14 June 2023

KORSNÄS SAMPLING RETURNS RARE EARTH RESULTS UP TO 13,201 ppm TREO, EXPANDING TARGET ZONES

Highlights

- **Recent assays of drill core from six historic holes confirm expanded zones of Korsnäs Rare Earth Element ('REE') mineralisation**
- **Intersections include:**
  - **KR-289: 18.3m @ 13,201 ppm Total Rare Earth Oxide ('TREO'[1]) from 51.7m**
  - **M124256R85: 10.9m @ 5,634 ppm TREO from 56.3m**
  - **M124256R126: 16.0m @ 2,296 ppm TREO from 86.5m**
- **Hole KR-289 located west of the historic Korsnäs Mine confirms multiple mineralised zones exist on the property**
- **Strong Neodymium/Praseodymium (NdPr) enrichment[2] averaging 26% in sampled holes**
- **Korsnäs mine tailing storage facility identified as a high-priority target for REE investigation based on analysis of four grab samples, which averaged 4,140 ppm**
- **Further logging and sampling on historic Korsnäs drill core is planned**

Prospech Limited (ASX: PRS, 'Prospech' or 'the Company') is pleased to report encouraging rare earth results from assays of historic drill core from the Korsnäs Project in Finland.

The elevated presence of REE mineralisation in all samples provides confirmation of the Company's hypothesis that previous drilling efforts focused solely on lead (Pb) exploration, overlooking REE mineralisation within the drill core. In the past, sampling focused on visually identifiable base metal sulfides as indicators, leaving most REE mineralised zones unsampled.

Prospech geologists conducted sampling on six holes, all of which yielded positive results (see Table A). Additionally, there are numerous preserved drill cores available at the Finnish Geological Survey ('GTK') facility in Loppi. The Company has confirmed further time slots to conduct logging and sampling sessions on this core in the upcoming months.

Prospech previously noted historical REE mineralisation in hole KR-289, west of the former Korsnäs lead/lanthanide mine. This particular hole carries great significance as it revealed the presence of a separate mineralised zone, with a geophysical (gravity) signature in the western region (Figure 2), completely distinct from the mine trend and covered by a recently confirmed exploration application by Prospech/Bambra. Moreover, it confirms that REE mineralisation occurs independently without the presence of lead.

[1] Total Rare Earth Oxides ('TREO') includes: La_2O_3, Ce_2O_3, Pr_2O_3, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_2O_3, Tb_2O_3, Dy_2O_3, Ho_2O_3, Er_2O_3, Yb_2O_3, Lu_2O_3, Y_2O_3

[2] NdPr enrichment is the proportion of TREO comprising Nd_2O_3 and Pr_2O_3

Prospech Managing Director Jason Beckton said: *"These assay results represent some of the most exciting and encouraging findings in the Company's history. The identification of thicker intersections of REE mineralisation, along with an impressive average Neodymium/Praseodymium enrichment of 26%, further underscores the Korsnäs Project's potential.*

Notably, confirmation of multiple mineralised zones in hole KR-289, including the intersection of 18.3m @ 13,201 ppm TREO, adds to our confidence in the property's prospects. Our objective was to obtain thicker intersections through the sampling process and we successfully achieved this goal.

The Korsnäs' Tailings Storage Facility has emerged as a high priority target for REE investigation, supported by positive assay results from grab samples. We are now urgently planning systematic 3D sampling.

These findings validate our strategic focus on the Korsnäs Project and point to the potential the project holds. We are determined to advance our exploration efforts and unlock the full value of this prospect.

Based on these exciting results, we have decided to focus our near term exploration efforts in Finland on Korsnäs, while we will continue to evaluate opportunities at the Saarenkyla and Jokikangas."

The previously reported historical results from KR-289 were as follows:

- **6.2m @ 17,514 ppm TREO from 64m**

Upon examining the core of KR-289, it became evident that the REE-mineralised carbonatite unit was considerably thicker than indicated in historical records. Subsequent assay results now confirm that the mineralisation extends to a minimum thickness of 18.3m. The revised intersection in KR-289 is now documented as:

- **18.3m @ 13,201 ppm TREO from 51.7m**

All results of all the recent sampling at Korsnäs are presented in Table A.

Figure 1. Photographs of hole KR-289 core with recent and historical TREO assays overlaid.

After conducting a preliminary examination of the mineralisation in KR-289, Prospech has determined that its dip angle is approximately 45 degrees towards the east. This dip angle corresponds to a mineralised intercept found in hole M124256R126 (refer to Figure 3 for the cross section). The orientation of the mineralisation in KR-289 is consistent with the mineralisation observed at the Korsnäs mine.

Korsnäs Tailings Opportunity

On 11 May 2023, Prospech announced that the historic Korsnäs mine Tailings Storage Facility ('TSF') has an estimated overall volume of 0.57 million cubic meters, based on the analysis of up-to-date LIDAR topographic data. The report also highlighted that the TSF represents a readily accessible target for exploration.

The proposition gained further support from positive assay results obtained from four recent grab samples taken from the surface of the TSF. Figure 4 illustrates a plan of the TSF, indicating the sample locations and their respective TREO values. These results have generated momentum to conduct systematic 3D sampling (drilling) of the TSF. Furthermore, it is estimated that 81% of the TSF area falls within the current tenure of the Korsnäs Project.

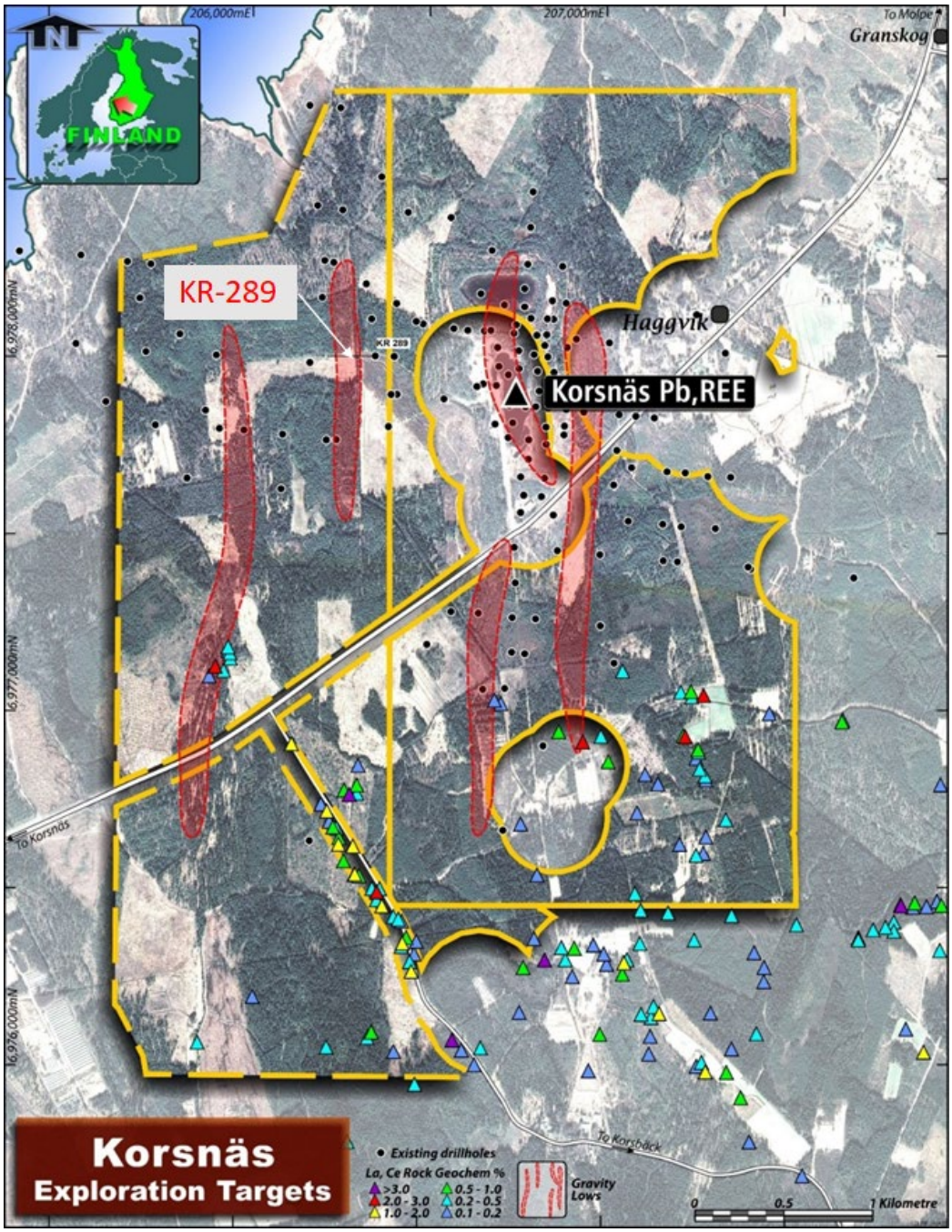

Figure 2. Location map of the Korsnäs Project tenure (yellow lines). Location of historic hole KR-289 is highlighted, demonstrating the prospectivity of the multiple gravity anomalies.

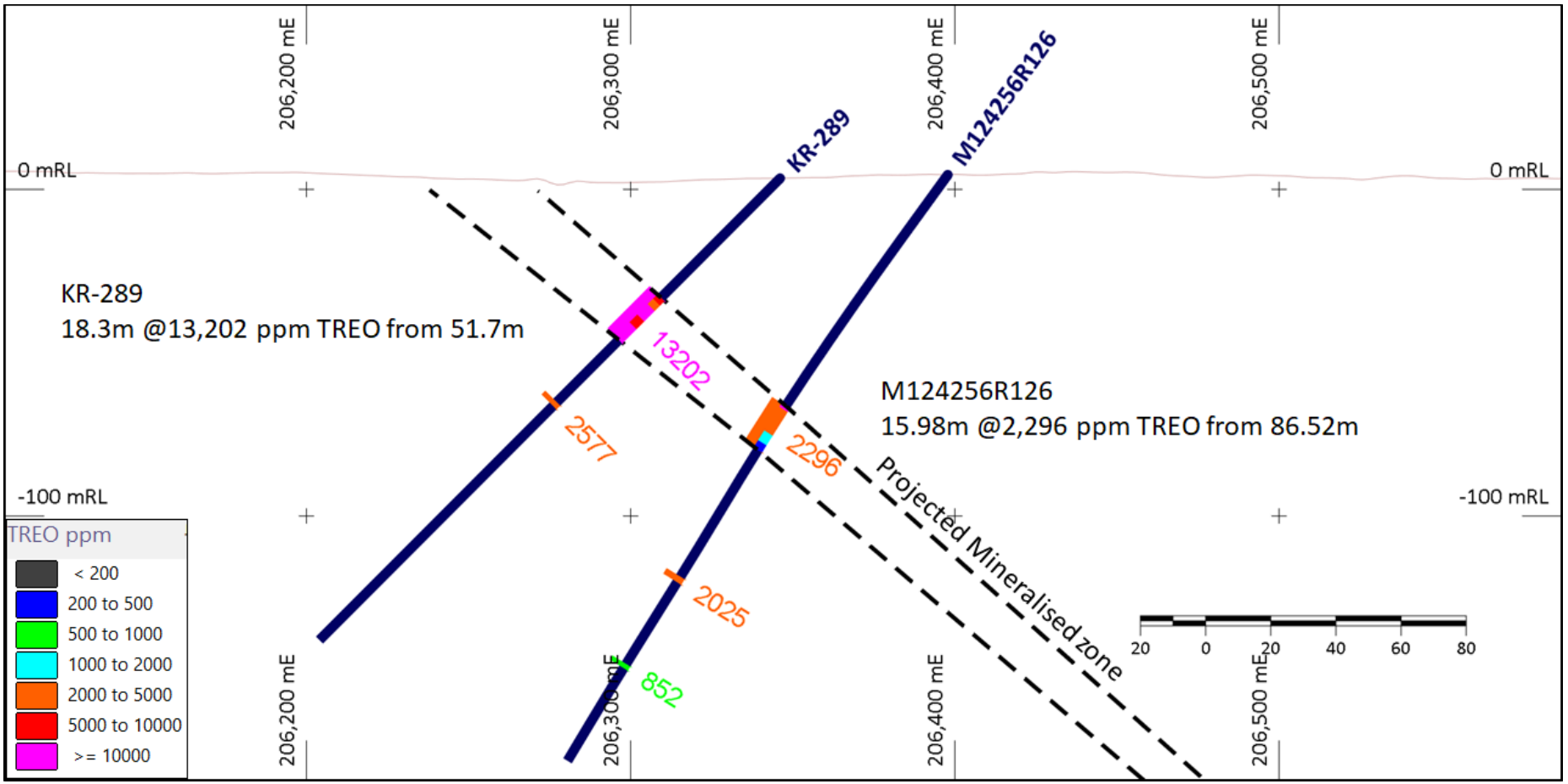

Figure 3: Cross Section of KR-289 and M124256R126. TREO quoted in ppm.

HOLE_ID	KR-289	KR-289	M124256R73	M124256R85	M124256R85	M124256R97	M124256R97	M124256R101	M124256R126	M124256R126	M124256R126
DEPTH_FROM	51.70	96.95	14.00	37.40	56.30	24.80	48.30	135.30	86.52	148.00	179.50
DEPTH_TO	70.00	98.60	16.00	38.80	67.20	28.80	50.20	137.80	102.50	150.00	181.00
Thick	**18.30**	**1.65**	**2.00**	**1.40**	**10.90**	**4.00**	**1.90**	**2.50**	**15.98**	**2.00**	**1.50**
TREO	**13,201**	**2,577**	**2,494**	**1,128**	**5,634**	**2,341**	**7,200**	**2,716**	**2,296**	**2,025**	**852**
La_2O_3_ppm	2,451	538	503	290	1,107	506	2,369	529	398	413	177
Ce_2O_3_ppm	5,657	1,140	1,059	494	2,387	991	3,245	1,126	949	896	353
Pr_2O_3_ppm	**745**	**139**	**133**	**54**	**311**	**118**	**308**	**143**	**131**	**109**	**45**
Nd_2O_3_ppm	**3,070**	**533**	**533**	**193**	**1,274**	**481**	**981**	**593**	**545**	**402**	**178**
Sm_2O_3_ppm	470	79	83	25	196	78	109	100	90	61	28
Eu_2O_3_ppm	119	19	20	6	47	19	21	25	22	14	9
Gd_2O_3_ppm	282	41	45	15	102	39	50	58	49	31	16
Tb_2O_3_ppm	24	4	5	2	9	4	5	6	5	3	2
Dy_2O_3_ppm	75	14	19	7	35	17	17	23	19	13	7
Ho_2O_3_ppm	10	2	3	1	5	3	3	3	3	2	1
Er_2O_3_ppm	23	5	6	3	10	6	5	7	6	6	2
Yb_2O_3_ppm	10	4	4	2	6	4	3	5	4	5	2
Lu_2O_3_ppm	2	1	1	0	1	1	0	1	0	1	0
Y_2O_3_ppm	259	60	81	34	144	76	85	98	76	67	33
NdPr Enrichment	29%	26%	27%	22%	28%	26%	18%	27%	29%	25%	26%

Table A: Intersections from recent sampling at Korsnäs. All assays are represented in the intersections (i.e. no cut offs applied).

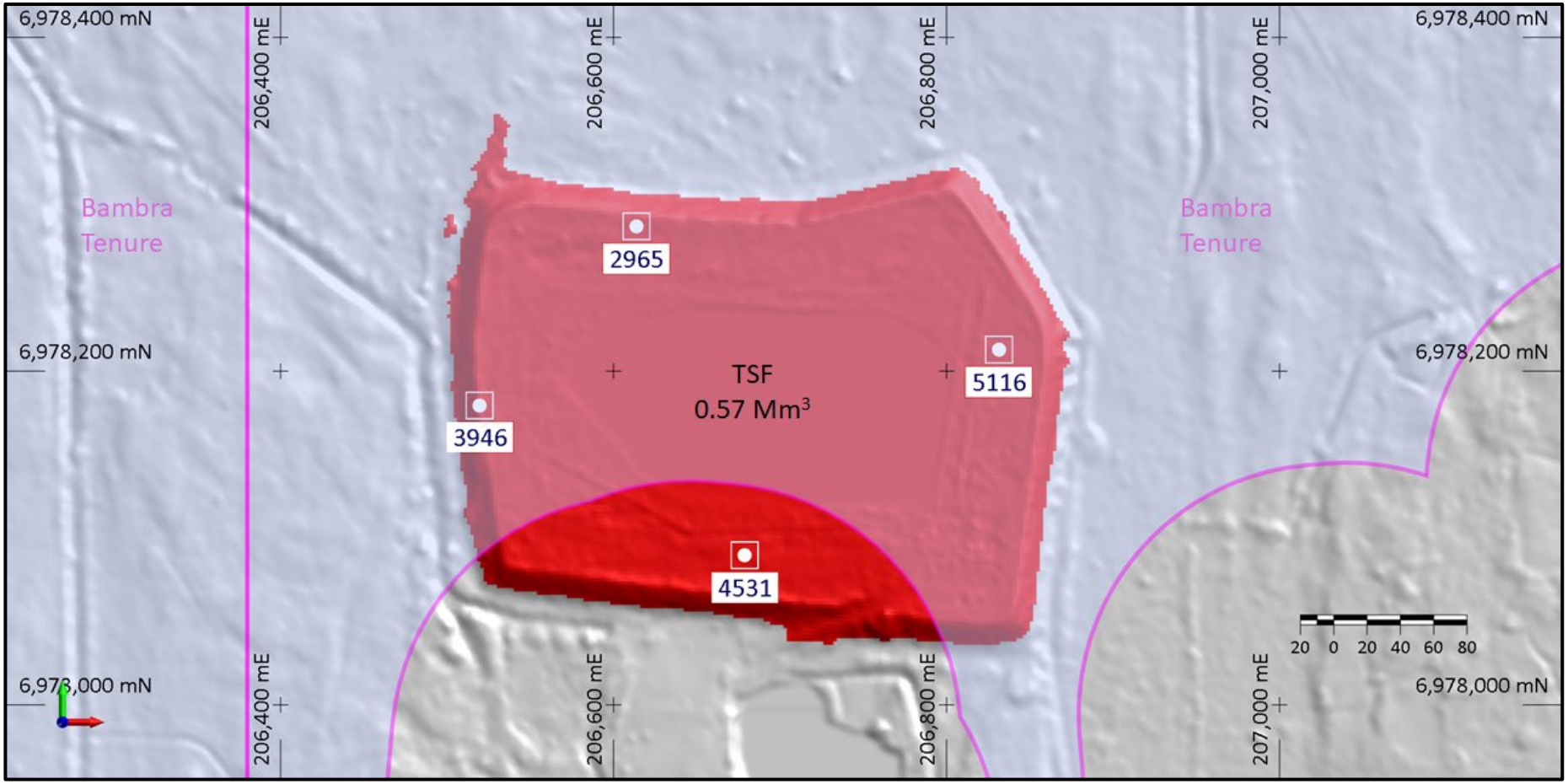

Figure 4: Korsnäs Tailings Storage Facility (TSF) with 81% within current tenure. Four grab samples taken from near the surface reveal that the tailings consistently carry significant REE averaging 4,140 ppm. Planning for systematic sampling is underway.

For further information, please contact:

Jason Beckton
Managing Director
Prospech Limited
+61 (0)438 888 612

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.

JORC Code, 2012 Edition – Table 1 Korsnäs, Finland

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.*	The Finnish government facility in Loppi houses the historical core from the Korsnäs project. The core is of BQ and AQ sizes. Prospech sampling was conducted consistently within the specified intervals. For cores that were never sampled before, a ½-core sampling method was used, while for cores that had been previously sampled, a ¼-core sampling method was employed.
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).*	Small diameter diamond drilling – approximately AQ and BQ size
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.*	Historic Core preserved at government GTK facility in Loppi
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 complete core is to be relogged.

Criteria	JORC Code explanation	Commentary
	The total length and percentage of the relevant intersections logged.	
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.*	½ or ¼ core cut with a thin diamond blade (due to the small diameter of the core) At this early stage no QC samples have been collected
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 the Loppi relogging facility. Core in good condition. Assays will be carried out by ALS, an internationally certified laboratory.
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.*	N/A.
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.*	Hole locations determined from historical records and converted to ETRS-TM35FIN projection (EPSG:3067)
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.*	Only visible lead mineralisation was historically assayed. Prospech is targeting broader zones of REE mineralisation
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 collected by Company personnel, bagged and immediately dispatched to the laboratory by independent courier
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 has entered into an earn-in agreement with the shareholders of Bambra Oy ('Bambra'), a company incorporated in Finland, to earn up to a 100% interest in Bambra and therefore, acquire Bambra's 100% interest in the Jokikangas REE project, the Korsnäs REE project and Saarenkylä lithium project in Finland ('Finland Projects'). Prospech's exclusive right to acquire 100% of Bambra is staged over 2 years with consideration being an initial payment of $25,000 ('Exclusivity Payment'), a series of exploration and evaluation expenditures and the issuance of Prospech consideration shares. For the first year option, Prospech can earn a 51% interest in Bambra by the expenditure of $100,000, including the Exclusivity Payment, on the exploration and evaluation of the Finland Projects and, if exercised by Prospech, the issue of 3 million fully paid ordinary shares in Prospech to the shareholders of Bambra ('First Option'). For the second year option, subject to the completion of the First Option, Prospech can earn the remaining interest in Bambra, so as to own 100% of Bambra, by the expenditure of $200,000 on the exploration and evaluation of the Finland Projects and, if exercised by Prospech, the issue of a further 3 million shares to the shareholders of Bambra. The laws of Finland relating to exploration and mining have various requirements. As the exploration advances specific filings and environmental or other studies may be required. There are ongoing requirements under Finnish mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Prospech's environmental and permit advisors specifically engaged for such purposes. The Company is the manager of operations in accordance with generally accepted mining industry standards and practices. The Korsnäs project's tenure is secured by Exploration Permit Application Number ML2021:0019 Hägg and Reservation Notification VA2023:0040 Hägg 2
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The area of Korsnäs has been mapped, glacial till boulder sampled and drilled by private companies including and Outokumpu Oy.
Geology	*Deposit type, geological setting and style of mineralisation.*	45 degree dipping carbonatite veins within sub-horizontally foliated metamorphic terrain
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.*	Drill Hole Collar Information ETRS-TM35FIN projection (EPSG:3067) HOLE_ID / NORTH / EAST / RL / AZIMUTH / DIP / FINAL_DEPTH M124256R73 6978175 206644 5.000 96 -43 201.67 M124256R85 6978138 206761 5.000 276 -54 81.48 M124256R97 6978144 206711 5.000 276 -32 66.34 M124256R101 6978462 206790 4.774 276 -50 146.97 M124256R126 6977997 206397 4.492 276 -54 214.21 KR-289 6978000 206346 3.424 276 -45 200.00 Rare earth results located in Table A in the body of the report
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.*	A minimum sample length is 1m generally but can be as low as 0.15m is observed in historical sampling.

Criteria	JORC Code explanation	Commentary
	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.*	
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').*	In general the holes have intersected the mineralised zone nearly normal to the host structure – any exceptions to this are noted individually
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 surface samples are displayed in the attached maps and/or tables. Coordinates are ETRS-TM35FIN projection (EPSG:3067)
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 Exploration Results.*	Results for all samples collected in the past are displayed on the attached maps and/or tables.
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.*	Prospech may carry out drilling Additional systematic sampling of the TSF is in planning

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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.

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