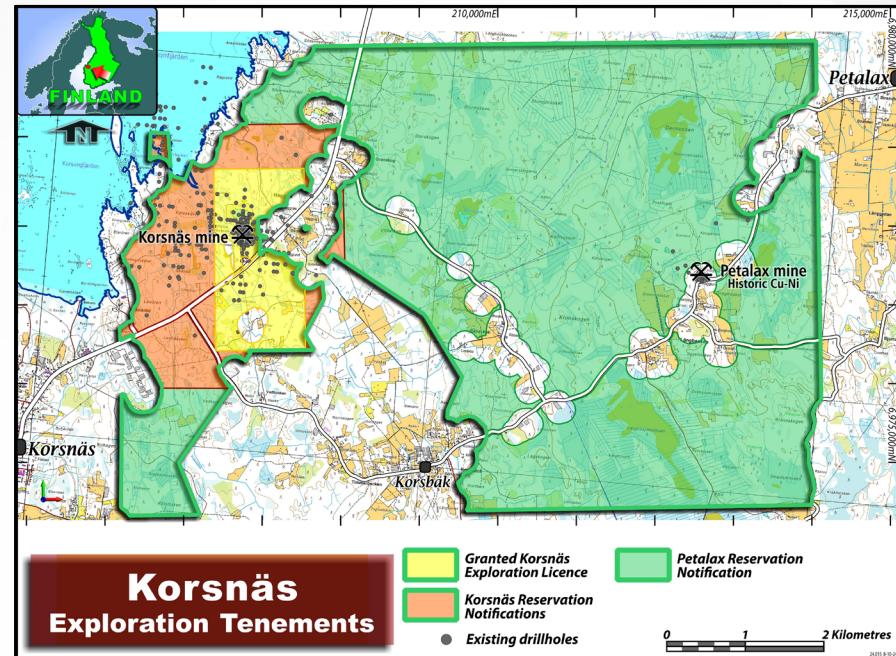
Strategy - Prospecch Limited

- **Size of the Prize**
 - REE and Gold Silver Copper Projects
- **Cost of the Test**
 - REE 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’ style target and known Cu Au porphyry



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 Prospecch
- REEs generally overlooked by Outokumpu in sampling, assaying and production
- Prospecch'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 TREO¹ – (29%) NdPr² (see ASX announcement 20 June 2024)
- LnCS (now drill tested by Prospecch)
 - Average 25,541 ppm TREO – 7,869 ppm (31%) NdPr
- Hard rock deposits
 - Preserved historic drill core logged, sampled and assayed by Prospecch
 - Five gravity anomalies identified with a strike length of over 5 kilometres
 - First modern era diamond core drilling completed by Prospecch



Korsnäs
Exploration Tenements

Refer previous ASX announcements.

1 TREO = Total Rare Earth Oxides which is the sum of La_2O_3 , CeO_2 , Pr_6O_{11} , Nd_2O_3 , Sm_2O_3 , Eu_2O_3 , Gd_2O_3 , Tb_4O_7 , Dy_2O_3 , Ho_2O_3 , Er_2O_3 , Tm_2O_3 , Yb_2O_3 , Lu_2O_3 and Y_2O_3 .

2 NdPr enrichment % = NdPr Oxide($\text{Nd}_2\text{O}_3 + \text{Pr}_6\text{O}_{11}$) / TREO.

KORSNÄS REE INFERRED RESOURCE

7.1Mt @ 1.08% TREO - lower cut-off grade of 0.5% TREO

Cut-Off (ppm)	Resource (Mt)	TREO	Nd ₂ O ₃	Pr ₆ O ₁₁	Tb ₄ O ₇	Dy ₂ O ₃
		ppm	ppm	ppm	ppm	ppm
10,000	2,258,877	19,358	3,130	957	12	48
9,000	2,861,077	17,286	2,855	859	12	48
8,000	3,387,422	15,917	2,684	798	12	47
7,000	4,236,651	14,237	2,459	720	12	47
6,000	5,294,482	12,686	2,237	647	12	45
5,000	7,094,979	10,851	1,955	558	11	41
4,000	10,316,895	8,852	1,634	459	9	36
3,000	15,068,598	7,148	1,341	373	8	31
2,000	23,042,002	5,520	1,047	289	7	26
1,000	38,157,086	3,911	744	204	5	19

- In addition to this Inferred MRE announced 3rd December 2024, <https://prospech.com.au/asx-announcements> adjacent to and along strike from the Inferred MRE, a grade-tonnage estimate, classified as an Exploration Target until additional drilling and metallurgical test work which is currently underway confirms the likelihood of eventual economic extraction, is reported as follows:

ADDITIONAL 10 to 12 Mt @ 1.0 to 1.2 % TREO

A GOAL IS CONVERSION OF THIS EXPLORATION TARGET TO JORC RESOURCE WITH MORE ASSAYS AND DRILLING

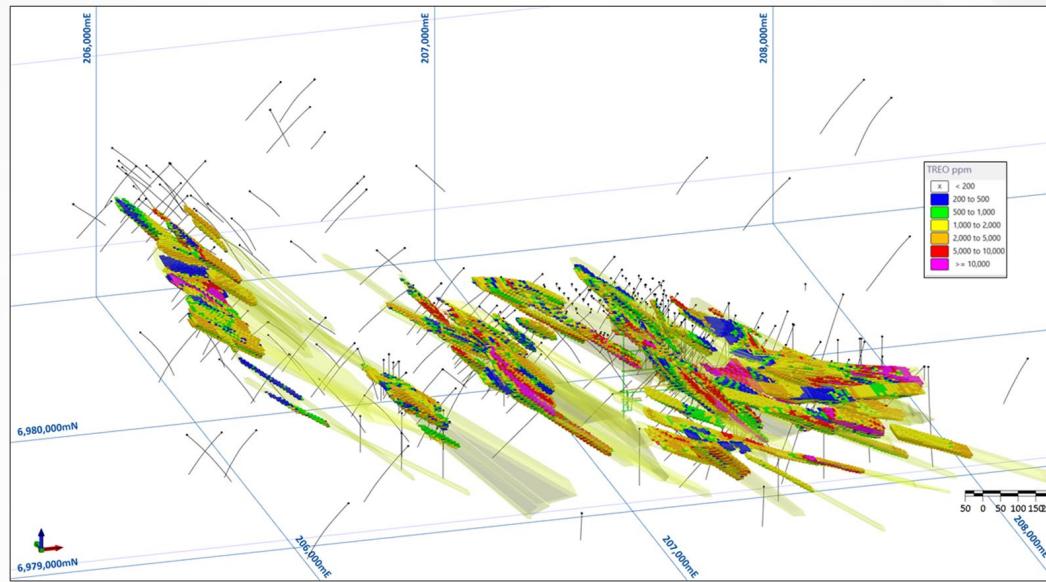
The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration (including metallurgical test work) to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Korsnäs – Future Growth in Size and Quality

The Korsnäs lead mine, located on Finland's west coast near the Gulf of Bothnia, was operational from 1958 to 1972. During this period, 0.87 million tonnes of ore were processed on-site at a recovered grade of 3.6% lead (Pb).

Outokumpu Oy, the original mine operator, was aware that the Korsnäs orebody contained Rare Earth Elements (REEs). Although a REE concentrate was produced on-site, it was never sold and remains stockpiled at the mine. **An estimated minimum of A\$10m has been invested in drilling in the project.**

Prospech, through its wholly owned Finnish subsidiary, retains exploration tenure over the Korsnäs mine site. The tenure features at least six sub-parallel geological structures up to 20 metres horizontal thickness rich in REEs. Prospech's exploratory efforts have focused on investigating these structures which are the subject of this resource estimate.

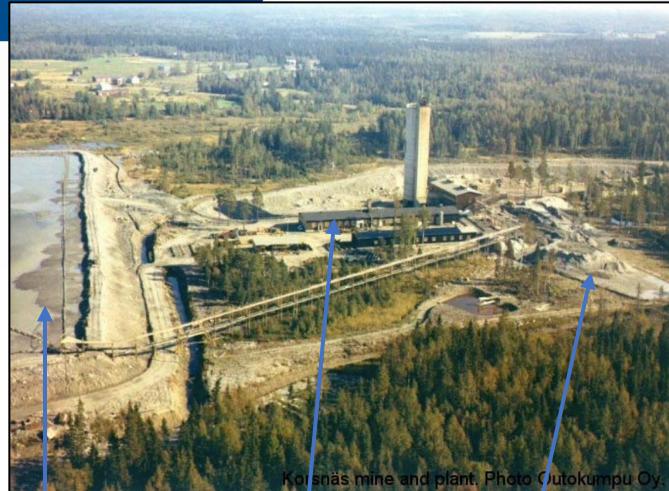


Korsnäs Resource Block Model as reported

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 supported the preparation of a Korsnäs resource estimate
- Assay results include spectacular results:
 - KR-309: 12.0m @ 19,400 ppm *TREO from 134.0m (NdPrO 3,567 ppm)
Inc. 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)
Inc. 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)
Inc. 4.0m @ 32,831 ppm TREO from 106.7m (40.9 ppm Tb_4O_7 ; 227.4 ppm Dy_2O_3 ; 9,943 ppm NdPrO)
 - SO-187: 17.4m @ 9,798 ppm TREO from 0.0m (NdPrO 3,087 ppm)
Inc. 3.0m @ 48,465 ppm TREO from 11.4m (86.0 ppm Tb_4O_7 ; 313.4 ppm Dy_2O_3 ; 15,557 ppm NdPrO)



Korsnäs mine and plant. Photo Outokumpu Oy

Aerial view of the historic Korsnäs mine and Lanthanide Dump and TSF

*TREO = Total Rare Earth Oxides which is the sum of La_2O_3 , CeO_2 , Pr_6O_{11} , Nd_2O_3 , Sm_2O_3 , Eu_2O_3 , Gd_2O_3 , Tb_4O_7 , Dy_2O_3 , Ho_2O_3 , Er_2O_3 , Tm_2O_3 , Yb_2O_3 , Lu_2O_3 and Y_2O_3 .

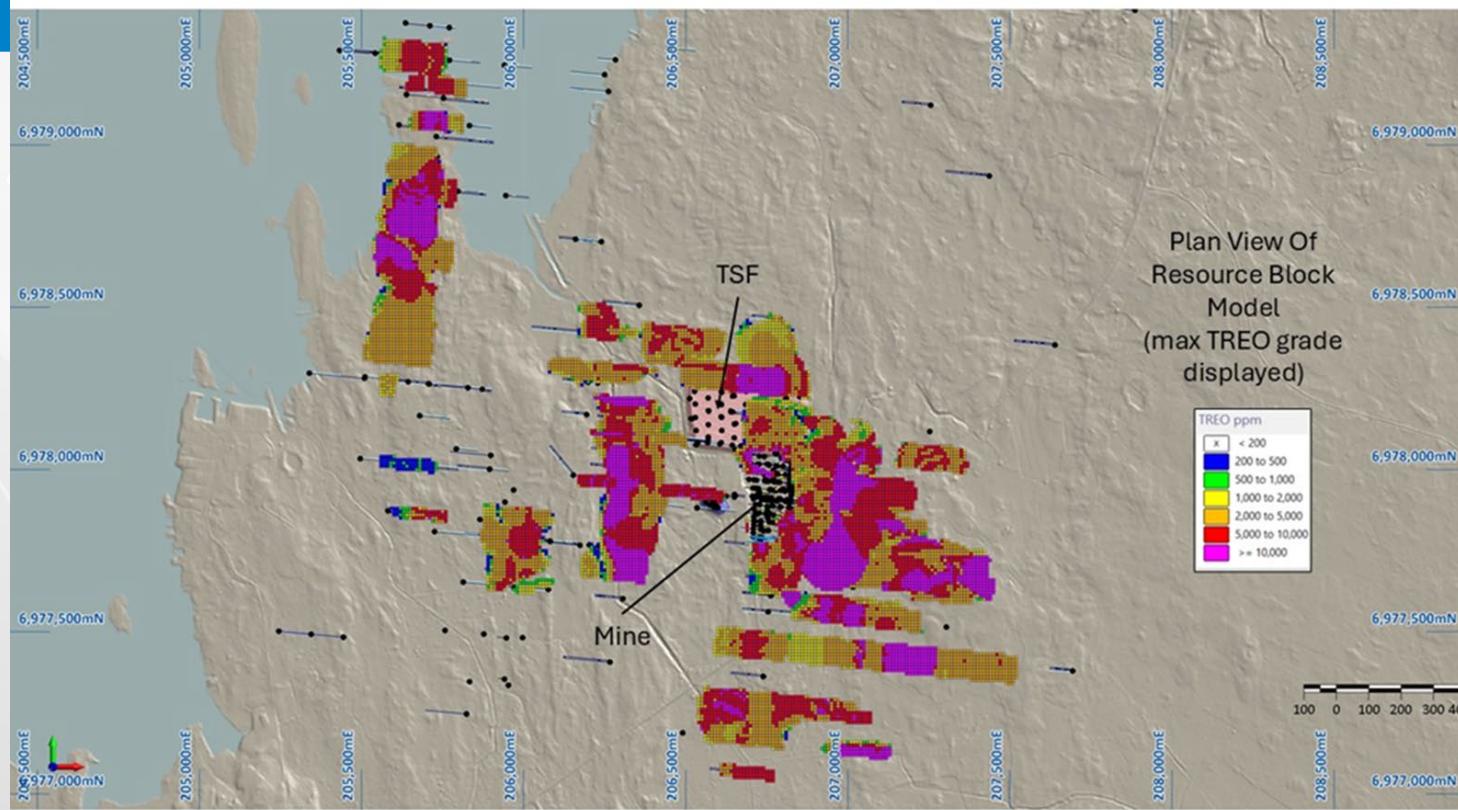
NdPrO = the sum of Pr_6O_{11} , Nd_2O_3 and NdPr enrichment % = NdPrO / TREO

Refer previous ASX announcements.

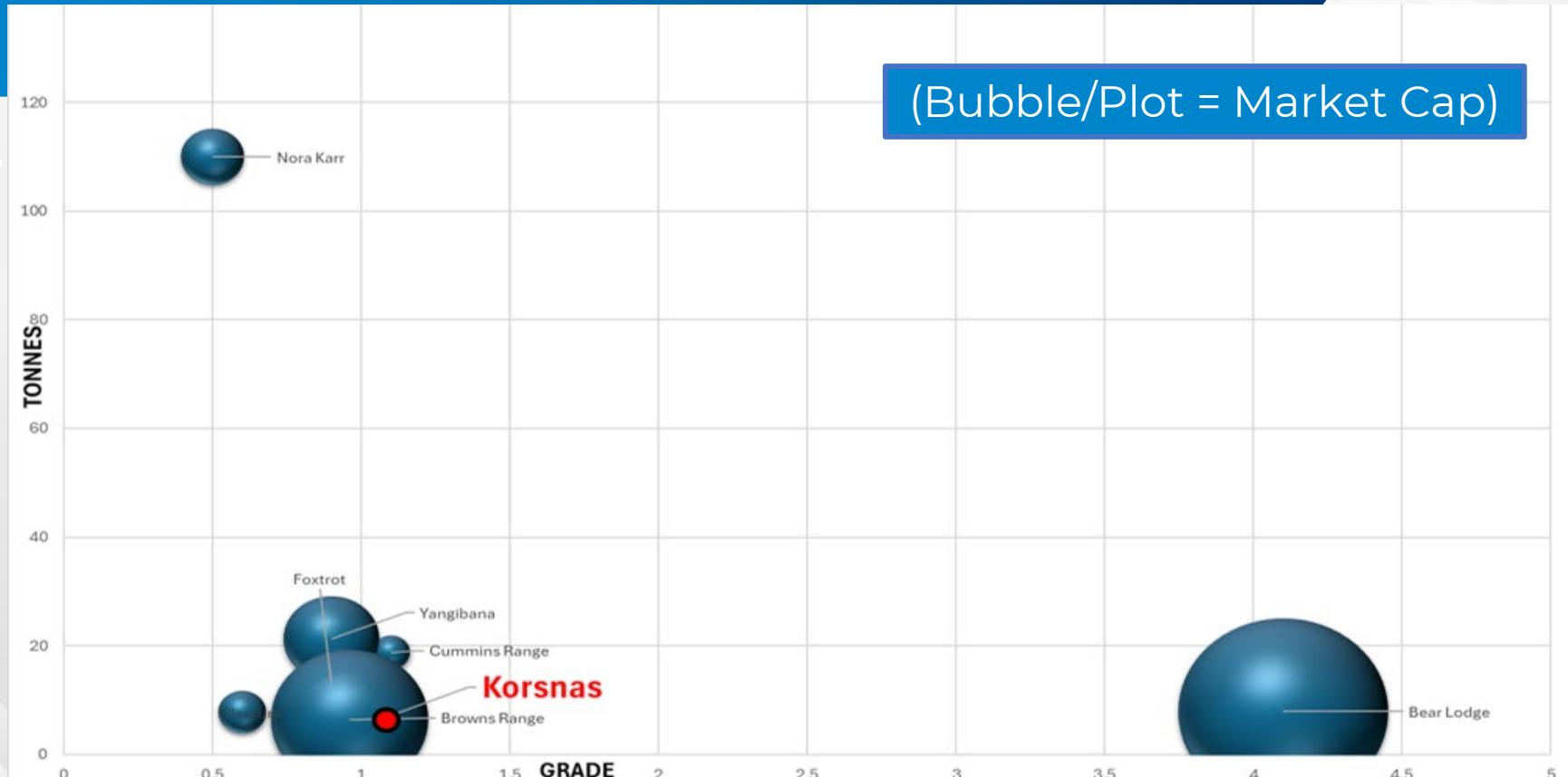
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Korsnäs REE Project

Modelling indicate over 5km of REE zones to provide Resource growth



Korsnäs – Stacks Up – Comparisons

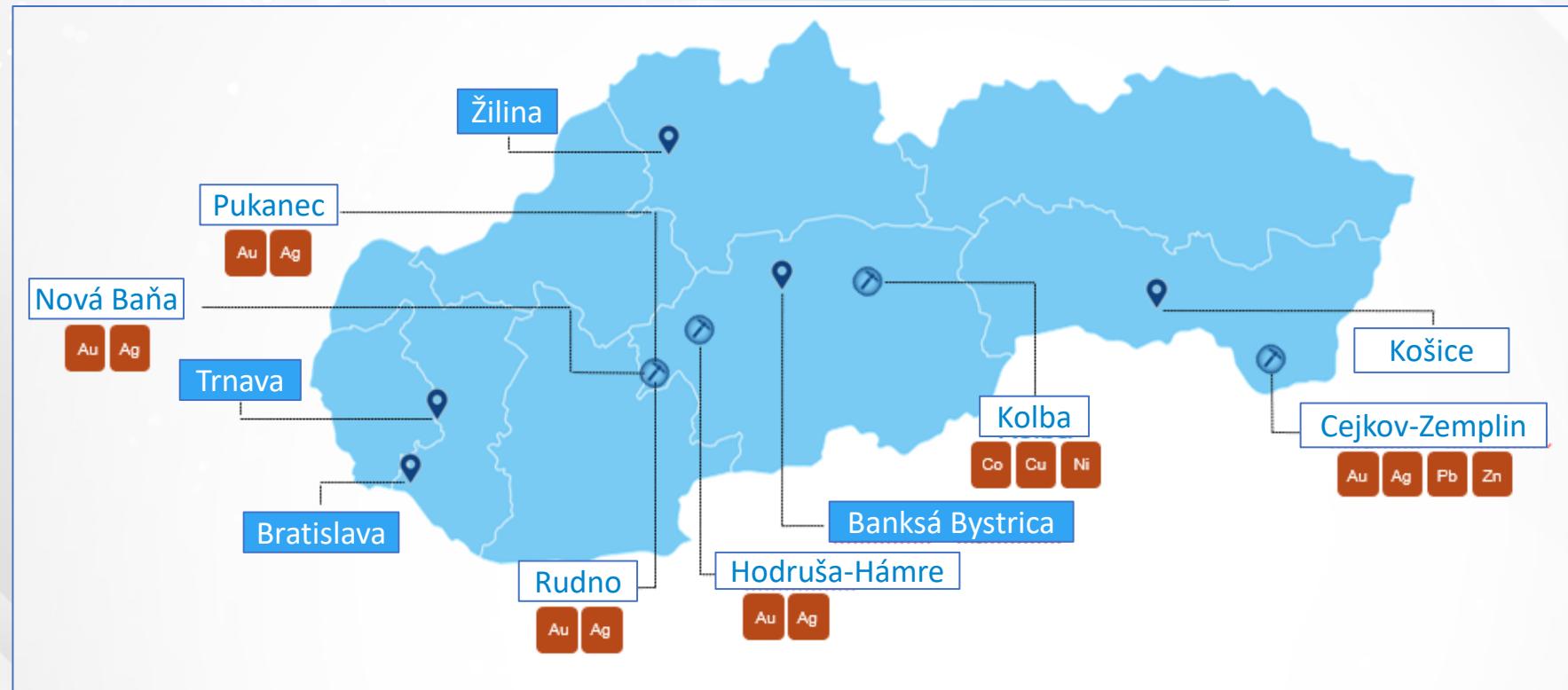


SLOVAKIA – GOLD SILVER TETHYAN BELT

- Prospecch also owns 100% of six exploration licences, covering ~142 km² in Slovakia
- All located within the prolifically well endowed Tethyan Mineral Belt
- All highly prospective and underexplored by modern methods



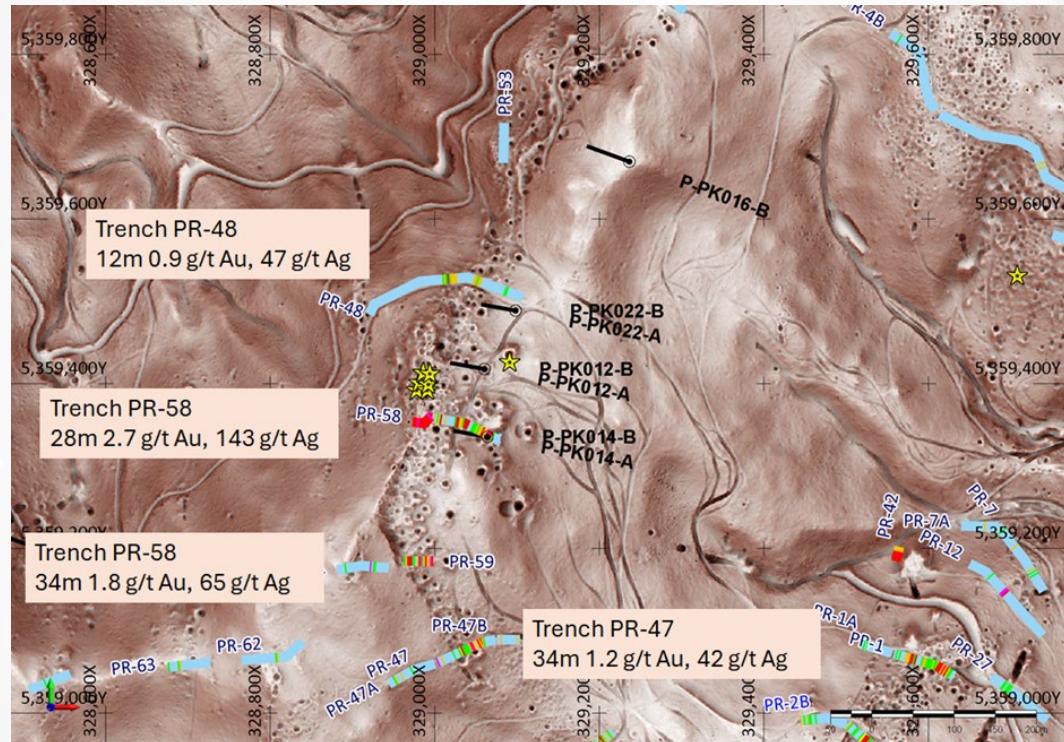
SLOVAKIA – GOLD SILVER TETHYAN BELT



SLOVAKIA – GOLD SILVER TETHYAN BELT

Drill-Ready

- The Pukanec Agras target highlighting some of the historical surface trench intersections.
- The base map is an enhanced LIDAR image showing extensive early mine workings (pock marks).

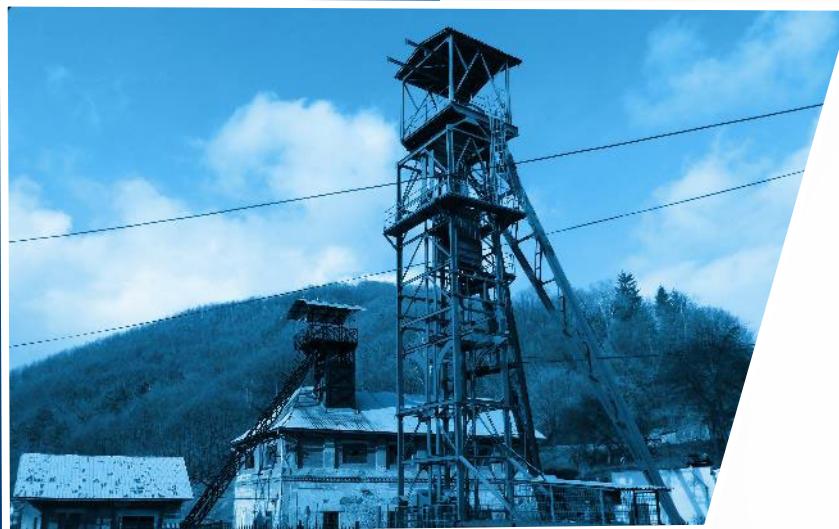


Looking to 2025

- **Korsnas** – Metallurgy – Most intensive activity will be taking place in laboratories (mainly U Oulu and GTK under the auspices of REMHub). Mid February Update.
- **Korsnas** – Drilling Results from preserved core – 800 samples to be reported. From Early February.
- **Jokikankgas** – Consolidation of land area including REE to be reviewed in historic core.
- **Slovakia** – Focus on high grade gold and silver.



Capital Structure



ASX: PRS FSE: 1P80

328.8M¹

Shares on Issue

79.67M

Options on Issue

\$0.019

Share Price
(at close 4 Feb 2025)

\$6.247M

Market Capitalisation
(at close 4 Feb 2025)

\$5.45M

Enterprise Value

\$1.3M^{2,3}

Cash
(as at 31 Dec 2024)

(1) Includes Shares Issued 3/12/24 as part of Entitlement Offer
(2) The Company has until 26 February 2025 to place the Shortfall from the Rights Issue which completed on 26 November 2024.

(3) The Company anticipates receiving up to a further €223,330 (~A\$372,000) of European Union grant funding.

Funds from the EU REMHub grant are non dilutionary

PROSPECH LIMITED

Thank You

Contact us for further information
On the current shortfall placement

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