19 June 2023

DRILLING COMMENCES AT KOLBA Cu-Co-Ni-Ag TARGET, SLOVAKIA

Highlights

- **Prospech commenced diamond drilling operations at Kolba on 16 June 2023**
- **Kolba has never before been drill tested**
- **A minimum program of 8 holes is planned for Kolba and the nearby Svatodusna target, with potential to expand based on results**
- **Historical mining activities at Kolba trace back to the early 19th century, yielding valuable tetrahedrite/tennantite copper-silver ore along with reported gersdorffite ore grades of 15% nickel and 4% cobalt**
- **Prospech's surface sampling revealed high-grade assay results for copper (maximum: 4.99%), nickel (6.91%), cobalt (0.81%), and silver (796 g/t)**
- **XRF spot analyses reveal exceptional concentrations of high-grade massive sulphide minerals, characterised by 2.27% cobalt, 13.98% nickel, and 44.36% copper**
- **Historic Government soil and rock geochemistry data indicate a target strike of 2.0km within the Prospech licence and an additional 2.7km extension westward into the Prospech licence application (currently in progress)**

Prospech Limited (ASX: PRS, 'Prospech' or 'the Company') is pleased to report the commencement of diamond drilling (Figure 1) on the Company's Kolba property situated in central Slovakia (Figure 2).

Figure 1: Drilling underway on first hole KBDD-001 at Kolba.

Mining activities at Kolba have been traced back to the early 19th century, with the primary mine ceasing operations in 1817. There is limited recorded information regarding the mine's activities and production, however, it is known that cobalt-rich tetrahedrite/tennantite copper ore was extracted from two adits named Arnold and Pauli[1].

Reports indicate the presence of rich ore zones ranging from 0.3 to 4.0 metres in width, containing 4% cobalt and 15% nickel. Additionally, there were mentions of cross cutting cobalt vein systems intersecting the main ore zones.

Prospech geologists observed that the mineralisation at the mine appears to be hosted by schistose metasediments, possibly associated with the contact between metasediments and metavolcanic rocks. Samples collected from the Svatodusna prospect, which is also included in the current drilling program, suggest that sulphide mineralisation is not primarily vein related but rather occurs in a concordant manner with schistosity. Moreover, the mineralisation tends to concentrate in low-strain pressure shadows, as shown by the XRF images from the Slovak Academy of Science in Figure 3. Semi-quantitative spot analyses confirm the high grade nature of the massive sulphide minerals with values of 2.27% cobalt, 13.98% nickel and 44.36% copper.

Furthermore, findings from soil and rock geochemical studies conducted in 1989[2] indicate that the mineralisation is widespread within broad anomalous zones, extending beyond the vicinity of the metasediment-metavolcanic contact.

Prospech's initial drilling program will comprise eight diamond drill holes, with each hole intended to reach a depth of approximately 200 metres. Among these, two holes have been strategically chosen to focus on the mineralisation previously exploited in Kolba adits, Pauli and Arnoldi. The first hole, KBDD-001, is specifically designated for this purpose. The remaining six holes are dedicated to investigating the Svatodusna prospect, an extensive region with a history of mining activities. For a visual representation of the drilling locations, refer to Figure 4, which displays the planned hole positions in relation to soil geochemical anomalies and the interpreted geological structural framework.

Prospech's Managing Director Mr. Jason Beckton commented: *"After a comprehensive phase of historical data compilation and planning, we are excited to embark on the first drilling phase at Kolba. This initial program, consisting of eight drill holes, will play a crucial role in enhancing our understanding of the mineralisation style, three-dimensional extent and grade distribution within the site.*

Through a combination of historical information and modern analyses conducted by both Prospech and the Slovak Academy of Sciences, we have uncovered promising indications of high grade copper, nickel, cobalt, and silver deposits. The substantial potential size of the mineralised system instills confidence and suggests the potential for a commercial opportunity for critical metals at Kolba."

[1] 1951: Ing. Arpad Bergfest I. part – History of mining in Lubietova – report no. 57962 (summary report from archive sources by Bergfest)

[2] 1989: Hauerová J. Final Report L'ubietova - Kolba

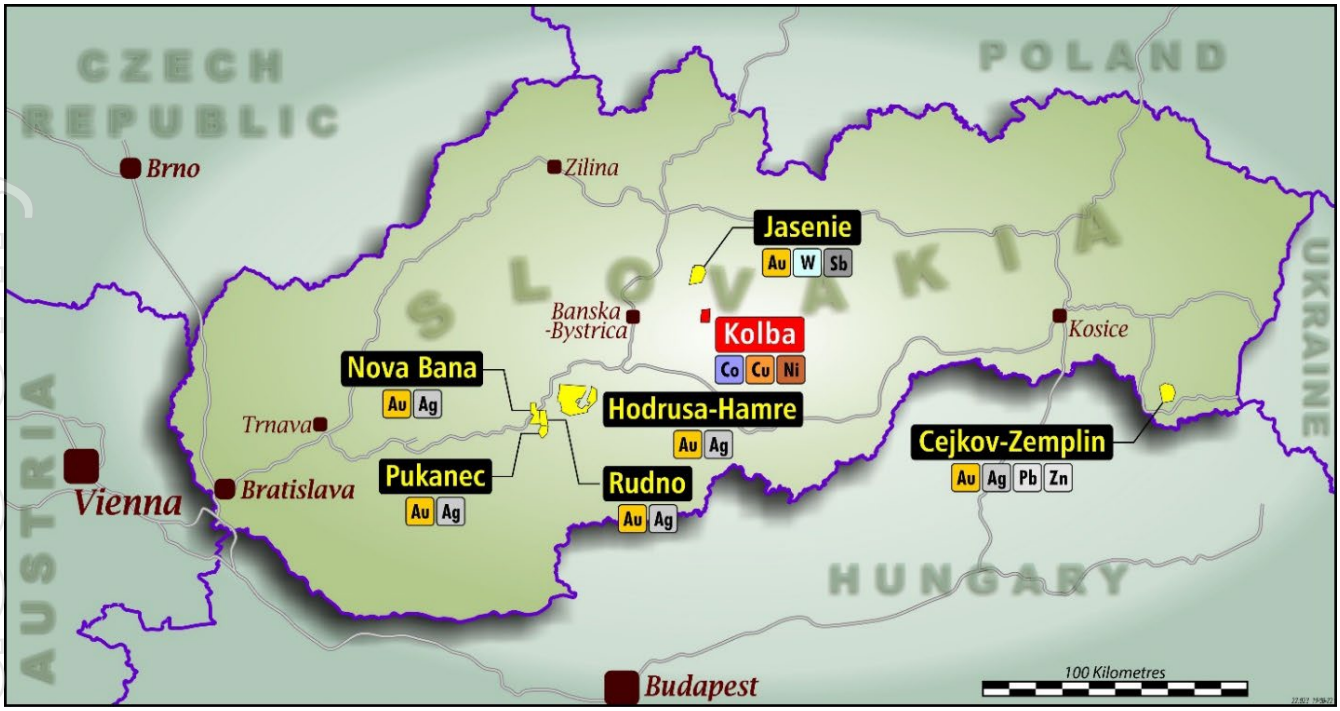

Figure 2: Kolba is located in Central Slovakia

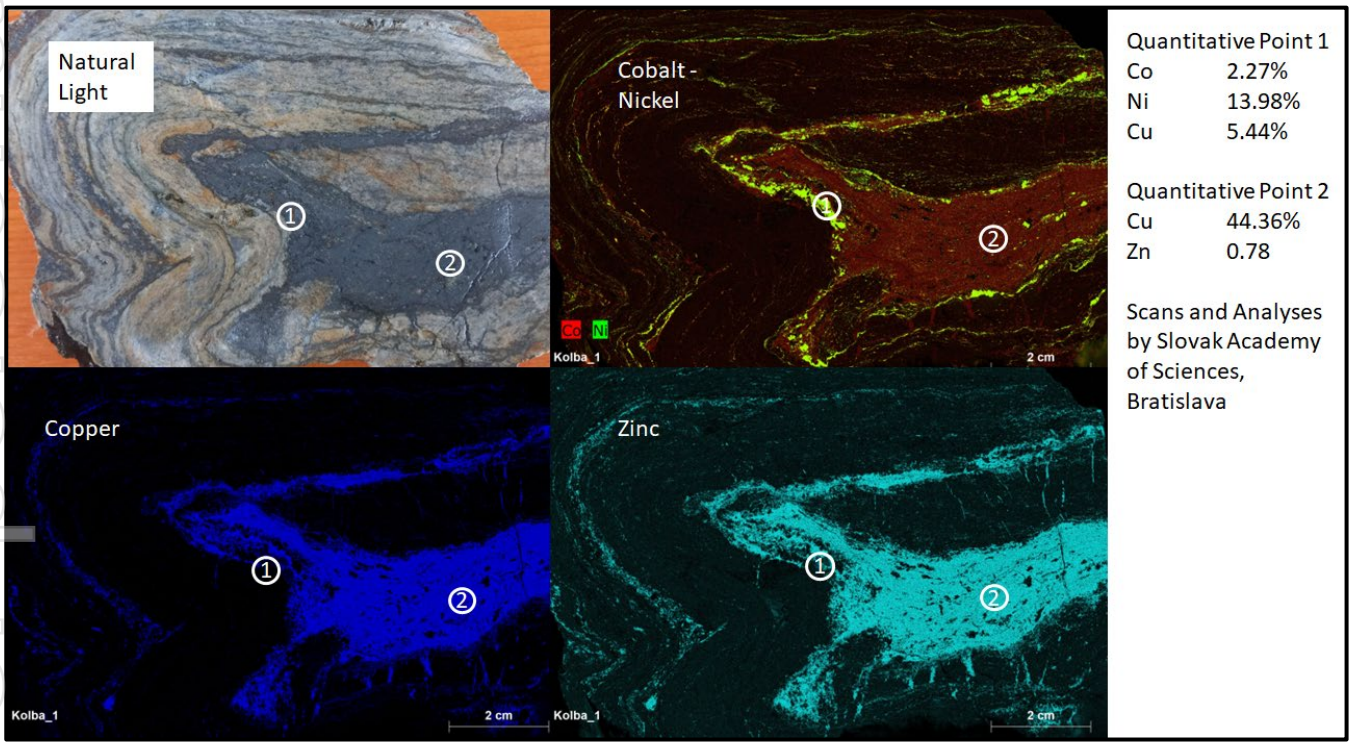

Figure 3: Kolba Mineralisation conformable with metamorphic fabric and concentrated low strain zones. X-Ray Fluorescence (XRF) Scans are qualitative with two semi-quantitative points (1 and 2) focused on Ni-Co and Cu minerals respectively.

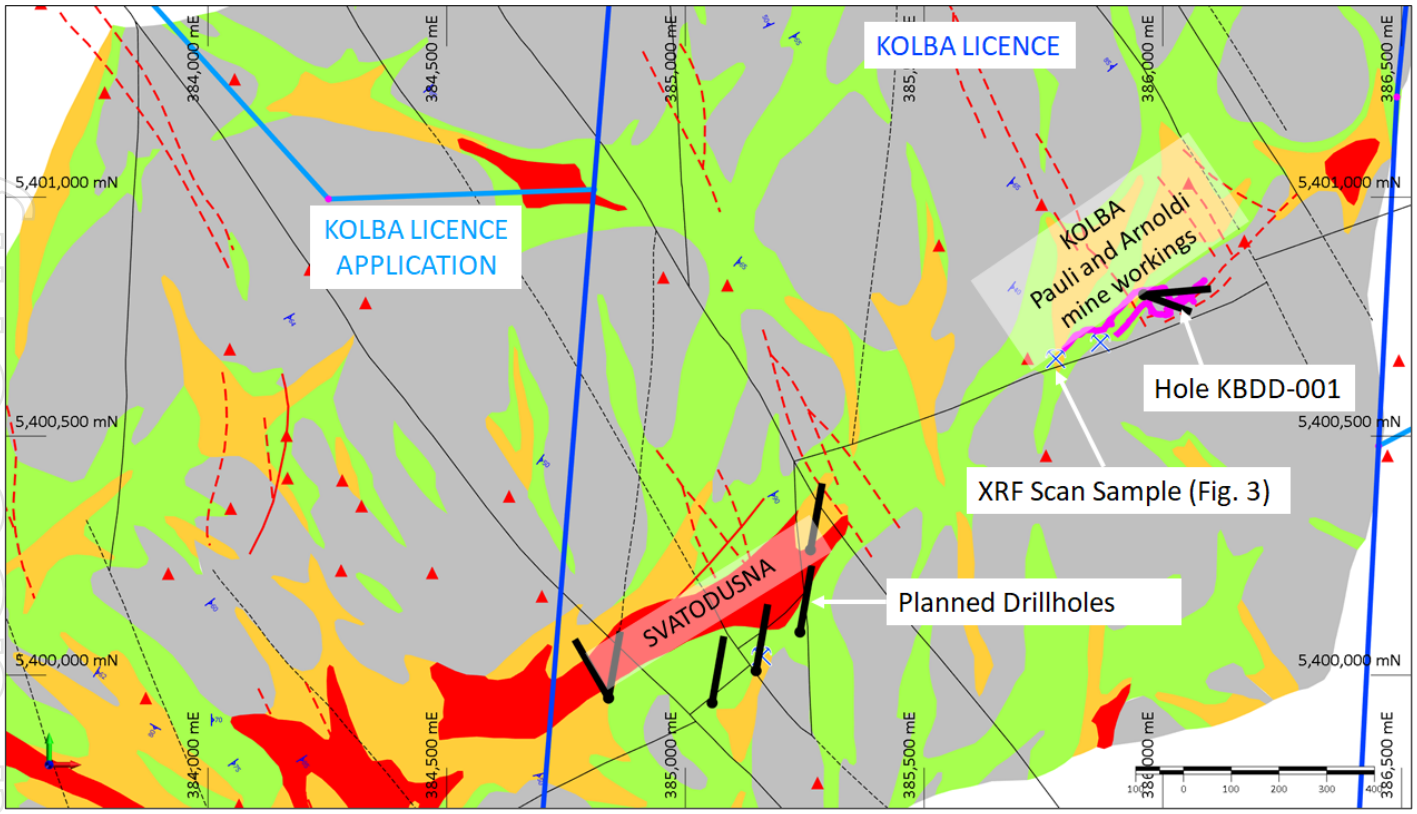

Figure 4: Illustrates the positioning of the planned drill holes, denoted by heavy black lines, within the Kolba licence. The background map represents the soil geochemistry data from 1989, with color intensity indicating the level of multi-element anomalism. The figure displays the locations of the Pauli and Arnoldi adits. The interpreted structural framework is represented by solid and dashed black lines, while red thin lines and triangles indicate cross-cutting trends and mineralised samples respectively.

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This announcement has been authorised for release to the market by the Board of Prospech Limited.

Competent Person's Statement

The information in this Report that relates to 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.

About Prospech Limited

Founded in 2014, the Company engages in mineral exploration in Slovakia and Finland, with the goal of discovering, defining, and developing critical elements such as rare earths, lithium, cobalt, copper, silver, and gold resources.

Prospech is taking steps to be a part of the mobility revolution and energy transition in Europe. The Company has a portfolio of prospective cobalt and precious metals projects in Slovakia and through its acquisition of the Finland Projects is in the process of acquiring prospective rare earth element (REE) and lithium projects. Eastern and Northern Europe are areas that are highly supportive of mining and have a growing demand for locally sourced rare earths and lithium. With the demand for these minerals increasing, Prospech is positioning itself to be a major player in the European market.

JORC Code, 2012 Edition – Table 1 Kolba Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip grab sample was collected from outcrops, spoil heaps and sawn in half with a diamond rock saw.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Kolba drilling has just commenced using PQ sized core
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill core is oriented. Large diameter PQ core is used to maximise recovery. Short runs used in broken ground
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed geological logging is carried out including oriented structural measurements. Magnetic susceptibility readings are taken on a regular basis. Core is photographed wet and dry

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Mineralised core is marked up and split in half with a diamond saw. Half-core is sent for assay and half is retained. • Rock chips over 1Kg are generally sawn in half and photographed with half being sent for assay and the other half retained. • Rock chips at Kolba and mostly float or taken from mine spoil heaps. • Samples are cut normal to the foliation to maximise representivity. • Kolba mineralisation is mostly massive or semi-massive sulfide and the sample size is considered appropriate
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples are stored in a secure location in Companies storage facilities and transported to the ALS laboratory in Romania for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% < 75µm. • Pulps are analysed by ALS Romania using method code ME-ICP61, a 33 element determination using a four acid digestion and 30 gram charge fire assay with AA finish (Au-AA25) for gold. Ore grades are analysed by OG62 – 4 acid digestion method for each element when identified. • Sample in Fig 3 was scanned by Slovak Academy of Science using a M4 Tornado 2D Micro-XRF
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Laboratory provides assay certificates, which are stored electronically both in ALS and Company's servers. • Laboratory CSV files are merged with GPS Location data files using unique sample numbers as the key. • No adjustments made to assay data. • M4 Tornado 2D Micro-XRF provides semi-quantitative results
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Rock chip samples are located using handheld GPS receivers with accuracy from 10-5m. • UTM projection WGS84 Zone 34N • The topographic control, using handheld GPS, was adequate for the survey. • Coordinates of sample in Fig 3 385775 mE, 5400662 mN
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Reconnaissance sampling of available outcrop and float • Results will not be used for resource estimation. • No compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No bias is believed to be introduced by the sampling method.
Sample security	• *The measures taken to ensure sample security.*	• Samples were delivered to ALS Minerals laboratory in Romania by European Cobalt in 2017.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the data management system have been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Prospech Limited, through subsidiaries and contractual rights, holds 100% rights on the Hodrusa-Hamre - Banska Stiavnica, Nova Bana, Rudno, Pukanec and Jasenie and Kolba (Application) tenements. • Kolba application licence number N7/22 within Slovak Government Geofundo system - http://apl.geology.sk/geofond/pu/
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• At present the only identified activities conducted across the site has been completed by previous mining operators and European Cobalt Limited (now Aston Minerals Ltd (ASX:ASO))
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kolba Project is located in the Veporske vrchy Mountains in central Slovakia. Two Mineralisation stages are noted to occur – Carbonate and sulphide, hosted in Permian sedimentary and volcanic packages. • Economic minerals noted to occur at Kolba include, Tetrahedrite/tennantite, Cobaltite, Chalcopyrite and Cobalt arsenides.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Collar Coordinates of KBDD-001 are 385959 mE 5400797 mN Mag Azi 102 degrees, dip -45 degrees. (WGS84 Zone 34N)
		• Other details are not available until hole is completed

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No results have been reported with aggregated intercepts.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Mineralisation is postulate to be concordant with metamorphic foliation and in cross-cutting veins (from historical records)
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The location and results received for both rock chip and drill-core samples are displayed in the Figure 2. Coordinates are UTM Zone 34N.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of*	• Results for all samples collected in this program are displayed on the attached maps and/or tables.

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No metallurgical or bulk density tests were conducted at the project by Prospech.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• An 8-hole drilling program is planned for 2023 field season.

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