



Date: 20 October 2025

ASX: PRS FSE: 1P80

Shares on issue: 523.5M

Market capitalisation: A\$12.0M
(@ A\$0.023)

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 September 2025

The Directors present the September 2025 Quarterly Activities Report for Prospech Limited (**Prospech** or **the Company**) and its controlled entities (**the Group**), amid a renewed focus on Western rare earths supply following China's export restrictions and surging gold and silver prices.

On 9 October 2025, China announced further export controls on rare earths, requiring both domestic and foreign companies to obtain special licences for the export of 'dual-use items' (REEs with civilian and military applications). The European Union is seeking to coordinate a response with the United States and other G7 partners, with the move highlighting the need for new sources of independent, Western REE supply.

Highlights

- **Metallurgy advanced:**
 - A 300 kg Korsnäs bulk sample from the Lanthanide Concentrate Stockpile delivered to Core Resources (**CORE**) metallurgical testing laboratory in Australia.
 - CORE engaged to run a structured flotation program on the 300 kg Korsnäs bulk sample to determine the optimal circuit and produce ~20 - 30 kg of upgraded REE concentrate for downstream testing.
 - CORE flotation test work is in progress.
- **Hydromet program:**
 - ANSTO Minerals (**ANSTO**) contracted to undertake Stage 1 pre-leach and acid-bake/leach test work on the CORE upgraded concentrate.
- **Balance sheet strengthened:**
 - Completion of a \$2.1 million capital raising:
 - Renounceable rights issue fully subscribed raising \$1.6 million.
 - Follow-on placement added \$0.5 million.
 - New listed options (PRSO) exercisable at \$0.04, expiring 1 October 2028.

Managing Director, Jason Beckton, comments

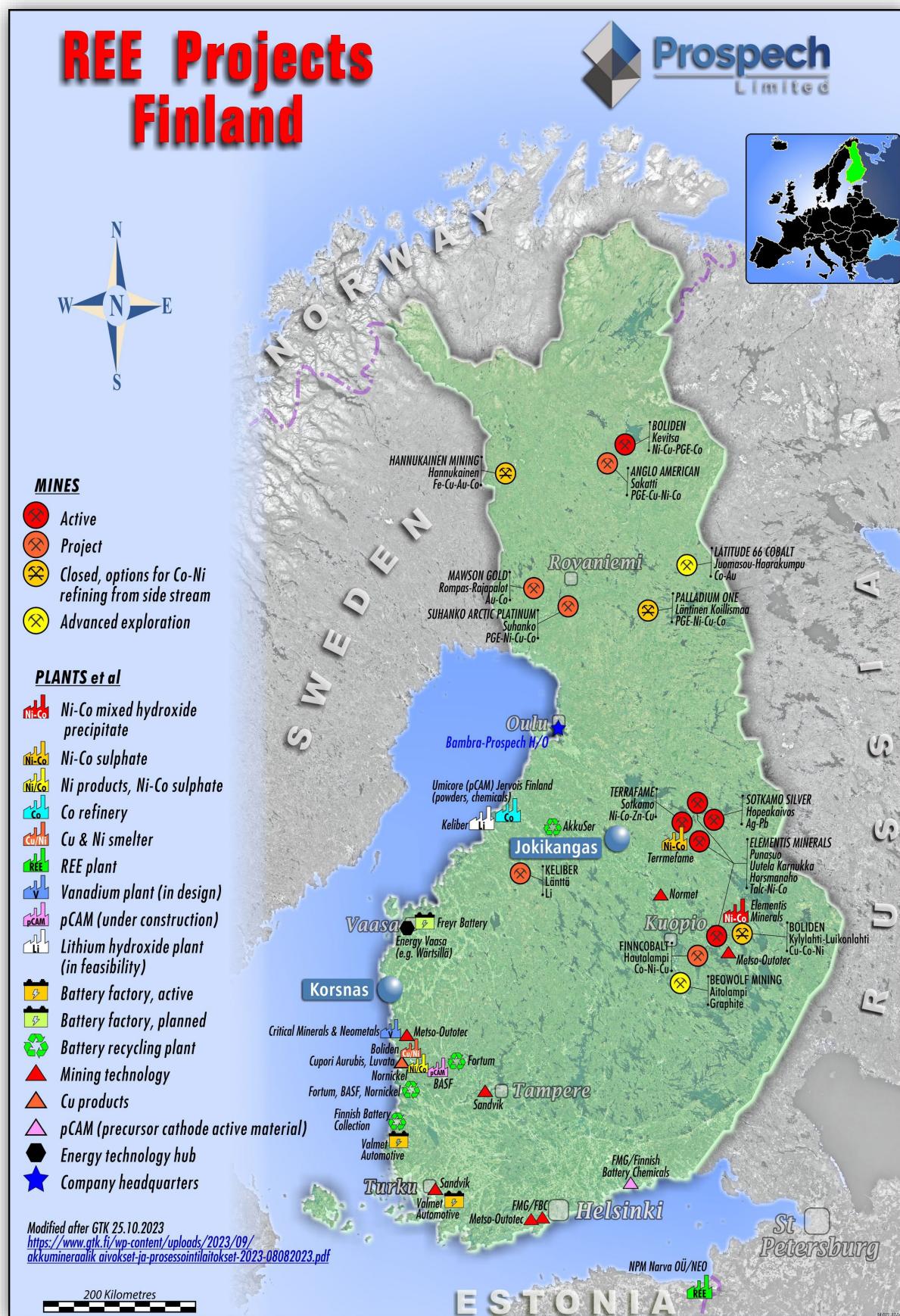
"Our metallurgical program continues meticulously with no 'red flags' reported. Our capital raising funds, and expedites, two key priorities:

Korsnäs Metallurgy: *The CORE work will finalise the flotation flowsheet and deliver an upgraded concentrate for the ANSTO pre-leach and acid-bake/leach hydromet study to determine extraction ranges and impurity deportment.*

Resource expansion: *Drilling the Korsnäs Exploration Targets is already in train and expected to deliver a significant result. We are also funded for further exploration of our highly prospective gold-silver-copper targets in Slovakia.*

We look forward to delivering flotation results, hydromet outcomes and drilling progress whilst maintaining technical credibility and tight cost control."

Operations – Finland (100% owned)



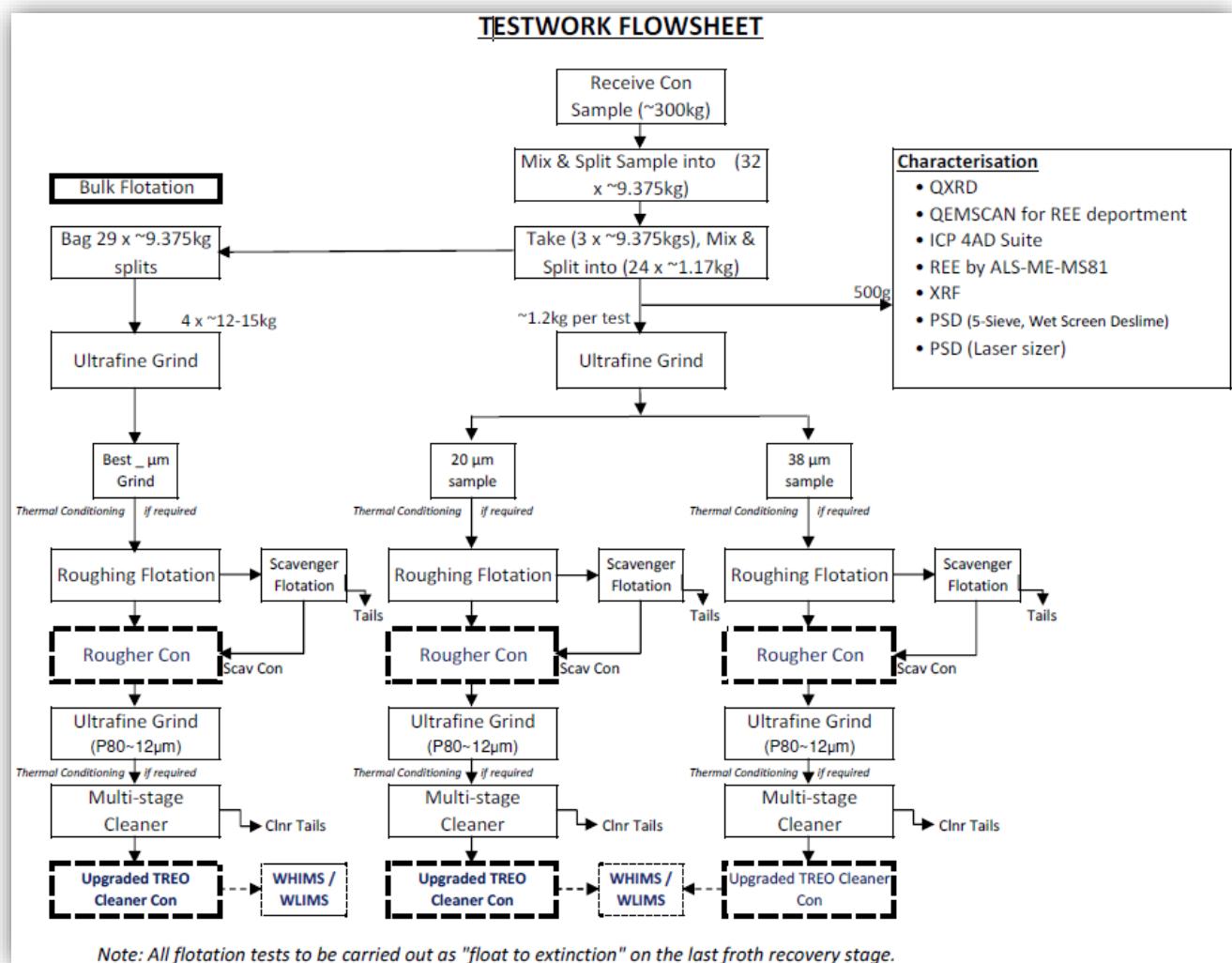
Location map of Prospech's projects in Finland - geologically rich in critical minerals and proximate to the Neo Materials refining facility in Estonia.

Korsnäs REE Project (100% owned)

Metallurgical Test Work Program Update

During the quarter, Prospecch engaged CORE Resources Pty Ltd (**CORE**) in Brisbane to conduct a two-phase program on a 300 kg bulk sample extracted from the Korsnäs Lanthanide Concentrate Stockpile (**LnCS**):

- bench-scale flotation optimisation (head characterisation; multiple trials across grind/reagent/pH; cleaner flotation; optional magnetic sighters); and
- bulk flotation to produce ~20 - 30 kg concentrate for hydromet evaluation and flowsheet design.



Korsnäs Flotation Program Overview and Deliverables

Based on the work completed to date, no 'red flags' have been reported and the designed metallurgical test work program continues with initial results expected to be reported in Q4 2025.

In parallel with the CORE work, a fixed-price contract has been negotiated with ANSTO Minerals (the minerals business of the Australian Nuclear Science and Technology Organisation) (**ANSTO**) at Lucas Heights, Sydney to run Stage 1 hydromet test work on the upgraded Korsnäs concentrate.

The Stage 1 ANSTO work covers pre-leach screening, acid-bake/leach trials, thermal analyses (TGA-DSC) and waste treatment assessment. Three progress notes and a final report will be delivered and Stage 2 (solution purification to a first mixed rare earths product) will be scoped separately following the Stage 1 outcomes.

Program Scope and Deliverables	Details
Purpose	Defined laboratory test program to generate data for flowsheet selection and planning.
Feed	~20 - 30 kg upgraded Korsnäs concentrate from CORE's bulk flotation campaign.
Work packages	<ul style="list-style-type: none"> Mineralogical characterisation of the concentrate 13 pre-leach tests 11 acid bake/leach tests Thermogravimetric analysis and differential scanning calorimetry (TGA-DSC)
Reporting	Progress Notes (PN) 1 - 3, then a consolidated final report with full data pack and waste treatment commentary.
Schedule	ANSTO to mobilise on receipt of sample and formal approvals. Progress updates at key milestones.

Slovak Gold and Silver Potential - Review

With precious metal prices moving higher, Prospech is now re-evaluating the Company's past scout drilling programs.

Upon the re-grant of the Hodruša-Hamre licence, a recap of the past results from Hodruša-Hamre and Pukanec will be reported. For now, the previously reported results from Nova Baňa are representative of the Company's broader Slovak gold-silver portfolio.

The initial drill intersections at Nova Baňa are encouraging and warrant systematic step-out drilling and additional sampling to confirm continuity, geometry and grade distribution across the vein systems.

Gupna and Kohutovo¹

At Gupna, hole NBDD002 intersected a broad 93.0 metre quartz-breccia/stockwork zone from 531.5 metres to 624.5 metres with repeated ~10 metre bands of quartz-carbonate-pyrite veinlets.

Narrow veins higher up returned:

- 0.7 m @ **5.39 g/t Au & 30 g/t Ag** from 19.9 m
- 1.1 m @ **4.09 g/t Au & 59 g/t Ag**, from 59.5 m
- 0.8 m @ **5.82 g/t Au & 2 g/t Ag** from 317.0 m, with visible gold logged in adularised andesite.

The structure is interpreted as a main feeder and warrants shallow follow-up drilling.

At Kohutovo, noted for historic bonanza mine grades, hole NBDD003 targeted the Laurenc feature near the rhyolite/andesite contact and intersected 10.0 metres @ 1.02 g/t Au within a sequence that also contains several narrower higher-grade quartz-sulphide zones:

- 1.4 m @ **1.83 g/t Au & 6 g/t Ag** from 155.0 m
- 1.5 m @ **3.35 g/t Au & 9 g/t Ag** from 159.0 m
- 0.6 m @ **4.11 g/t Au & 10 g/t Ag** from 172.3 m
- 1.0 m @ **1.31 g/t Au & 10 g/t Ag** from 179.0 m
- 10.0 m @ **1.02 g/t Au** across the Laurenc feature near the rhyolite/andesite contact.

These results support a low-sulphidation epithermal model and justify additional step-out drilling.

¹ ASX announcement (3 December 2020): "Prospectus" (section 4.6 Nova Baňa).

Krakauer²

Drilling at the Krakauer vein prospect returned multiple gold-silver intercepts typical of low-sulphidation epithermal veins hosted by altered rhyolites and andesites (vein dips ~70° SSE, flattening to ~45° at depth).

Apart from some very shallow historical pits, this vein system has never been mined.

- KVDD001: 5.0 m @ **1.89 g/t Au & 28 g/t Ag** from 162.8 m
incl. 0.5 m @ **6.90 g/t Au & 84 g/t Ag** from 163.7 m
- KVDD002: 9.0 m @ **1.58 g/t Au & 10 g/t Ag** from 170.5 m
incl. 0.5 m @ **3.34 g/t Au & 7 g/t Ag** from 170.5 m
and 3.0 m @ **2.19 g/t Au & 4 g/t Ag** from 176.5 m
- KVDD003: 2.5 m @ **2.12 g/t Au & 35 g/t Ag** from 127.7 m
- KVDD004: 1.7 m @ **1.12 g/t Au & 11 g/t Ag** from 140.1 m
- KVDD005: 4.0 m @ **1.29 g/t Au & 19 g/t Ag** from 107.6 m
incl. 0.5 m @ **4.59 g/t Au & 42 g/t Ag** from 107.6 m

The Krakauer vein is traceable for >600 metres along strike and remains open laterally and at depth. Only a small portion of this potential has been tested and a focused, step-out drill program is the logical next step.

Other Exploration Licences

No field activities were undertaken during the quarter at the Hodruša-Hamre, Zlatno, Pukanec, Nova Baňa and Cejkov-Zemplín exploration licences in Slovakia and the Jokikangas project in Finland.

Forward Program (next 6 - 12 months)

Prospech will advance two workstreams in parallel:

- Korsnäs metallurgy (flotation at CORE followed by Stage-1 hydromet at ANSTO)
- Drilling (resource expansion in Finland and exploration in Slovakia).

Flotation (CORE). Complete bench-scale optimisation and proceed to bulk flotation, delivering ~20–30 kg of upgraded Korsnäs concentrate plus a concise circuit definition pack (operating ranges, reagent regime, grind, water-quality sensitivities).

Hydromet (ANSTO – Stage 1). Run a pre-leach and acid-bake/leach test matrix on the CORE concentrate, including TGA-DSC and waste/impurity characterisation. Reporting will comprise PN1 - PN3 followed by a consolidated final report and data pack.

Hydromet (Stage 2 – following Stage 1 outcomes). Conduct solution-purification trials toward a first mixed rare-earth product, define reagent recycle and impurity control, address waste handling, and outline scale-up options.

Finland – Resource drilling. Priority drilling will target resource expansion and collection of fresh metallurgical samples. Supporting tasks include model updates and resource-update workflows (assays, density, QA/QC, domaining).

Slovakia – Exploration drilling (gold–silver–copper). Drill highly prospective Au-Ag-Cu targets to confirm mineralised structures, grade continuity and generate samples for petrography and preliminary metallurgy as warranted.

² ASX announcement (13 October 2021): "Further Gold Silver Drill Results for Krakauer Prospect".

Corporate

Rights Issue and Follow-on Placement

In September 2025, the Company undertook a rights issue under which existing shareholders could apply for 2 new shares for every 7 shares held, at an issue price of \$0.015 per new share, together with 1 attaching option for every 2 new shares issued.

The rights issue 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 an additional \$546,750 on the same terms as the rights issue.

The Company issued a total of 144,685,994 new fully paid ordinary shares and 70,343,024 new options, with a further 2,000,000 options being subject to approval by shareholders.

Prospech thanks both current and new shareholders for their excellent support for this fund-raising initiative.

The proceeds from the rights issue and the follow-on placement will be used for:

- exploration activities at 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.

Investor Relations

Prospech held an investor webinar on 18 September 2025, including a presentation by Managing Director, Jason Beckton and subsequent Q&A session. A recording of the event is available via this link: <https://www.youtube.com/watch?v=AuyxTacX9Vg>.

Mr Beckton will also present at the 15th Fennoscandian Exploration and Mining conference (FEM 2025) in Levi, Lapland, Finland, from 4.30 pm (local time) on Wednesday, 29 October 2025, on the topic of "Bambra Oy – Prospech Limited: Finland's newest REE Resource Estimate."

The biennial FEM conference is one of the largest mining industry events in Europe, with the 2023 event including 1,200 participants from 33 different countries and nearly 400 organisations.

Mr Beckton will subsequently present as part of "Kokkola Material Week" from 9.40 am (local time) on Wednesday, 12 November 2025 at "GeoKokkola", held at Kokkola City Hall, Finland. The focus of the GeoKokkola seminar is on the "mineral economy and metal refining processing," aiming to create an overview of new metal processing projects related to the mineral economy and the battery value chain.

Expenditures

Expenditure on exploration activities during the quarter totalled \$384,000. 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 \$110,000, being payments to Directors for Directors' consulting fees.

Tenements

Project	Tenement Number	Country	Interest
Cejkov-Zemplin Hodruša-Hamre, (undergoing re-application)	11006/2022-5.3 7120/2023-5.3	Slovakia Slovakia	100% 100%
Jokikangas	ML2021:0017 Jokikangas ² ML2023:0015 Honkamäki ² ML2025:0024 Honkamäki 2 ¹	Finland	100%
Kolba Korsnäs	9313/2022-5.3 ML2021:0019 Hägg ² ML2025:0020 Hägg 2 ² ML2024:0087 Hägg 3 ² ML2024:0103 Petalax ¹	Slovakia Finland	100% 100%
Nova Baňa Pukanec Zlatno	P22/15 9313/2022-5.3 9355/2024-5.3	Slovakia Slovakia Slovakia	100% 100% 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 These are Exploration Permits approved by TUKES.

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 is based on information compiled by Mr Jason Beckton, 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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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 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(157)	(562)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
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	(156)	(557)

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	(384)	(1,175)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(384)	(1,175)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,076	2,076
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	(172)	(227)
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	904	1,849
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	552	796
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(156)	(557)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(384)	(1,175)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	904	1,849

Appendix 5B

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	7	10
4.6 Cash and cash equivalents at end of period	922	922

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	922	552
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)	922	552

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	10
6.2 Aggregate amount of payments to related parties and their associates included in item 2	100

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)	(156)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(384)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(540)
8.4	Cash and cash equivalents at quarter end (item 4.6)	922
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	922
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.71
	<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: The Company's expenditure in the current quarter is likely to be higher given the closure of the Rights Issue on 1 October.	
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 Rights Issue and placement undertaken by the Company was completed on 1 October. \$1.1m before costs of the funds raised was received by the Company during the September quarter. A further \$1.1m from the Rights Issue and placement was received by the Company on 1 October.	
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, based on the cash flow response in 8.8.2 above.	
	<i>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.</i>	

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: 20 October 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.