



Date: 24 July 2025

ASX: PRS FSE: 1P80

Shares on issue: 378.8M

Market capitalisation: A\$9.1M
(@ A\$0.024)

Board of Directors

Non-Executive Chairman

Thomas Mann

Managing Director
Jason Beckton

Executive Director
John Levings

Executive Director and CFO
Peter Nightingale

Non-Executive Director
Steve Gemell

Company Secretary

Richard Edwards

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QUARTERLY ACTIVITIES REPORT

Prospech Limited (ASX:PRS – FSE:1P80)

For the quarter ended 30 June 2025

The Directors present the June 2025 Quarterly Activities Report for Prospech Limited (**Prospech** or **the Company**) and its controlled entities (**the Group**).

Korsnäs REE – Finland

- **Metallurgical test work progressing:**

- 500 kg bulk sample collected from the historic LnCS; staged for shipment to labs in Finland (200 kg) and Australia (300 kg).
- Apatite confirmed as dominant REE host, is well liberated and with monazite inclusions observed.
- PT Geoservices test work ongoing – liberation studies and concentrate cleaning.
- Australian lab program (pending sample arrival) to include flotation, magnetic separation and downstream hydrometallurgical trials (acid bake, Ce removal, REE precipitation).
- REMHub supported test work in Finland to include flotation and leaching at Oulu University and GTK.

- **Mineral Resource estimate significantly increased and not fully defined:**

- 13.5 Mt @ 1.02% TREO¹ (0.5% cut-off grade)

The Mineral Resource is classified as Inferred in accordance with the JORC Code (2012 Edition). The estimate is based on historic and recent drilling data, with geological continuity supported by mineralogical studies and structural interpretation. The Company confirms that it is not aware of any new information or data that materially affects the reported mineral resource estimate.

- **Exploration Target supports further growth potential:**

- 9 Mt to 11 Mt @ 0.9% to 1.1% TREO

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

Zlatno Cu Au – Slovakia

- New southern caldera target area defined.
- Assay results and historic data identify copper-gold focused drill targets.

Fund Raising – Use of Funds

- \$1.0 million raised to advance REE, base and precious metals initiatives.

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 .

With a focus on our REE projects, Jason Beckton, Managing Director of Prospecch, comments:

"The updated Inferred Mineral Resource Estimate at Korsnäs has provided a solid platform for our ongoing metallurgical test work program. Our metallurgical program is a critical next step in the development of the Korsnäs project and is approached in a methodical and meticulous way.

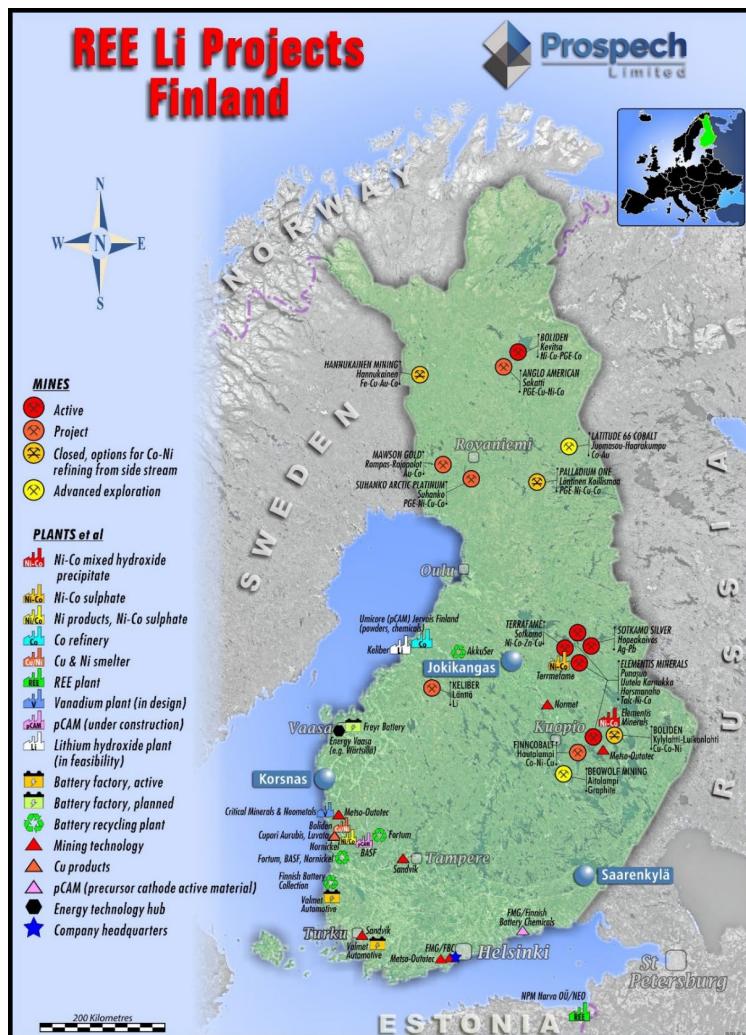
In Finland, we continue to collaborate closely with GTK ESPO, GTK Mintec and Oulu University, with funding support under the REMHub program, to assess deportment and downstream processing options.

In Australia, negotiations with a number of internationally respected laboratories are well advanced to undertake appropriate flotation and leaching test work. The design of the appropriate tests and contract negotiations could only be advanced following the completion of mineralogy characterisation of the Korsnäs deposit and the initial scanning electron microscope analysis completed by PT Geoservices.

During the quarter, we completed bulk sampling of the historic Lanthanide Concentrate Stockpile, with material being dispatched to laboratories in Finland and Australia for flotation and leaching test work designed to deliver important data on mineral liberation, concentrate upgrade potential, REE recovery and, ultimately, the design of a process flowsheet.

With multiple technical workstreams underway, we believe Korsnäs and Jokikangas are steadily advancing towards becoming significant contributors to the European rare earths supply chain."

Operations – Finland (100% owned)



Location map of Prospecch's projects in Finland - geologically rich in critical minerals and proximate to the Neo Materials refining facility in Estonia.

Korsnäs REE Project (100% owned)

Metallurgical Test Work Program Update

During the quarter, Prospecch continued to progress the metallurgical program at its Korsnäs rare earth element (REE) project in western Finland. The focus remains on developing a technically and commercially viable processing route for REE recovery from legacy stockpiles, tailings and the underlying hard rock mineralisation.

During the quarter, a 500 kg bulk sample was collected from the historic Lanthanide Concentrate Stockpile (LnCS) for further metallurgical test work. Excavation was undertaken using a mechanical excavator to a depth of 1.5 - 3.0 metres adjacent to auger hole LS-5. The sample is staged for shipment to laboratories in Finland and Australia with 200 kg is allocated to Oulu University under the EU-funded REMHub program and with the remaining 300 kg destined for Australian test facilities.



LnCS bulk sample collection in progress.
Image does not purport to represent grade or mineral distribution.

Mineralogical test work by PT Geoservices in Indonesia continued during the quarter. Results confirm that apatite is the dominant REE host mineral, well-liberated across composite samples. Monazite occurs both as inclusions in apatite and as locked grains. Results indicate that liberation characteristics are favourable for flotation.

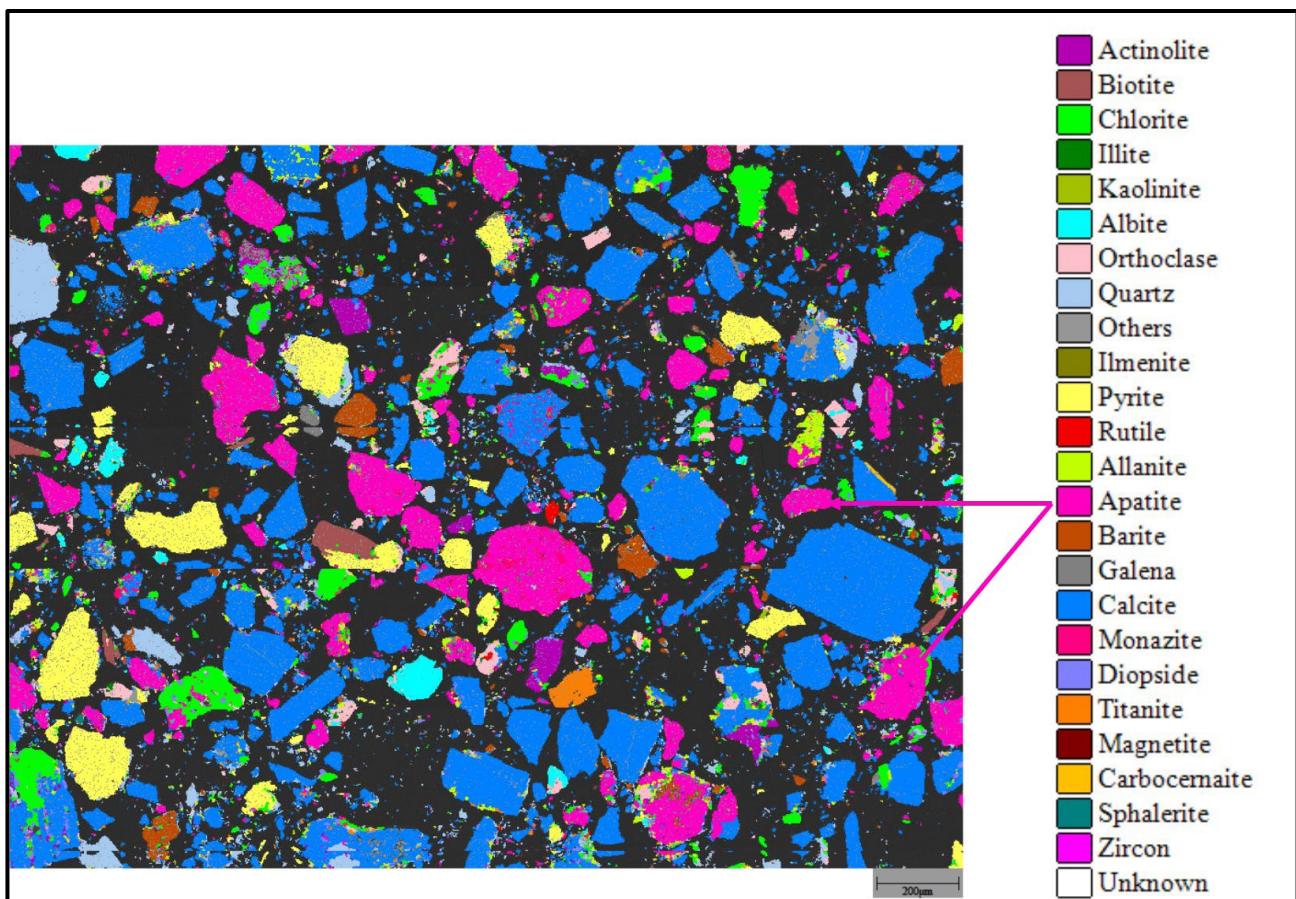


Figure 1: SEM/AMICS mineral image of the polished resin mount.
Sample ID - LnCS Composite_HG showing well liberated grains of
REE-bearing apatite with monazite inclusions.

Upon arrival in Australia, the 300 kg sample will undergo two-stage bench-scale testing. Stage one will include regrinding, cyclone desliming, flotation (sighter and locked-cycle tests) and magnetic separation, with the aim of producing a 20 - 30 kg upgraded concentrate. Stage two will involve hydrometallurgical leaching (acid bake and/or caustic cracking), followed by impurity removal (Fe, Al, P, Th), selective Ce oxidation and REE precipitation.

In Finland, REMHub activities continue. GTK Mintec will carry out flotation tests on 100 kg of drill core. GTK Helsinki has completed LIBS scanning of 23 core boxes. Oulu University will perform flotation and leaching tests on the 200 kg bulk sample. Results are expected in Q3/Q4 2025.

The 200 kg bulk sample was sourced from LnCS material tested during the 2024 auger drilling program. Nine holes (6.5 m - 7.9 m deep) confirmed the presence of high-grade REE mineralisation, with average grades of 2.55% TREO and 0.79% NdPrO (NdPr:TREO ratio of 31%).

These workstreams are designed to provide the basis for a robust metallurgical flowsheet, addressing liberation, upgrade potential, impurity deportment and REE recovery. The outcomes will inform further technical and economic assessments of the Korsnäs REE project.

Resource and Exploration Target Update

During the quarter, Prospech achieved a significant milestone with a major increase in the Korsnäs REE Mineral Resource Estimate. This update provides a stronger foundation for ongoing metallurgical test work and supports the project's potential to become a strategically important European REE source.

Key developments include:

Inferred Resource upgraded to 13.5 Mt @ 1.02% TREO – a 90% increase, supporting continued metallurgical test work on core and stockpile material.

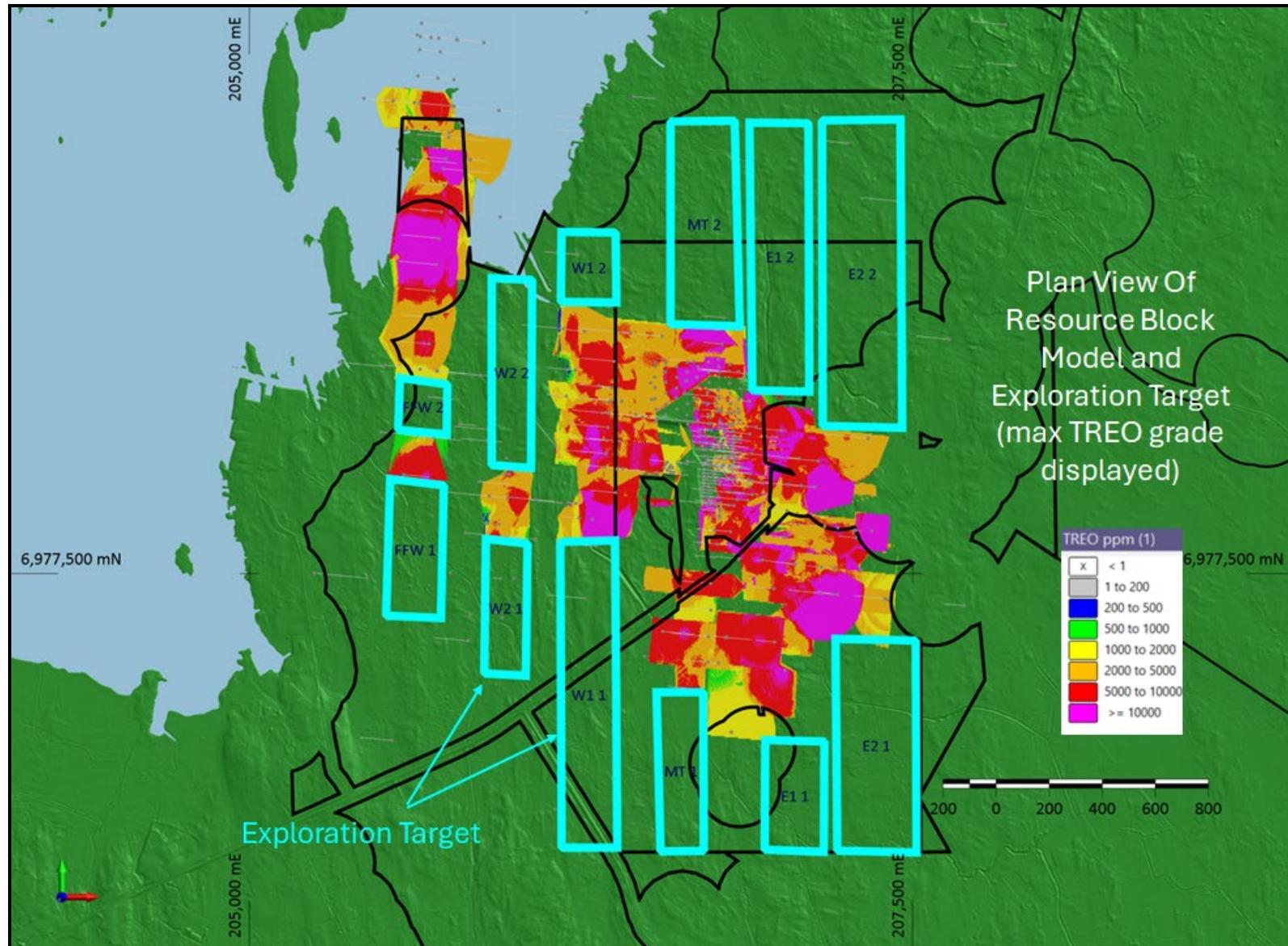
The Mineral Resource is classified as Inferred under the JORC Code (2012 Edition). The estimate is based on historical and recent drilling data, with geological continuity supported by mineralogical studies and structural interpretation. The Company confirms it is not aware of any new information or data that materially affects the Mineral Resource Estimate.

Exploration Target defined at 9 Mt -11 Mt @ 0.9% - 1.1% TREO, highlighting strong potential to grow the resource base with further drilling.

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

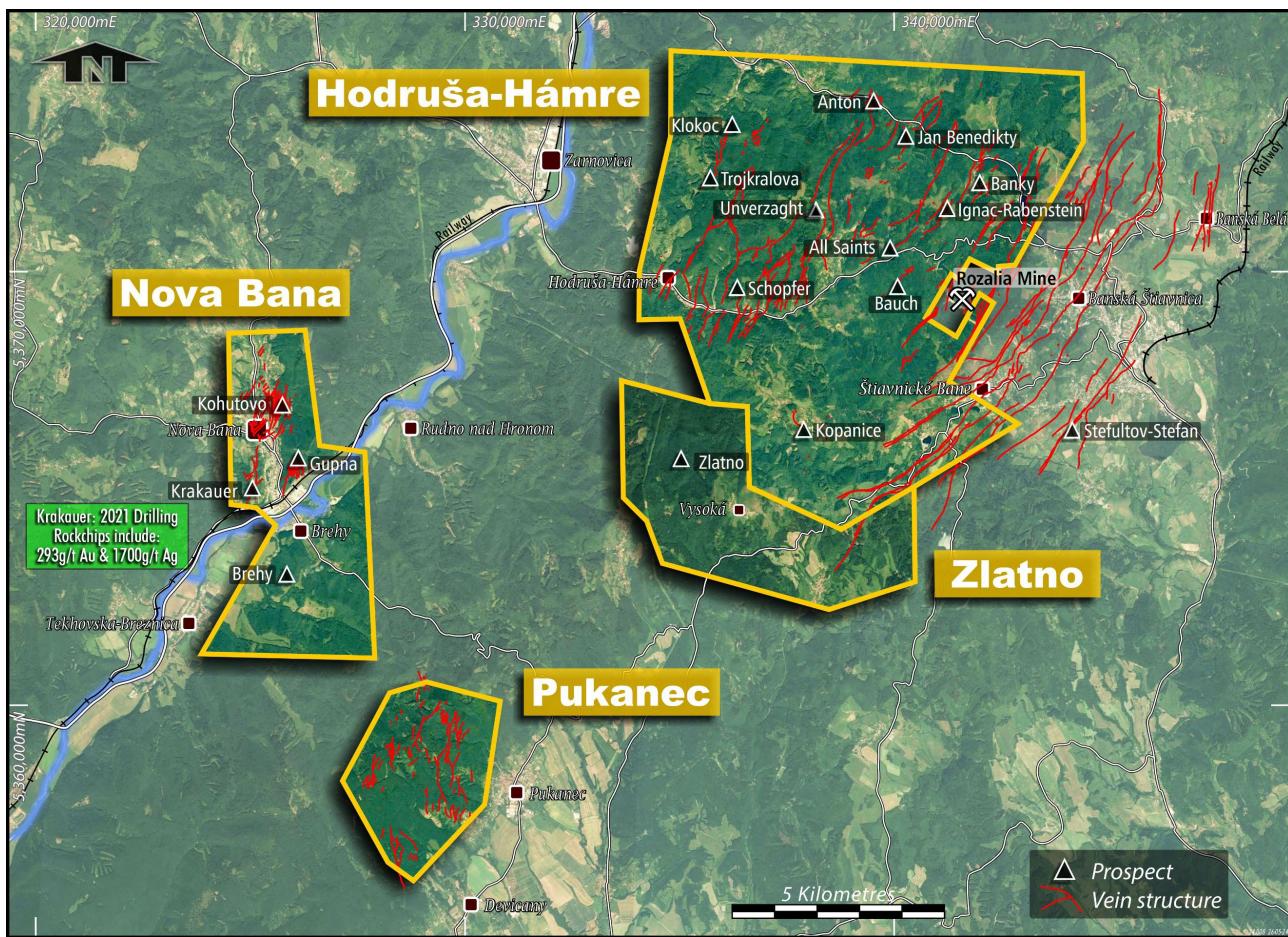
Korsnäs Inferred Mineral Resource Estimate at various TREO cut-offs.

TREO Cut Off ppm	TONNES t	TREO ppm	NdPrO enrichment %	Nd2O3 ppm	Pr6O11 ppm	Tb4O7 ppm	Dy2O3 ppm
10,000	4,284,693	17,477	21.6%	2,900	878	12.2	48.1
9,000	5,168,744	16,108	22.0%	2,725	815	12.1	47.6
8,000	6,416,362	14,625	22.3%	2,515	744	11.7	46.0
7,000	8,061,431	13,167	22.6%	2,306	675	11.3	44.3
6,000	10,139,423	11,795	23.0%	2,105	609	10.9	42.4
5,000	13,502,085	10,217	23.5%	1,866	532	10.3	39.7
4,000	19,147,545	8,519	24.0%	1,594	447	9.3	35.9
3,000	28,388,683	6,870	24.3%	1,309	363	8.1	31.0
2,000	44,081,758	5,293	24.5%	1,016	279	6.6	25.3
1,000	70,019,371	3,884	24.4%	745	204	5.0	19.8



Exploration Target zones are expected to inform future drill planning aimed at potential resource expansion.

Operations – Slovakia (100% owned)



Location map of Prospech's projects in Slovakia.
The Hodruša-Hámre licence is currently undergoing a re-application process.

Southern Caldera – Zlatno - Conceptual Copper-Gold Porphyry and Skarn Target

During the quarter, Prospech progressed reinterpretation work at the Zlatno project where historical data, including drilling, and recently sampled core spoil suggest the presence of a previously underappreciated copper-gold mineral system.

The project lies within the Miocene Štiavnica stratovolcano, a setting known to host porphyry and skarn-style mineralisation.

A revised geological concept proposes a mineralised corridor extending from the Hodruša licence (south of Kopanice) through to the Zlatno licence, potentially analogous in setting to Tethyan-style mineral systems reported elsewhere in the region. This corridor remains untested by modern exploration methods and is interpreted based on a combination of historical data, site observations and limited non-insitu discarded drill core sampling.

Core Spoil Sampling and Indicative Results

In line with this conceptual model, Prospech collected 26 samples of historic drill core and float from multiple legacy collar locations where drill core had been discarded during state-run exploration between 1970 and 1980. These samples were collected under geological supervision but are not from in situ intervals and are not considered representative and are therefore not suitable for resource estimation or grade continuity assumptions.

The results of this limited and non-systematic sampling program indicate the presence of porphyry-style veining in intrusive lithologies, with four samples returning elevated gold values ranging from 0.41 g/t to 0.60 g/t Au. These values are not derived from continuous drill intervals and should be regarded as indicative only. No metallurgical test work or resource estimation has been undertaken on this material, and no conclusions can be drawn regarding grade continuity, recovery or economic potential.

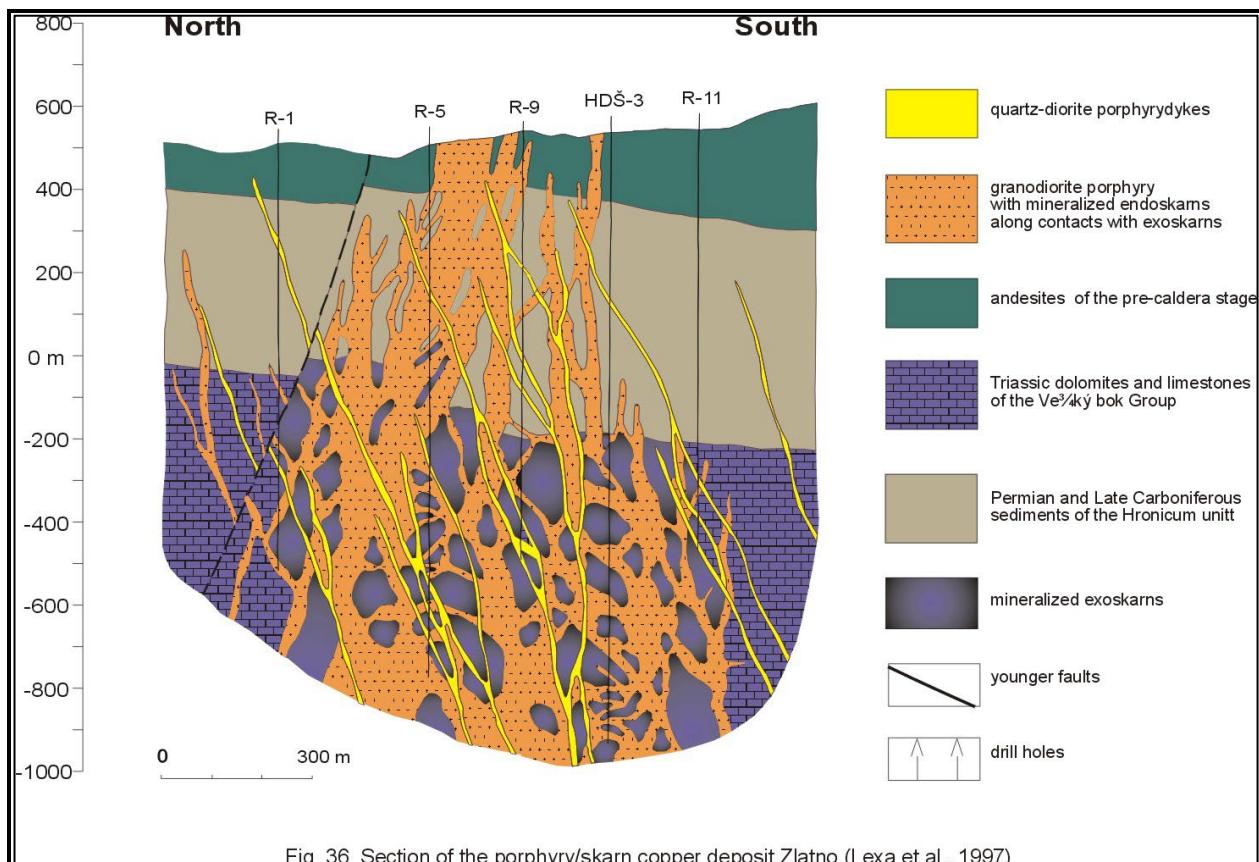


Fig. 36. Section of the porphyry/skarn copper deposit Zlatno (Lexa et al., 1997)

Illustrative section based on current geological understanding of the Zlatno mineral system¹.

These results, while preliminary and not in accordance with JORC requirements for Exploration Results, suggest the possibility of a Cu-Au porphyry system that may have acted as a feeder to the historically defined Cu-skarn zone drilled over a 1,300 m × 900 m area. However, the spatial relationship between the mineralised intrusives and the skarn mineralisation remains speculative at this stage.

Historical Data and Reinterpretation

A key focus during the reporting period has been transcription and translation of 23 historical Slovak Geological Survey diamond drill logs. Using ABBYY OCR software, drill records were converted to English and key geological features including lithology, alteration, mineralogy and structure were digitised for ongoing reinterpretation. The quality and reliability of the historical records are still being assessed, and while they provide useful geological context, they do not meet modern QA/QC standards and are not considered suitable for resource estimation.

Forward Work Program

Subject to the results of the ongoing data review and pending permitting approvals, further drilling may be considered in the second half of the year. Any drilling would target the interpreted porphyry feeder zones and test the gold prospectivity of the skarn unit at depth. Timing will be contingent on budget, permitting and refinement of geological models.

¹ From "Mineralium Deposita (2010) 45:817–843 Formation of the Vysoká–Zlatno Cu–Au skarn–porphyry deposit, Slovakia Peter Koděra & Jaroslav Lexa & Anthony E. Fallick".

Southern Caldera – Pukanec High Grade Gold Project

No fieldwork was undertaken at Pukanec during the quarter, however, budget permitting, a drill program comprising 850 metres of drilling has been designed to test gold-silver targets at the Agraš and Weitenzecher prospects, following up on historical rock chip sampling and known underground workings.

Other Exploration Licences

No field activities were undertaken during the quarter at the Hodrusa-Hamre, Nova Bana and Cejkov-Zemplin exploration licences in Slovakia and the Jokikangas project in Finland.

Corporate Placement

In May 2025 the Company placed 50,000,000 Shares with sophisticated investors at \$0.02 per share, raising \$1,000,000 before costs. The placement was done using the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A. The funds raised will be used to progress exploration and evaluation of the Company's projects in Finland and Slovakia, with a focus on the Korsnäs resource expansion and metallurgical test work and working capital purposes.

Expenditures

Expenditure on exploration activities during the quarter totalled \$391,337. There were no expenditures on mine production and development activities during the quarter.

Related Party Expenditures

During the quarter, the aggregate amount of payments to related parties and their associates totalled \$153,333, being payments to Directors for Directors' consulting fees.

Tenements

Project	Tenement Number	Country	Interest
Cejkov-Zemplin	11006/2022-5.3	Slovakia	100%
Hodrusa-Hamre (undergoing re-application)	7120/2023-5.3	Slovakia	100%
Jokikangas	ML2021:0017 Jokikangas ¹ ML2023:0015 Honkamäki ¹ VA2023:0038 Honkamäki 2 ²	Finland	100%
Kolba	9313/2022-5.3	Slovakia	100%
Korsnäs	ML2021:0019 Hägg ¹ VA2023:0040 Hägg 2 ² VA2023:0083 Hägg 3 ² VA2023:0093 Petalax ²	Finland	100%
Nova Bana	P22/15	Slovakia	100%
Pukanec	9313/2022-5.3	Slovakia	100%
Saarenkylä	VA2023:0013 Saarenkylä 2 ²	Finland	100%
Zlatno	9355/2024-5.3	Slovakia	100%

¹ Tenement areas are reserved by Reservation Applications followed by Reservation Notifications then Exploration Permits approved by the Finnish Safety and Chemicals Agency (**TUKES**), the Finnish mining authority. These Exploration Permit applications are currently in handling by TUKES.

² Reservation Notification provides priority for Exploration Permit applications.

No Material Changes

The Company confirms it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the Exploration Results, Mineral Resources and Exploration Target in this announcement continue to apply and have not materially changed.

Competent Person's Statement

The information in this Report that relates to Exploration Results and the Exploration Target 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.

For further information please contact:

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+61 2 9300 3333

pjn12673

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Prospech Limited

ABN

24 602 043 265

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(314)	(405)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(313)	(401)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(391)	(791)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(391)	(790)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	1,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(55)	(55)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	945	945
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	312	796
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(313)	(401)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(391)	(791)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	945	945

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	3
4.6	Cash and cash equivalents at end of period	552	552

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	552	312
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	552	312

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63
6.2	Aggregate amount of payments to related parties and their associates included in item 2	90

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(313)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(391)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(704)
8.4	Cash and cash equivalents at quarter end (item 4.6)	552
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	552
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.78
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company has certain placement capacity and other capital raising alternatives which are under consideration. The Company and Directors have an established record of being able to raise funds and given the positive results being generated from activities at the Company's Korsnäs project in Finland anticipates being able to do so successfully. In addition, consideration is being given to joint venture opportunities for the Company's Slovakian projects.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company's ongoing expenditures are able to be managed in accordance with the Company's financial resources.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.