

Prospech Limited

ACN 602 043 265

SUPPLEMENTARY PROSPECTUS

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 1 September 2025 (**Prospectus**) issued by Prospech Limited (**Company**).

This Supplementary Prospectus is dated 1 October 2025 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. Neither ASIC nor ASX (and their respective officers) take any responsibility as to the contents of this Supplementary Prospectus.

To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

1 INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2025

On 12 September 2025 the Company announced its interim financial report for the half year ended 30 June 2025. A copy of the report can be obtained from asx.com.au or the Company's website, www.prospech.com.au.

2 ISSUE OF FURTHER SECURITIES UNDER THE PROSPECTUS

The Company advises that, as a result of excess demand under the Shortfall Offer it has, following the issue of New Shares under the Offer and Shortfall Offer, agreed to issue additional securities under the Prospectus utilising the Company's capacity under Listing Rules 7.1 and 7.1A (**Follow-on Placement**):

	Amount raised	New Shares	New Options
Shortfall Offer	\$716,387	47,759,143	23,879,571
Follow-on Placement	\$546,750	36,450,000	18,225,000 ¹

¹ The issue of 2 million New Options is subject to Shareholder approval, to be sought at a forthcoming Shareholder meeting. The Company will, in the event Shareholders

do not approve the issue, pay the investors not receiving New Options the cash value of the New Options not issued.

Additional funds raised will be used for the purposes set out in section 3.2 below.

The Follow-on Placement is, other than the issue of 2 million New Options referred to above, made without Shareholder approval and, as noted above, issued using the Company's Listing Rule 7.1 and 7.1A capacities.

The New Options will be listed under the ASX code PRSO.

Attached to this Supplementary Prospectus is an announcement made by the Company to ASX today.

The Company now closes the Shortfall Offer and no further issues will be made under the Prospectus.

3 AMENDMENTS TO PROSPECTUS

The following sections of the Prospectus are amended as follows:

3.1 Capital structure

Sections 2 and 5.4 of the Prospectus are amended to reflect the current number of securities on issue:

Shares on issue prior to the Offer	378,825,887
New Shares issued under the Prospectus	144,685,994
Total Shares on issue	523,511,881
Total Options on issue prior to the Offer	8,000,000
New Options issued under the Prospectus ^{1, 2}	76,683,604
Total Options on issue	84,683,604
Amount raised under the Prospectus (before costs)	\$2,170,290

- 1 This includes 2 million New Options to be issued subject to Shareholder approval. The Company will, in the event Shareholders do not approve the issue, pay the investors not receiving New Options the cash value of the New Options not issued.
- 2 This includes 4,340,580 New Options to be issued to Mahe Capital under its mandate, subject to Shareholder approval. See section 8.5 of the Prospectus for further information.

The Company will, in the event Shareholders do not approve the issue of New Options, pay investors and/or Mahe Capital (as the case may be) the cash value of the New Options not issued.

3.2 Use of funds

Sections 4 and 5.2 of the Prospectus are amended to reflect the increased amount raised:

Use of funds (approx.)	Amount (A\$'000)
Metallurgical test work programs	350
Exploration activities on the Company's Finnish projects	800
Exploration activities on the Company's Slovakian projects	524
Tenement maintenance and renewal costs	15
Administration	180
Working Capital	56
Cash costs of the Offer	245
Total use of funds	2,170

3.3 Statement of financial position

Set out in the annexure to this Supplementary Prospectus is the Statement of Financial Position and Pro-forma Statement of Financial Position for the Company, as at 30 June 2025 and on the basis of the following assumptions:

- (a) the Offer was effective on 30 June 2025;
- (b) no further Shares are issued other than all Shares issued under this Prospectus;
- (c) \$2,170,290 is received under the Prospectus;
- (d) (cash) costs of the Offer are \$244,917.

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in the annexure to this Supplementary Prospectus. The pro-forma financial information is unaudited and in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

3.4 Dilution

Shareholders who did not participate will have their holdings diluted by 27.64% as a result of the Offers.

3.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Supplementary Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Supplementary Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Supplementary Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Supplementary Prospectus;
- (b) has not caused or authorised the issue of this Supplementary Prospectus;
- (c) has not made any statement in this Supplementary Prospectus or any statement on which a statement in this Supplementary Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Supplementary Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Supplementary Prospectus with the consent of that person.

Name	Role
Mahe Capital Pty Limited	Lead Manager

3.6 Expenses of the Offer

The total (cash) expenses of the Offer are estimated to be \$244,917, consisting of the following:

Cost ¹	A\$
Legal fees	13,500
ASX and ASIC fees	21,200
Capital raising fees ²	190,217
Printing, postage and other expenses	20,000
Total	244,917

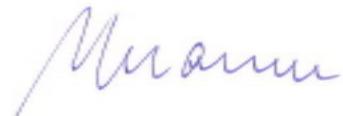
¹ These expenses have or will be paid by the Company.

² The Company has also agreed, subject to Shareholder approval, to issue 2 New Option for every \$1 raised under the Prospectus to Mahe Capital, or 4,340,580 New Options.

The Directors do not consider the circumstances disclosed in this Supplementary Prospectus to be materially adverse from the point of view of an investor, and no withdrawal rights will be offered to investors.

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Dated: 1 October 2025



Mr Thomas J. Mann
Chairman
On behalf of Prospech Limited

SCHEDULE 1 ASX ANNOUNCEMENT MADE 1 OCTOBER 2025

1 October 2025

RIGHTS ISSUE CLOSES FULLY SUBSCRIBED

Highlights:

- Rights Issue seeking to raise \$1.6 million has closed fully subscribed
- Significant support from existing shareholders and new investors
- Top-up placement of \$546,750 to accommodate some of the excess demand
- Now well funded to undertake drilling programs at both its Finnish and Slovakian projects, and to advance rare earth metallurgical programs

Prospech Ltd (**Prospech** or **the Company**) is pleased to announce that the renounceable rights issue announced on 1 September 2025 has closed fully subscribed and raised approximately \$1.6 million (before costs). To accommodate a portion of the excess demand, following the issue of securities under the rights issue the Company agreed to undertake a placement to raise additional \$546,750 on the same terms as the rights issue (**Follow-on Placement**).

Following completion of the Follow-on Placement, the total amount raised will be \$2,170,290 (before costs). The Company will issue a total of 144,685,994 new fully paid ordinary shares (**Shares**) and 72,343,024 new options exercisable at \$0.04, with expiry date of 1 October 2028 (**Options**). The Options will be quoted under the ASX code PRSO.

Under the Follow-on Placement, the Company will issue 36,450,000 new Shares and 18,225,000 new Options. These will be issued using the Company's capacity under Listing Rule 7.1 and 7.1A, with 2,000,000 Options being subject to approval by the Company's shareholders.

The proceeds from the rights issue and the Follow-on Placement will be used for:

- Exploration activities on the Company's Finnish and Slovakian Projects;
- Advancing the Company's Rare Earth metallurgical work programs; and
- general working capital and to cover costs associated with the offers.

The final results from the Rights Issue and the details of the Follow-on Placement are set out below:

	Funds raised	Shares	Options
Rights taken up	\$907,153	60,476,842	30,238,429
Shortfall placed	\$716,387	47,759,152	23,879,595
Follow-on Placement	\$546,750	36,450,000	18,225,000 ¹
Total	\$2,170,290	144,685,994	72,343,024²

¹ This includes 2 million Options, the issue of which is subject to shareholder approval.

² A further 4,340,580 Options will, subject to shareholder approval, be issued to the underwriter as described in the Prospectus.



Level 2, 66 Hunter Street, Sydney NSW 2000 Australia



Mahe Capital Pty Ltd (ACN 634 087 84) (**Mahe Capital**) acted as Lead Manager and Underwriter to the Rights Issue and advised the Company on the Rights Issue and the Follow-on Placement.

The Shares being issued under the Rights Issue have been allotted earlier today. An Appendix 3B for the Follow-on Placement and supplementary prospectus accompany this announcement. This will be followed by the allotment of the Follow-on Placement securities, save for 2 million Options the issue of which is subject to Shareholder approval.

The Company's Chairman Tom Mann said: *"We would like to thank our shareholders for the support they have shown during this Rights Issue, demonstrating their continued commitment to the Company. This support, along with that of the participants in the subsequent placement, will enable the Company to undertake a wider program of drilling at both our Finnish and Slovakian projects, as well as the advancement of our rare earth metallurgy programs."*

This announcement has been approved for release by the Board of Directors.

For further information, please contact:

Thomas Mann
Chairman

+61 (0) 411 255 499

Jason Beckton
Managing Director

+61 (0) 438 888 612

Richard Edwards
Company Secretary

+61 (02) 9300 3333

Or by email at: info@prosprech.com.au

pjn12730

SCHEDULE 2 PRO FORMA STATEMENT OF FINANCIAL POSITION

	AUDITED ACCOUNTS 30 JUNE 2025	FULL SUBSCRIPTION + PLACEMENT PROFORMA	
		RAISE	30 JUNE 2025
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	552,553	1,925,373	2,477,926
Trade and other receivables	70,861	-	70,861
Prepayments	61,934	-	61,934
TOTAL CURRENT ASSETS	685,348	1,925,373	2,610,721
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	11,953,860	-	11,953,860
Property, plant and equipment	31,557	-	31,557
TOTAL NON-CURRENT ASSETS	11,985,417	-	11,985,417
TOTAL ASSETS	12,670,765	1,925,373	14,596,138
CURRENT LIABILITIES			
Trade and other payables	465,940	-	465,940
Deferred grant recognition	213,954	-	213,954
TOTAL CURRENT LIABILITIES	679,894	-	679,894
CURRENT LIABILITIES			
Deferred tax liability	184,497	-	184,497
TOTAL CURRENT LIABILITIES	184,497	-	184,497
TOTAL LIABILITIES	864,391	-	864,391
NET ASSETS	11,806,374	1,925,373	13,731,747
EQUITY			
Share capital	18,251,377	1,925,373	20,176,750
Reserves	2,275,771	19,750	2,295,521
Accumulated losses	(8,720,774)	(19,750)	(8,740,524)
TOTAL EQUITY	11,806,374	1,925,373	13,731,747