



Prospech Limited
ABN 24 602 043 265

Prospectus

For an offer of 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000 (**Offer**).



Important notice

This Prospectus should be read in its entirety. If you do not understand their contents or are in doubt as to the course you should follow, you should consult your professional advisor.

Lead Manager



PELTON
CAPITAL

Offer

The Offer contained in this Prospectus is an invitation to acquire ordinary shares in Prospech Limited (ACN 602 043 265) (**Company** or **Prospech**).

Lodgement and listing

This Prospectus is dated 16 October 2020 and a copy of this Prospectus was lodged with ASIC on that date.

The Company will apply to the ASX for admission of the Company to the official list of the ASX and for quotation of the Shares on the ASX within seven days after the date of this Prospectus.

Neither ASIC nor the ASX or their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry date

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Notice to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares. Some of the risks that should be considered are set out in section 6. You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment made pursuant to this Prospectus.

No offer where Offer would be illegal

This Offer does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and therefore any person who resides outside Australia and who receives this Prospectus should seek advice on and observe any such restrictions. Any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

Notice to United States residents

The securities being offered pursuant to this Prospectus have not been registered under the *United States Securities Act of 1933*, as amended (**US Securities Act**) and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable United States securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

Selling restrictions

Please see section 2.11 for selling restrictions for non-Australian residents.

Important Notice

Financial information and amounts

The historical financial information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**), which include Australian Equivalents to International Financial Reporting Standards (**AIFRS**) and is expressed in A\$ except where otherwise stated.

Disclaimer

Australian investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire securities in the Company under the Offer. No person is authorised by the Company to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences include, but are not limited to, the risks described in section 6.

Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements are current only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains market data and industry forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy and completeness of such information.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after the date of lodgement of the Prospectus with ASIC (**Exposure Period**). The Exposure Period may be extended by ASIC for a further period of up to seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period, without the Application Form, by being posted on the following website: www.prospech.com.au. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Electronic Prospectus

Whilst this Prospectus will also be made available in electronic form on the following website: www.prospech.com.au, the information on www.prospech.com.au does not form part of the Prospectus. The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

If you are unsure about the completeness of the Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of the Prospectus will be made available for Australian residents free of charge by contacting the Company on +61 2 9300 3333, Monday to Friday, between 8:30am and 5:00pm Sydney time.

Applications for Shares under this Prospectus may only be made either on a printed copy of the Application Form attached to or accompanying this Prospectus or via the electronic Application Form attached to the electronic version of this Prospectus, available at www.prospech.com.au. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company through the Company's service provider, the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The types of agents and service providers (who may be located outside of Australia) that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparing and distributing statements and for handling mail;
- market research companies for the purpose of product development, product planning and analysing the Company's Shareholder base; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by contacting the Company on +61 2 9300 3333, Monday to Friday, between 8:30 am and 5:00 pm Sydney time.

If any of your information is not correct or has changed, you may require it to be corrected.

Website

Any documents included on the website www.prospech.com.au (and any reference to them) are provided for convenience only and none of the documents or other information on the website are incorporated by reference into this Prospectus with the exception of the policies and procedures relating to corporate governance set out in section 7.6.

Definitions and abbreviations

Defined terms and abbreviations used in this Prospectus are explained in the Glossary in section 13.

Time

All references to time in this Prospectus refer to Sydney time unless stated otherwise.

Photographs and diagrams

Photographs used in this Prospectus should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in the Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at 16 October 2020.

Important Notice

Competent Person's Statement

The information in this Prospectus that relates to Exploration Results, Exploration Targets and Mineral Resources of the Company has been reviewed by Matthew Houston, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Matthew Houston has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Houston consents to the inclusion in this Prospectus of the matters based on the information in the form and context in which they appear.

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Key Dates

Event	Date
Prospectus lodged with ASIC	16 October 2020
Opening Date	26 October 2020
Closing Date for the Offer	20 November 2020
Allotment and issue of Shares under the Offer	25 November 2020
Expected date for despatch of holding statements	26 November 2020
Shares commence trading on ASX on a normal T+2 basis	1 December 2020

Notes:

The timetable above is indicative only. All times are Sydney time. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date, accept late Applications or cancel the Offer before settlement without notifying any recipients of this Prospectus or any Applicants. If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

Dear Investor,

I am pleased to present to you this offer to invest in the future of Prospech Limited.

- The Company owns 100% of a prospective suite of approximately 204km² of principally gold and silver exploration licences in, and nearby to, the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.
- More than 1,000 years of historical production at Hodrusa-Hamre/Banska Stiavnica and Nova Bana is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper.
- Historical mining activities have been extensive with an historic focus on silver and, more recently, base metals. The Company's projects have not been subject to extensive modern mining exploration or exploitation techniques, particularly for gold and silver.
- Slovakia, adjacent to Austria, is a member country of the European Union and the Eurozone and, with modern western-style legislation, a regimented legal system, low wages, low tax rates and a well-educated labour force, is an attractive jurisdiction for foreign investment.
- The Company's positive experience of doing business in Slovakia since 2014 has encouraged the Company to capitalise on having a presence of skilled staff in the country by acquiring further exploration licences, Rudno and Pukanec (which adjoin and are incorporated into Nova Bana), Jasenie and Cejkov-Zemplin at minimal cost to the Company.
- The Company has reported an initial JORC compliant Inferred Resource estimate for the Jasenie project and an Exploration Target as detailed in section 4.12 of this Prospectus.

There are risks associated with an investment in the Company as detailed in section 6 of this Prospectus, including risks relating to the Company's business as a minerals exploration company operating in the mining industry in Slovakia and risks relating to an investment in a company with a small market capitalisation. Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares offered under this Prospectus.

Under this Prospectus, the Company is offering 25,000,000 Shares, at an issue price of \$0.20 per Share to raise \$5.0 million. The purpose of the Offer is, as demanded by the prospectivity of the Company's exploration projects and results to date, to enable the Company to increase its exploration activities with an objective of the development and exploitation of one or more of the numerous prospects in the Company's geologically rich tenement areas.

This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks associated with an investment in the Company. I ask that prospective investors please take the time to fully review this Prospectus to appreciate the quality of the Company's portfolio of exploration assets and the team that will drive the Company's strategy. We look forward to the growth of our portfolio of projects and to the successful exploration and exploitation of those projects with optimism. I commend this opportunity to invest in the Company to you and I look forward to welcoming you as a Shareholder of the Company.

Sincerely



Thomas J. Mann
Chairman

1. Investment overview

1.1 General

The information set out in this section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Shares, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisors.

1.2 Key Offer information and frequently asked questions

Set out below is a summary of the key Offer information and frequently asked questions. This information is intended to be a summary only and should be read in conjunction with the more detailed information contained in the Prospectus and as cross referenced in the third column of the table below.

Topic	Summary	For more information
General		
Who is the issuer of this Prospectus?	Prospech Limited ABN 24 602 043 265, a public company deemed incorporated in New South Wales, Australia on 26 September 2014.	Refer to section 3.1
The Offer		
What is the Offer?	This Prospectus provides investors with the opportunity to participate in the initial public offering of 25,000,000 Shares in the Company at an issue price of \$0.20 per Share to raise \$5,000,000 (Offer).	Refer to section 2.1
What is the Offer Price?	\$0.20 per Share.	Refer to sections 2.1 and 2.3
What is the Maximum Subscription available under the Offer?	The Maximum Subscription is 25,000,000 Shares to raise \$5,000,000.	Refer to sections 2.1 and 2.3
What is the Minimum Subscription under the Offer?	The Minimum Subscription is the Subscription Amount, being \$5,000,000. If the Subscription Amount is not raised within 3 months from the date of this Prospectus, then the Company will not proceed with the Offer and will repay all Application Monies received (without interest), in accordance with the Corporations Act.	Refer to section 2.5
What are the terms of the Lead Manager Options?	The 5,000,000 Lead Manager Options have an exercise price of \$0.30 and will expire three years from the date of Completion. The Lead Manager Options will be issued for nil consideration.	Refer to section 2.2 and 12.4
Is the Offer underwritten?	No, the Offer is not underwritten.	Refer to section 2.4
Will the Shares be listed?	The Company will apply to ASX for admission to the official list of ASX and quotation of Shares on ASX under the code "PRS". Completion of the Offer is conditional on ASX approving its application for admission. If approval of the Company's listing application is not given by ASX within three months after such an application is made, all Application Monies received will be dealt with in accordance with the requirements of the Corporations Act.	Refer to section 2.8

1. Investment overview

Topic	Summary	For more information
Key investment highlights		
Why should I invest in the Company?	<ul style="list-style-type: none"> The Company, through its wholly owned subsidiaries, is the owner of 100% of the Hodrusa-Hamre, Nova Bana (incorporating Rudno and Pukanec), Jasenie and Cejkov-Zemplin exploration licences which cover an area of approximately 204km² in Slovakia. The exploration licences held by the Company's wholly owned subsidiaries present Exploration Targets estimated to be in the range of 15-16 million tonnes at 3 to 8 grams per tonne (g/t) gold and 100 to 400 g/t silver. An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of an Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Ascertaining the existence or otherwise of Mineral Resources according to the guidelines of the JORC Code will require additional drilling which the Company intends to carry out over the next 2 to 5 years. Recorded historical production from the Company's Hodrusa-Hamre and immediate neighbouring third-party properties is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper. As a result of more than 1,000 years of mining history and a third party mine currently in operation within the Hodrusa-Hamre project tenement area, the Company has access to an extensive and valuable geologic database. Having established a local presence in Slovakia, a district steeped in mining history, other projects are able to be identified at opportunistic prices. Exploration expenditures incurred by the Company to date have returned geologic results which reasonably correlate with the existing geologic database. The Company has assembled an experienced Board and senior management team, with the range of skills required to execute the Company's growth strategy. 	Refer to sections 4, 5 and 11
Market capitalisation and use of funds		
What will the market capitalisation of the Company be at the Offer price?	The market capitalisation of the Company will be approximately A\$17.7 million based on the Offer Price and the Subscription Amount being achieved.	Refer to sections 2.13 and 2.14
How does the Company intend to apply the monies raised from the IPO?	<p>The Company proposes to use the funds from the Offer, as well as approximately \$500,000 of cash held by the Company at the Prospectus date in the following manner:</p> <ul style="list-style-type: none"> for the payment of expenses of the Offer; for exploration and drilling of the Company's exploration licences including exploration licence rental payments; and for working capital expenditure which is to be applied towards administration costs associated with the Company. 	Refer to section 2.12
Business model		
What is the business of the Company?	The Company is a mining exploration company focused on gold and silver exploration with projects in Slovakia.	Refer to sections 3, 4 and 5

1. Investment overview

Topic	Summary	For more information
How does the Group generate income?	<p>The Company does not expect to generate any revenue in the near future as its focus will primarily be to continue the exploration of the Hodrusa–Hamre, Nova Bana (incorporating Rudno and Pukanec), Jasenie and Cejkov–Zemplin exploration licences and to continue to identify other gold–silver and associated metal properties for pegging and/or acquisition.</p> <p>Further detail about the Group’s financial information is set out in section 8.</p>	Refer to sections 3.4 and 8
What are the Company’s projects?	<p>Hodrusa–Hamre Project</p> <p>Located 200 kilometres east of Vienna, the 101.92km² Hodrusa–Hamre exploration licence covers the majority of the historic Hodrusa–Hamre/Banska Stiavnica mining district, the caldera of the Neogene Stiavnica Stratovolcano, and hosts some 120 epithermal veins with the major veins individually reaching a length of up to 6km long.</p> <p>The Company is currently involved in an ongoing dispute with Slovenská banká, s.r.o. (the owner of the Rozalia Mine. The Rozalia Mine is an underground mine located in Slovakia which produces gravity/flotation gold concentrate) in relation to the Hodruša–Hámre exploration licence. The challenge relates to a disputed area within that licence comprising approximately 1% of the exploration licence which is adjacent to the Rozalia Mine. The disputed area is immaterial (approximately 1% of total exploration licence area) and is not required by the Company for any of its current exploration activities or plans (nor has any mineralisation identified by the Company in its exploration activities to date been identified in this disputed area). Refer to section 12.13 for further details.</p> <p>Nova Bana Project</p> <p>Located 15 kilometres west of Hodrusa–Hamre, the 18.14km² Nova Bana exploration licence covers an epithermal gold system with veining known to extend over an area of 3.8 kilometres by 1.6 kilometres associated with rhyolite intrusives and extrusives hosted by andesite volcanics on the flanks of the Stiavnica Stratovolcano.</p> <p>Rudno Project</p> <p>This 14.26km² exploration licence, which is contiguous with the Nova Bana project, was pegged by the Company, at minimal cost, over open ground and granted in 2017. The deposit is formed by two groups of precious metal bearing, steeply dipping veins striking north–south, of 1 to 2 metres thick and 1,500 metres long. Only a 200 metre long segment has been subject to systematic historical exploitation.</p> <p>Pukanec Project</p> <p>This 10.71km² exploration licence, which is contiguous with the Nova Bana project, is noted as having the most number of recorded old workings of any project in Slovakia.</p> <p>Jasenie Project</p> <p>The 29.41km² Jasenie exploration licence hosts a gold–tungsten project located approximately 90 kilometres northeast of the Hodrusa–Hamre licence area on the southern side of the Nízke Tatry mountains, north of Jasenie village. In the 1950s an 18 kilometre long and 400–1,000 metre wide scheelite–gold anomaly was identified at Jasenie.</p> <p>Cejkov–Zemplin Project</p> <p>The 29.23km² Cejkov–Zemplin exploration licence is an epithermal gold–silver–lead–zinc system hosted in andesite and quartz–diorite porphyry. The veins are several hundreds of metres long, striking north–south and up to 3.1 metres wide.</p>	Refer to section 4

Topic	Summary	For more information
<p>What are the Group's material contracts?</p>	<p>Earn-in Agreement and Share and Rights Sale and Purchase Agreement</p> <p>On 22 December 2014, the Company entered into an agreement (Earn-in Agreement) to earn up to an 81% interest in Slovenské Kovy, s.r.o. (SLOK), a then 100% owned Slovakian subsidiary company of EMED Mining Public Limited (subsequently renamed Atalaya Mining plc, (Atalaya)), the 100% holder at the time of two exploration licences which then covered an area of approximately 115km² in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.</p> <p>Subsequent to December 2014, the Company satisfied the Earn-in Agreement expenditure milestones to earn an 81% interest in SLOK. Following the Company obtaining an 81% interest of SLOK, the Company and Atalaya entered into a Share and Rights Sale and Purchase Agreement pursuant to which the Company acquired Atalaya's remaining 19% interest in SLOK on 10 October 2017, resulting in the Company owning 100% of SLOK.</p> <p>Exploration Licences</p> <p>The details of the exploration licences held by the Company's wholly owned subsidiaries, SLOK and Prospech SK are set out in section 5.2.</p> <p>Executive Consultancy Agreements</p> <p>The Company has entered into an executive consultancy agreement with a company associated with Managing Director Jason Beckton and executive consultancy agreements with companies associated with Executive Director and CFO Peter Nightingale and Executive Director John Levings. The terms of these agreements are summarised in sections 5.4, 5.5 and 7.3</p> <p>Mandate Letter</p> <p>The Company entered into a mandate letter with Peloton Capital Pty Ltd (Lead Manager) on 14 July 2020 pursuant to which the Lead Manager was appointed as lead manager to provide services to the Company with respect to a pre-IPO capital raising and the IPO capital raising (Mandate Letter). Under the terms of the Mandate Letter, on Completion the Company will pay to the Lead Manager a placement fee of 6% of funds raised under the Offer, a success option fee in the form of 5,000,000 Options each with an exercise price of \$0.30 (Lead Manager Options), and a monthly retainer of \$10,000 per month for 6 months, commencing on Completion. A detailed summary of the terms of the Mandate Letter is set out in section 5.3.</p> <p>Other than the material contracts set out briefly in this summary, the Company has not entered into any other material contracts.</p>	<p>Refer to section 5.1</p>
<p>Why is the Company seeking admission to the Official List of the ASX?</p>	<p>The Company is seeking admission to the Official List of the ASX:</p> <ul style="list-style-type: none"> (a) to fund part of the exploration/drilling programs of the Company's portfolio of exploration projects; (b) to provide general working capital for the Company, including operational and administration expenditure; and (c) to gain liquidity for its Shares and exposure to international equity markets through a respected stock exchange. 	<p>Refer to section 2.12</p>

1. Investment overview

Topic	Summary	For more information
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Financial information

What is the key financial information for the Company?

The pro forma balance sheet information presented in this table is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information set out in section 8 as well as the Risk Factors set out in section 6.

Refer to section 8

As at 30 June 2020	Pro forma Subscription (\$5.0 million) \$
Total assets	10,831,701
Total liabilities	(37,164)
Net assets	10,794,537
Total equity	10,794,537

Capital structure

What is the capital structure prior to completion of the Offer?

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

Refer to sections 2.13 and 7.5

	Number of securities
Fully paid ordinary shares	63,298,593
Options	12,031,250

Existing Shareholders include entities associated with Thomas Mann, Jason Beckton, Peter Nightingale and John Levings, all of whom are Directors of the Company.

The 12,031,250 Options were issued under the Company's Incentive Option Plan which are held by Thomas Mann, Jason Beckton, Peter Nightingale, John Levings, Richard Edwards and other employees/consultants of the Company, each with an exercise price of \$0.30 and which expire on 30 September 2023. The options were fully vested at the date of their issue on 30 September 2020.

Refer to section 7.5 for information about the Directors' interests in the Company's securities.

What is the capital structure after completion of the Offer (i.e. after allotment of the Shares)?

At Completion, the issued capital of the Company will be as set out in the table below:

Refer to section 2.14

Class of security	Shares (Number)	Total (%)
Shares currently on issue	63,298,593	71.69
Shares under the Offer	25,000,000	28.31
Total Shares	88,298,593	100.0%
Number of Options on issue at Completion	17,031,250	
Number of Shares on a fully diluted basis	105,326,843	

12,031,250 Options were issued under the Company's Incentive Option Plan, each with an exercise price of \$0.30 and an expiry date of 30 September 2023 held by the Directors and certain employees of the Company as set out in section 7.5. 5,000,000 Lead Manager Options will be issued on Completion as fully vested, each with an exercise price of \$0.30 and an expiry date of three years post Completion, in accordance with the terms set out in sections 2.2 and 12.4.

1. Investment overview

Topic	Summary	For more information
What is the percentage of Shares being offered based on the number of Shares currently on issue?	Once the Subscription Amount is raised, the Shares issued under this Offer will represent 28.31% of the Company's total number of Shares on issue, assuming no Options have been exercised.	Refer to section 2.14
What is the proposed ticker code?	If the Company is successful in its application for admission to the official list of the ASX, the Shares will trade on the ASX under the ticker "PRS".	
Will any Shares be subject to escrow?	<p>Yes. Shares and Options held by Directors and promoters will be subject to ASX imposed escrow for a period of up to 24 months, as will Options issued to consultants to the Company for services rendered.</p> <p>Shares issued to Applicants under the Offer will not be subject to any escrow restrictions.</p> <p>The Company anticipates that the Lead Manager Options (and any Shares on their exercise) will be subject to escrow restrictions as a condition of the Company being admitted to the ASX.</p> <p>A number of other Existing Shareholders have also agreed to enter into voluntary restriction deeds with the Company to escrow their Shares for a period of 12 months from Completion, with the aggregate of those Shares the subject of voluntary escrow representing approximately 22.4% of the Company's total number of Shares on issue immediately following Completion.</p>	Refer to section 12.6
Key risks		
What are the key risks of investing in the Company?	<p>Risks that the Directors believe are key risks of an investment in the Company are set out in section 6 and summarised below.</p> <p>COVID-19 risk</p> <p>The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals, and governments to operate. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 pandemic on the Company's business (or on the operations of other businesses on which it relies) and there is no guarantee that the Company's efforts to address the adverse impacts of COVID-19 will be effective. The impact to date has included periods of significant volatility in financial, commodities and other markets. This volatility, if it continues could have an adverse impact on the Company's people, communities, suppliers or otherwise on its business, financial condition and results of operations.</p> <p>The pandemic may lead to delays or restrictions regarding land access and the Company's ability to freely move people and equipment to and from the Company's exploration projects, leading to delays or cost increases.</p> <p>There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to), government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions which may impact on the availability of services available to fulfil the Company's work programs.</p> <p>The impact of some or all of these factors could cause significant disruption to the Company's operations and financial performance.</p>	Refer to section 6

1. Investment overview

Topic	Summary	For more information
	<p>Exploration risk</p> <p>The Company's exploration licences are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these licences, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.</p> <p>Title risk</p> <p>The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities.</p> <p>Mineral Resources risk</p> <p>The Jasenie mineral resource estimate described in section 4.9 is based on historic work previously done on the properties and work done by the Company. The Company may undertake revisions to its respective Mineral Resource estimates based upon actual exploration and production results, depletion, new information and fluctuations in production and economic parameters. These factors may result in reductions in its mineral resource estimates, which could adversely affect plans and values.</p> <p>Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.</p> <p>The Mineral Resource estimate falls into the Inferred category. Inferred Resources provide a low level of confidence in the continuity of grade. Any reduction in grade could adversely affect plans and values detailed in this Prospectus.</p> <p>An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.</p> <p>The Exploration Target estimates are based on historic production, drill assays and surface sampling described in sections 4.12 and 10 based on all known occurrences known over 1.0 g/t gold.</p> <p>Development and production risks</p> <p>Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.</p>	

Topic	Summary	For more information
	<p>Risks of operating in another country</p> <p>The Company's exploration licences are located in Slovakia. The Company's operations are therefore subject to the laws and regulations of Slovakia. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.</p> <p>The success of the Company is dependent on the stability of the political, economic and legal situation in Slovakia. Any change in legislation could have an adverse effect on the Company.</p> <p>Regulatory risks</p> <p>The Company's operations require approvals from Slovakian regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. It is most likely that the development of any mining operation will be restricted to underground mining and processing without the use of cyanide. The nearby Rozalia Mine has successfully mined gold and silver for more than 20 years. The Rozalia Mine uses a flotation recovery process to produce a gold-rich concentrate which is trucked to a smelter in Belgium. The Company cannot guarantee that any or all requisite approvals for a similar process will be obtained. A failure to obtain any approval would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.</p> <p>Litigation risk</p> <p>The Company is subject to litigation risks. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.</p> <p>The Company is currently involved in an ongoing dispute with a third party in relation to an area comprising approximately 1% of the Hodruša-Hámre exploration licence. Refer to section 12.13 for further details.</p> <p>Commodity prices risks</p> <p>Commodity prices, including gold and silver, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.</p> <p>Future funding risks</p> <p>The Company has no income producing assets and will generate losses for the foreseeable future. In order to proceed with the exploration and development of any project, the Company is likely to be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital or debt when it is required or that the terms associated with providing such capital or debt will be satisfactory to the Company, which would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.</p> <p>Any additional equity funding will dilute Existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, including exploration success, subsequent development, commissioning and operational performance. Risk relating to loss of key management</p>	

1. Investment overview

Topic	Summary	For more information
	<p>Risk relating to loss of key management</p> <p>The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.</p> <p>Third party risk</p> <p>The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages a number of external contractors to provide exploration/drilling works in relation to the Company's exploration projects.</p> <p>Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.</p> <p>Insurance risk</p> <p>The Company insures its operations in accordance with industry practice.</p> <p>However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Operational risk</p> <p>The operations of the Company may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will mitigate these risks through management and supervision controls.</p> <p>In addition, the investments of the Company may be affected by various factors which are beyond the control of the Company, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.</p> <p>Investment speculative</p> <p>Investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company.</p> <p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.</p> <p>Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares offered under this Prospectus.</p> <p>You should refer to the additional risk factors set out in section 6 before deciding whether to apply for Shares pursuant to this Prospectus.</p>	
Are there any other risks affecting an investment in the Company?	A number of other more general or less key risk factors are set out in section 6.	Refer to section 6

1. Investment overview

Topic	Summary	For more information																																																																		
The Board and its interests																																																																				
Who are the Board and Management of the Company?	<p>The Board comprises of the following Directors:</p> <ul style="list-style-type: none"> • Thomas Mann, Chairman and Non-Executive Director; • Jason Beckton, Managing Director; • Peter Nightingale, Executive Director and Chief Financial Officer; and • John Levings, Executive Director. <p>The Company Secretary is Richard Edwards.</p>	Refer to section 7																																																																		
Are there any benefits payable to Directors, other related parties and promoters?	<p>The Company has agreed to remunerate its Executive and Non-Executive Directors through a combination of an appropriate salary package and market based director fees respectively.</p> <p>The Company has agreed to remunerate its Directors as set out below.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Amount per annum \$</th> </tr> </thead> <tbody> <tr> <td>Thomas Mann</td> <td>80,000</td> </tr> <tr> <td>Jason Beckton</td> <td>240,000</td> </tr> <tr> <td>Peter Nightingale</td> <td>120,000</td> </tr> <tr> <td>John Levings</td> <td>120,000</td> </tr> </tbody> </table>	Director	Amount per annum \$	Thomas Mann	80,000	Jason Beckton	240,000	Peter Nightingale	120,000	John Levings	120,000	Refer to section 7.3																																																								
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Do the Directors have any interests in the issued share capital of the Company?	<p>The tables below set out the interests of the Directors as at the date of this Prospectus and on completion of the Offer, on the assumption that no Director participates in the Offer. Refer to section 7 for further details.</p> <table border="1"> <thead> <tr> <th colspan="4">Shares held at the date of the Prospectus</th> </tr> <tr> <th>Director</th> <th>Number of Shares held directly</th> <th>Number of Shares held indirectly</th> <th>% held at date of this Prospectus</th> </tr> </thead> <tbody> <tr> <td>Thomas Mann</td> <td>Nil</td> <td>4,418,749</td> <td>7.0%</td> </tr> <tr> <td>Jason Beckton</td> <td>Nil</td> <td>3,910,158</td> <td>6.2%</td> </tr> <tr> <td>Peter Nightingale</td> <td>Nil</td> <td>7,966,842</td> <td>12.6%</td> </tr> <tr> <td>John Levings</td> <td>507,813</td> <td>Nil</td> <td>0.8%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Shares held at completion of the Offer</th> </tr> <tr> <th>Director</th> <th>Number of Shares held directly</th> <th>Number of Shares held indirectly</th> <th>% held at completion of the Offer</th> </tr> </thead> <tbody> <tr> <td>Thomas Mann</td> <td>Nil</td> <td>4,418,749</td> <td>5.0%</td> </tr> <tr> <td>Jason Beckton</td> <td>Nil</td> <td>3,910,158</td> <td>4.4%</td> </tr> <tr> <td>Peter Nightingale</td> <td>Nil</td> <td>7,966,842</td> <td>9.0%</td> </tr> <tr> <td>John Levings</td> <td>507,813</td> <td>Nil</td> <td>0.6%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Options at the date of the Prospectus and completion of the Offer</th> </tr> <tr> <th>Director</th> <th>Number of Options held directly</th> <th>Number of Options held indirectly</th> </tr> </thead> <tbody> <tr> <td>Thomas Mann</td> <td>2,500,000</td> <td>Nil</td> </tr> <tr> <td>Jason Beckton</td> <td>3,125,000</td> <td>Nil</td> </tr> <tr> <td>Peter Nightingale</td> <td>3,125,000</td> <td>Nil</td> </tr> <tr> <td>John Levings</td> <td>1,250,000</td> <td>Nil</td> </tr> </tbody> </table>	Shares held at the date of the Prospectus				Director	Number of Shares held directly	Number of Shares held indirectly	% held at date of this Prospectus	Thomas Mann	Nil	4,418,749	7.0%	Jason Beckton	Nil	3,910,158	6.2%	Peter Nightingale	Nil	7,966,842	12.6%	John Levings	507,813	Nil	0.8%	Shares held at completion of the Offer				Director	Number of Shares held directly	Number of Shares held indirectly	% held at completion of the Offer	Thomas Mann	Nil	4,418,749	5.0%	Jason Beckton	Nil	3,910,158	4.4%	Peter Nightingale	Nil	7,966,842	9.0%	John Levings	507,813	Nil	0.6%	Options at the date of the Prospectus and completion of the Offer			Director	Number of Options held directly	Number of Options held indirectly	Thomas Mann	2,500,000	Nil	Jason Beckton	3,125,000	Nil	Peter Nightingale	3,125,000	Nil	John Levings	1,250,000	Nil	Refer to section 7.5
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1. Investment overview

Topic	Summary	For more information
	<p>The Options issue to the Directors each have an exercise price of \$0.30, were fully vested at the date of issue (30 September 2020) and expire on the earlier of 30 September 2023 or the date which is 2 months after the date of ceasing to be employed by the Company other than due to the occurrence of a special circumstance, being total and permanent disablement, death or other circumstance as determined by the Board. The Options were issued under the Company's Incentive Option Plan. Refer to section 12.7 for further details.</p>	
<p>Are the Directors or any Existing Shareholders selling Shares into this Offer?</p>	<p>No, the Directors and Existing Shareholders are not selling Shares into the Offer.</p>	
<p>Related party transactions</p>		
<p>What are the related party transactions?</p>	<p>Appointment Agreements</p> <p>The Company has entered into Appointment Agreements with each Director and the Company Secretary setting out details of each officer's appointment, term, duties, responsibilities and remuneration. The Appointment Agreements are on the same material terms, save for provisions relating each officer's duties and remuneration.</p>	<p>Refer to sections 7.3 and 12.8</p>
	<p>Executive Consultancy Agreements</p> <p>The Company has also entered into executive consultancy agreements with Director's Jason Beckton, Peter Nightingale and John Levings. A summary of the terms of these agreements are set out in sections 5.4 and 5.5.</p>	<p>Refer to sections 5.4 and 5.5</p>
	<p>MIS Corporate Pty Limited Services Agreement</p> <p>The Company has entered into a services agreement with MIS Corporate Pty Limited, a company associated with Peter Nightingale, to provide full administrative services, including administrative and accounting staff, rental accommodation, services and supplies, on normal commercial terms to the Company for a fee of \$10,000 per month.</p>	<p>Refer to sections 5.4 and 5.5</p>
	<p>Other than the agreements outlined above, there are no related party transactions in respect of the Company or its business.</p>	<p>Refer to section 5.7</p>
<p>Applications</p>		
<p>Am I eligible to participate in the Offer?</p>	<p>The Offer is open to all investors who are resident in Australia and certain "professional investors" and "qualified investors" in Hong Kong and the United Kingdom (see section 2.11 for selling restrictions for non-Australian residents), however, any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that shareholder is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer.</p>	<p>Refer to section 2.5 and 2.11</p>
<p>How can I apply?</p>	<p>Instructions on how to complete the Application Form accompanying this Prospectus are set out in section 2.5 and on the Application Form.</p> <p>Applications for Shares under the Offer should be made on the Application Form.</p>	<p>Refer to section 2.5</p>
<p>What is the minimum application amount under the Offer?</p>	<p>You may apply for a minimum parcel of 10,000 Shares, for a minimum of \$2,000, and thereafter in multiples of 1,000 Shares.</p>	<p>Refer to section 2.5</p>

1. Investment overview

Topic	Summary	For more information
What is the allocation policy?	<p>The Directors have the right to allocate Shares at their discretion. The Directors, in consultation with the Lead Manager, may reject any Application or allocate to any Applicant fewer Shares than applied for.</p> <p>The Directors, in consultation with the Lead Manager, will generally allocate Shares at their discretion based on satisfying the Subscription of the Offer and in the manner which they consider to be fair and reasonable, having regard to the requirements of the ASX Listing Rules that the Company must have a prescribed minimum number of Shareholders that hold a marketable parcel of those Shares.</p> <p>If any Application is not accepted, or is accepted in part only, the relevant part of the Application Money will be returned to the relevant Applicant without any accrued interest.</p>	Refer to section 2.6
When will I receive confirmation that my Application has been successful?	Confirmation of successful Applications in the form of holding statements are expected to be despatched by post on or around 26 November 2020.	Refer to section 2.5
Dividends		
Will dividends be paid?	<p>Dividends will be paid subject to the financial performance of the Company and in accordance with the Company's dividend policy. The Company has no present intention to pay any dividends in the near term. Instead, the Company proposes to apply any surplus cash towards the exploration and development of the Company's exploration portfolio.</p> <p>No assurances can be given by the Company to the payment of future dividends as this will depend on, amongst other things, successful exploration, development and operation of the Company's projects, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.</p>	Refer to sections 3.5 and 8.7
Tax and brokerage		
What are the taxation implications of investing in the Shares?	The taxation implications of investing in the Shares will depend on each investor's individual circumstances. You should seek your own tax advice prior to applying for Shares under the Offer.	Refer to section 12.9
Is there any brokerage commission or stamp duty payable?	You are not required to pay any brokerage commission or stamp duty for the acquisition of Shares under the Offer.	Refer to section 2.5
Further information		
How can I obtain further information?	<p>If you have queries about investing under the Offer, you should contact your stockbroker, financial advisor, accountant or other professional advisor.</p> <p>If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Company on +61 2 9300 3333, Monday to Friday, between 8:30am and 5:00pm</p>	Refer to section 2.5

2. Details of the Offer

2.1 The Offer

The Prospectus contains an offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000.

The Shares issued under the Offer are of the same class and will rank equally in all respects with Existing Shares on issue.

The Company reserves the right not to proceed with the Offer at any time before the allotment of Shares under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full without interest, in accordance with the Corporations Act.

The Company also reserves the right to close the Offer early, to accept late Applications or extend the Closing Date (in certain circumstances) without notifying any recipient of this Prospectus or any Applicant.

2.2 Lead Manager Options

Under the mandate signed by the Company with the Lead Manager, as summarised in section 5.3, the Company has agreed to issue 5,000,000 Lead Manager Options to the Lead Manager (or its nominees) on Completion. The Lead Manager Options will be fully vested on issue, have an exercise price of \$0.30 and expiry date three years from the date of Completion. Further details are set out in section 12.4.

2.3 How much is the Company seeking to raise under the Offer?

The Subscription Amount under the Offer is \$5,000,000 representing 25,000,000 Shares at \$0.20 per Share.

If the Subscription Amount is not obtained within three months after the date of this Prospectus, the Company will, in accordance with the Corporations Act, repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies in full without interest.

2.4 Is the Offer underwritten?

No, the Offer is not underwritten.

2.5 How do I apply under the Offer?

Who is eligible to participate in the Offer?

Who can apply for Shares under the Offer?

The Offer is open to all investors who are resident in Australia, and to certain “professional investors” in Hong Kong and “qualified investors” in the United Kingdom, however any person who has a registered address in any other country who receives this Prospectus may apply for Shares provided that shareholder is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address. Refer to section 2.15 for selling restrictions for non-Australian residents.

Completing and returning your Application under the Offer

What is the minimum and maximum application under the Offer?

Applications must be for a minimum of 10,000 Shares (\$2,000).

Applications in excess of the minimum number of Shares must be in multiples of 1,000 Shares (\$200).

There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.

The Company reserves the right to reject any Application or to allocate a lesser number of Shares than that which is applied for.

How do I apply under the Offer?

In order to apply under the Offer, please either:

- complete the Application Form that forms part of, is attached to, or accompanies this Prospectus; or
- complete an electronic Application Form attached to the electronic version of the Prospectus.

The Application Monies must be paid by BPAY® or cheque(s).

How do I pay electronically?

Submitting an Application Form and paying with BPAY®

Applicants under the Offer wishing to pay by BPAY® should complete the online Offer Application Form accompanying the electronic version of this Prospectus which is available via a link at the Company's website www.prospech.com.au and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)). You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5:00pm Sydney time on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive application monies by BPAY® before the Offer Closing Date arising as a result of, among other things, processing of payments by financial institutions.

How do I pay by cheque?

Paying by cheque(s):

Completed Application Forms and accompanying payment cheques must be received by the Company before 5:00pm (Sydney time) on the Closing Date by either being delivered to or posted to the address set out in the Application Form. Cheques must be payable to "Prospech Limited". Please attach your cheque securely to the Application Form.

If paying by cheque(s), Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Fees, costs and timing for Applications

When does the Offer open?

The Offer is expected to open for Applications on 26 October 2020. However, this may be delayed if ASIC extend the Exposure Period for the Prospectus.

What is the deadline to submit an Application under the Offer?

It is your responsibility to ensure that your Application Form and Application Monies are submitted before **5:00 pm (Sydney time)** on the **Closing Date** for the Offer which is 20 November 2020.

The Directors reserve the right to close the Offer early or extend the Closing Date.

The Company and the Share Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.

Is there any brokerage, commission or stamp duty payable by Applicants?

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. These fees will be paid from the proceeds of the Offer.

What are the costs of the Offer and who is paying them?

The costs of the Offer include the legal, accounting, advisory and other costs associated with the production of the Offer documentation.

At the time of production of this Prospectus, the cash costs were estimated to be \$500,000. Refer to section 2.12 for further information.

The Company intends to pay these costs from the proceeds of the Offer.

2. Details of the Offer

Confirmation of your Application and trading on the ASX

When will I receive confirmation whether my Application has been successful?	<p>Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 26 November 2020.</p> <p>Applicants under the Offer will be able to call the Company on +61 2 9300 3333, between 8:30 am and 5:00 pm Sydney time, from 25 November 2020 to confirm their allocation.</p>
When will I receive my Shares and when can I trade my Shares?	<p>Subject to ASX granting approval for the Company to be admitted to the official list of ASX, the Company will procure the issue of Shares to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 25 November 2020.</p> <p>Trading of Shares on ASX is expected to commence on 1 December 2020 on a normal T+2 settlement basis..</p> <p>If you sell Shares before receiving an initial holding statement, you may contravene the Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker or the Share Registry.</p>
Who do I contact if I have further queries?	<p>If you have queries about investing under the Offer, you should contact your stockbroker, financial advisor, accountant or other professional advisor.</p> <p>If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Company on +61 2 9300 3333, between 8:30 am and 5:00 pm Sydney time.</p>

2.6 Allocation policy

The Board will allocate Shares at their discretion based on satisfying the Subscription Amount of the Offer and to ensure an appropriate shareholder base for the Company.

The Company reserves the right in its absolute discretion to issue no Shares to Applicants under the Offer and may reject any Application or allocate a lesser amount of Shares than those applied for at its absolute discretion.

The Company will ensure, at the time of allocation of securities, that its free float at the time of listing will not be less than 20%.

2.7 Application Monies

All Application Monies will be held by the Lead Manager and Computershare in separate accounts until Shares are issued to successful Applicants.

Application Monies will be refunded in A\$ to the extent that an Application is rejected or scaled back, or the Offer is withdrawn.

No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

2.8 ASX listing

No later than seven days after the date of this Prospectus, the Company will apply to the ASX for admission to the official list of the ASX and for the Shares to be granted official quotation by the ASX under the code "PRS".

The admission of the Company to the official list of ASX and official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus.

Normal settlement trading in Shares, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment may contravene the Listing Rules and do so at their own risk.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies will be refunded with in accordance with the Corporations Act.

2.9 Risk factors

You should read this entire Prospectus, including the risk factors set out in section 6, before making any decision to invest. You may wish to consult your professional financial advisors before investing.

The risk factors set out in section 6 and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares offer pursuant to this Prospectus. An investment in the Company should be considered speculative.

2.10 Tax implications of investing in the Company

The taxation consequences of any investment in Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should seek your own professional advice. Refer to section 12.9 for further information.

2.11 Foreign selling restrictions and overseas applicants

This Prospectus does not constitute a public offer or invitation in any jurisdiction other than Australia, and to certain “professional investors” and “qualified investors” in Hong Kong and the United Kingdom. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who reside outside Australia and who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that shareholder is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the new Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the new Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted new Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the new Shares.

The new Shares may not be offered or sold in the United Kingdom by means of this document or any other document,

2. Details of the Offer

except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the new Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

2.12 Use of proceeds of the Offer

The Company intends to use its current funds of approximately \$500,000 cash held by the Company at the Prospectus date, and the funds raised from the Offer as follows:

Use of funds from the Offer	Subscription \$5,000,000	
	\$	%
Cash on hand	500,000	
Funds from the Offer	5,000,000	
Total funds available	5,500,000	
Expenses of the Offer ¹	500,000	10
Exploration/drilling program expenditure ² - year 1	1,500,000	29
Exploration/drilling program expenditure ² - year 2	1,580,000	30
Working capital ³	1,615,000	31
Total expenditure	5,195,000	100
Total funds available – end of year 2	305,000	

Notes:

1. Total expenses of the Offer will be funded from the proceeds of the Offer. Refer to section 12.11 for a breakdown of these expenses. They include capital raising costs (\$300,000), ASX and ASIC fees (\$90,000), accounting, legal and other professional adviser fees (\$90,000) and prospectus design, printing and related costs (\$20,000).
2. The exploration and drilling program expenditure is in respect of areas which are the subject of granted tenements and includes rental payments. It is the Company’s intention to undertake exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate JORC Code compliant mineral resource estimates. The Company may seek to raise additional funds within 2 years after listing on the ASX to the extent required to increase and accelerate exploration and drilling programs.
3. Working capital expenditure is to be applied towards administration costs associated with the Company. These costs include wages and salaries, occupancy costs, professional consultant’s fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration costs. It is anticipated that funds available as unallocated working capital may be applied to any contingency resulting in the unforeseen expenses associated with the Company’s existing projects and also towards expenses incurred in identifying and generating new mineral exploration projects or assets.

The use of funds set out above represents the Company's current intentions based upon its present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of the Company's exploration efforts.

The Directors are of the opinion that, following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as set out in the table in this section 2.12.

2.13 Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

	Number of securities
Shares	63,298,593
Options	12,013,250

There are 200 Existing Shareholders, including entities associated with Thomas Mann, Jason Beckton, Peter Nightingale and John Levings, all of whom are Directors of the Company. Refer to section 7.5 for information about the Directors' interests in securities.

The Company also has on issue 12,031,250 options which are held by: Directors Thomas Mann, Jason Beckton, Peter Nightingale, John Levings; Company Secretary Richard Edwards; and other employees of the Company, each with an exercise price of \$0.30 and an expiry date of 30 September 2023. The options were fully vested at the date of their issue on 30 September 2020. Refer to section 7.5 for information about the Directors' interests in securities.

2.14 Capital structure following the Offer

At Completion, the issued Share capital of the Company will be as set out in the table below:

	Shares (Number)	Total (Undiluted %)
Shares currently on issue	63,298,593	71.69%
Shares under the Offer	25,000,000	28.31%
Total Shares following the allotment of Shares under the Offer	88,298,593	100.00%
Number of Options on issue at allotment	17,031,250	
Number of Shares on a fully diluted basis	105,329,843	

At Completion, the Company will have the following Options on issue:

- the Company (with an exercise price of \$0.30 and an expiry date of 30 September 2023), all of which are fully vested. See section 12.5 for further details; and
- 5,000,000 Lead Manager Options to be issued on Completion and which will have an exercise price of \$0.30 and expiry date of three years from Completion. The Lead Manager Options will be issued fully vested. Should the 5,000,000 Lead Manager Options be exercised, the Shares issued to the Lead Manager would represent 5.36% of the expanded issued capital, assuming no other Existing Options had been exercised. See sections 2.3 and 12.4 for further details.

2.15 CHES and issuer sponsored sub-register

The Company will apply to the ASX to participate in the Securities Clearing House Electronic Sub-register system known as CHES. CHES is operated by ASX Settlement Pty Ltd (ASTC) in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. Under CHES, the Company will not be issuing certificates to Applicants who elect to hold their Shares on the CHES sub register. After the allotment of Shares, Shareholders will receive a CHES holding statement.

The CHES holding statements, which are similar in style to bank account statements, will set out the number of Shares allotted to each Shareholder pursuant to this Prospectus. The CHES holding statement will also advise holders of their holder identification number and explain for future reference the sale and purchase procedures under CHES. Further statements will be provided to holders which reflect any changes in their shareholding in the Company during a particular month.

3. Company overview

3.1 The Company

The Company, a minerals exploration company focused on gold and silver exploration in Slovakia, was incorporated on 26 September 2014 as an unlisted public company and, following a three month due diligence period, on 22 December 2014 entered into an Earn-in Agreement with EMED Mining Public Limited (subsequently renamed Atalaya Mining plc, (**Atalaya**) to earn up to an 81% interest in Slovenské Kovy, s.r.o. (**SLOK**), a Slovakian company and the 100% holder of two exploration licences, then covering an area of approximately 115km² in the Hodrusa-Hamre/ Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.

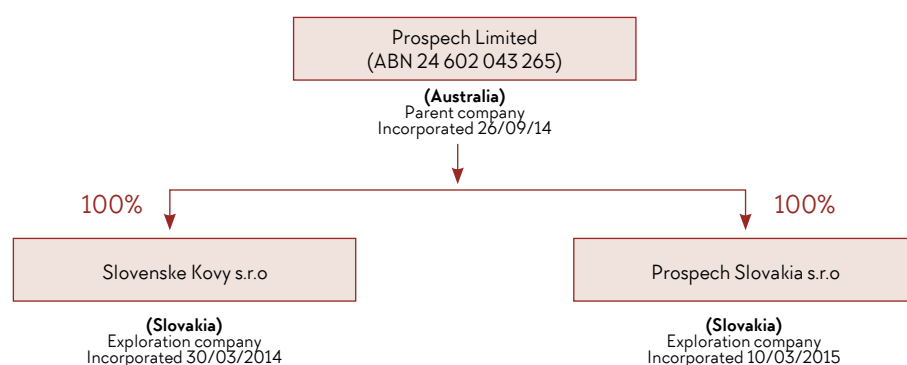
The opportunity for the Company to acquire an interest in the Hodrusa-Hamre and Nova Bana exploration licences arose due to a change of corporate focus by Atalaya to another major project owned by Atalaya.

Since December 2014, the Company has:

- satisfied the conditions of the Earn-in Agreement to earn an 81% interest in SLOK;
- acquired all of Atalaya's remaining 19% interest in SLOK on 10 October 2017 such that the Company now owns 100% of the issued share capital in both SLOK and Prospech Slovakia s.r.o (Prospech SK), which are the holders of 100% of the exploration licences detailed in section 5.2 below;
- applied for and been granted strategic extensions to the Hodrusa-Hamre exploration licence;
- applied for and been granted the Rudno and Pukanec exploration licences;
- applied for and been granted the Jasenie and Cejkov-Zemplin exploration licences;
- successfully completed initial exploration, including drilling twelve exploration targets in the of the Hodrusa-Hamre, Nova Bana and Jasenie exploration licences;
- produced independent studies on the Schopfer prospect; and
- completed and a maiden JORC compliant Inferred Resource estimate for the Kysla gold-tungsten prospect at the Jasenie project.

Details of the acquisition of SLOK, the holder of the Hodrusa-Hamre and Nova Bana exploration licences from Atalaya are set out in section 5.1.

Details of the initial exploration results of the exploration licences and an Independent Expert Geologist, Technical Assessment Report on the Company's projects are set out in sections 4 and 10. The corporate structure of the Group is set out below:



The Board comprises:

- Thomas Mann, Chairman and Non-Executive Director;
- Jason Beckton, Managing Director;
- Peter Nightingale, Executive Director and CFO; and
- John Levings, Executive Director.

A summary of the experience and qualifications of the Board is set out in section 7.

3.2 Business model

The Company is an exploration stage company and does not expect to generate any revenue in the near term. The Company's focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects.

The Company owns 100% of SLOK and Prospech SK, two Slovakian subsidiary companies which hold 100% of the Company's Hodrusa-Hamre, Nova Bana (incorporating Rudno and Pukanec), Jasenie and Cejkov-Zemplin project exploration licences.

Following the acquisition of SLOK from Atalaya, and with its presence in the metallogenic region, the Company's qualified personnel have been able to identify and acquire or peg the Rudno, Pukanec, Jasenie and Cejkov-Zemplin project exploration licences at minimal cost to the Company.

The Company is the manager of operations in accordance with generally accepted mining industry standards and practices.

3.3 COVID-19

The Company has been affected by the COVID-19 pandemic. Whilst routine operations continue within Slovakia, global travel restrictions have limited access to Slovakia by key managers from Australia and exploration services, such as drilling contractors who are contracted from Bulgaria. The Company continues to monitor the ongoing impact of the COVID-19 pandemic however investors should consider the potential ongoing impact of COVID-19 on the Company and globally. Refer to section 6.2 for further details.

3.4 Sources of revenue

The Company does not expect to generate any revenue in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects. Further details about the Group's revenue are set out in section 8.

3.5 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the successful exploration and development of the Company's projects, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances can be given by the Company as to the payment of future dividends as this will depend on, amongst other things, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.

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4.1 The Projects - Introduction

The Company, through its wholly owned subsidiaries SLOK and Prospech SK, owns 100% of six exploration licences, covering approximately 204 km² in Slovakia:

1. the Hodrusa-Hamre exploration licence;
2. the Nova Bana exploration licence;
3. the Rudno exploration licence;
4. the Pukanec exploration licence;
5. the Jasenie exploration licence; and
6. the Cejkov-Zemplin exploration licence.

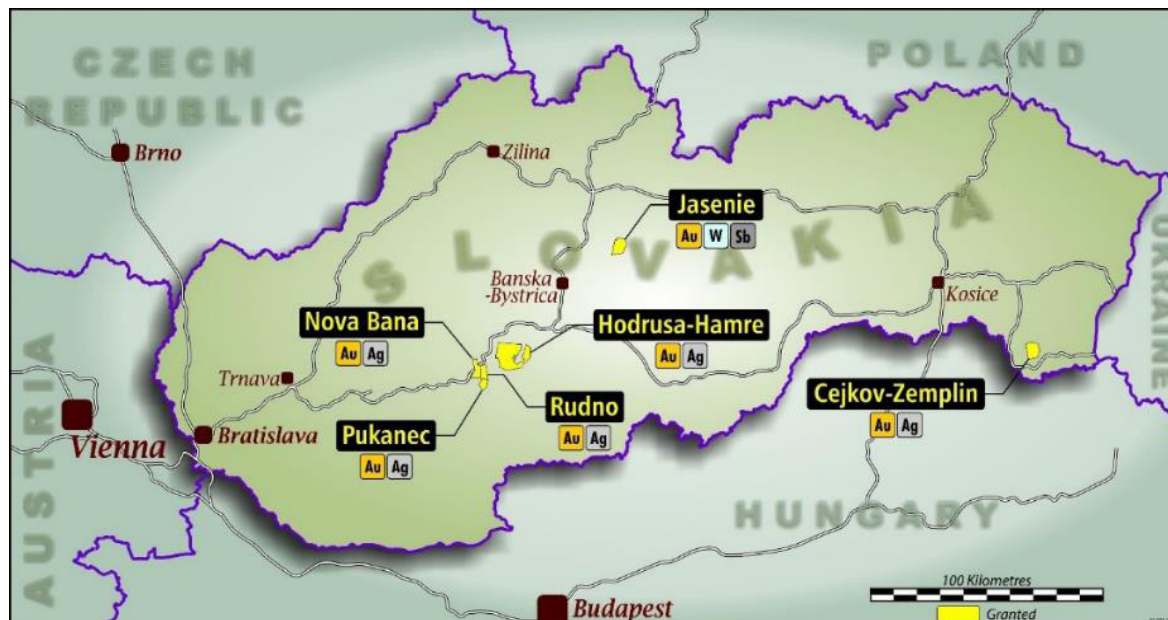
The licences are current and in good standing.

However, the Company is currently involved in an ongoing dispute with Slovenská banská, s.r.o. (the owner of the Rozalia Mine) in relation to the Hodruša-Hámre exploration licence. The challenge relates to a disputed area within that licence comprising approximately 1% of the exploration licence which is adjacent to the Rozalia Mine. The disputed area is immaterial (approximately 1% of total exploration licence area) and is not required by the Company for any of its current exploration activities or plans (nor has any mineralisation identified by the Company in its exploration activities to date been identified in this disputed area). Refer to section 12.13 for further details.

The Company is also required to hold various permits and licences as part of its ongoing operations and activities in these licence areas but consider these are administrative and technical in nature and it is not currently aware of any reason which would impact on any requisite permits to conduct exploration activities in the licence areas being granted. See also section 6.2 regarding regulatory risks for future approvals the Company may require.

The six exploration licences are introduced and discussed in sections 4.5 through 4.10.

An Independent Expert Geologist, Technical Assessment Report on the Company's projects is set out in section 10.

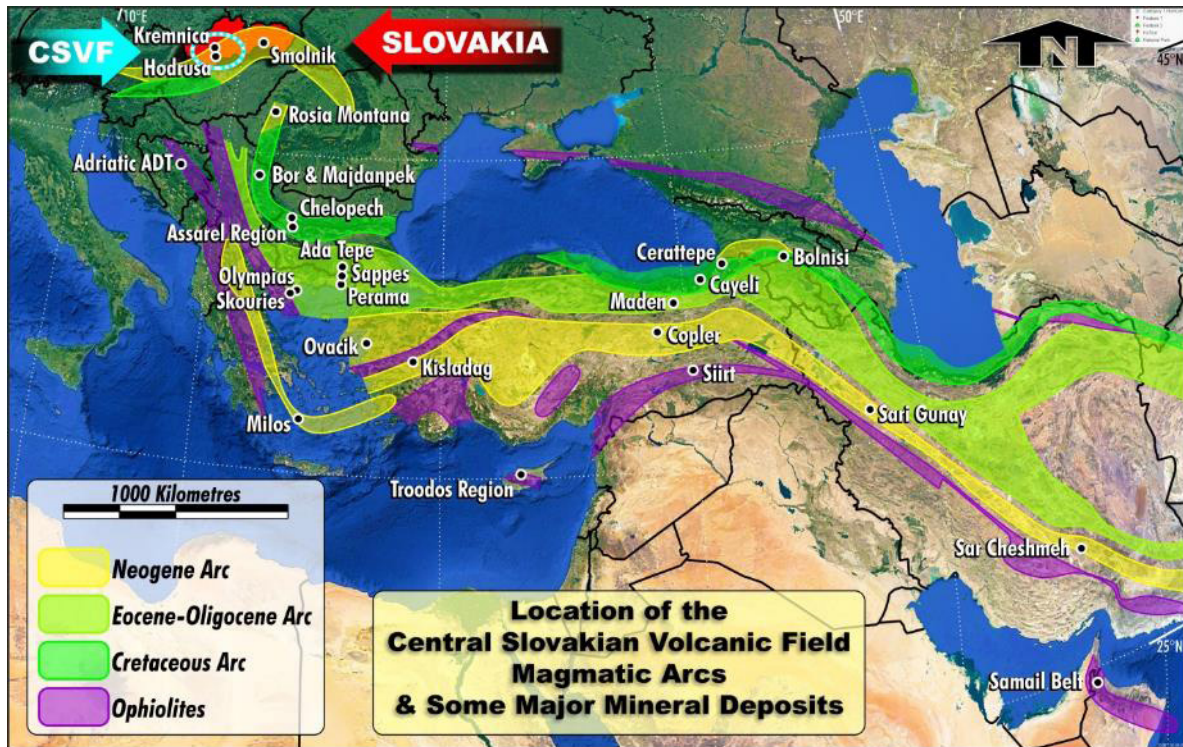


Location of the Company's projects in Slovakia.

Geologically, the Company's principal exploration projects are located within the Central Slovakian Volcanic Field, which is on the western end of one of the most prolific global metal belts – The Tethyan Magmatic Arc, which stretches from eastern Europe to South East Asia.

The Company's aim is to discover significant deposits of gold, silver and other metals, which can be commercially developed and mined. A long history of gold and silver mining within the Company's licences, along with encouraging modern exploration results, provide a compelling opportunity for discovery.

4. Projects



Prospect's exploration licences are located on western end of the Tethyan Magmatic Arc which hosts many of the world's greatest mineral deposits.

4.2 Slovakia, the Country

Slovakia joined the European Union in 2004 and the Eurozone in 2009. Slovakia has transformed from a centrally planned economy to a modern, market driven economy, instituting transparent legislation and a well-ordered open legal system. The country covers 49,000km² and is home to 5.4 million people.

It has an advanced economy with one of the fastest growth rates in the European Union and the OECD. Together with low wages, low tax rates and a well-educated labour force, Slovakia is an attractive jurisdiction for foreign investment.

4.3 Mining and exploration history

During historical times, the metal most mined was silver, which formed the main coinage of the realm. More recently, during the communist era, the targets for mining were principally industrial base metals such as copper, lead and zinc. As a result, much of Slovakia, including the Company's exploration licence areas, has not been subject to modern exploration methodology for gold.

Slovakia has a known mining history dating to Celtic times and earlier. Tools used by prehistoric miners at Spania Dolina, near Banska Bystrica, are dated as early as 2000-1700 BC. Major production of metals (primarily copper and silver) occurred during the medieval period. The second oldest mining institute in the world is located at Banska Stiavnica (nearby to the Company's Hodrusa-Hamre exploration licence area) and the local population is proud of their mining heritage, holding a three day mining festival every year. The mint at nearby Kremnica has operated for over six hundred years and continues to operate today.

Communist era base metal and coal production was substantial. Smelting of aluminium and nickel ore imported from Albania was carried out. Coal, gold, silver, siderite (iron carbonate), anhydrite and magnesite along with limestone, dolomite and gravel, are being mined in Slovakia today. The Rozalia Mine is an underground mine which produces gravity/flotation gold concentrate. The concentrate is refined off-site by a smelter in Belgium.

Gold assays used in Government and private exploration programs during the communist era have been proven to be unreliable and this must be taken into account when interpreting some historical reports.

Atalaya introduced the use of internationally accredited foreign assay laboratories in 2005 (initially in Australia and then in Romania), which provided the first reliable gold assay results for the Hodrusa-Hamre and Nova Bana project areas. In recent years, an extensive, country-wide cadastral, geological, geochemical and geophysical database has been built by the Geological Survey of Slovakia.

Base metals were the focus of mining during the Communist era – particularly from the Government owned Rudne Bane mining lease, which is adjacent to the Company's Hodrusa-Hamre exploration licence. Ore comminution was coarse and precious metal recovery was poor. No precious metal assaying was done as only base metals rich veins were targeted for exploitation. Numerous, potentially gold and silver bearing hanging wall and footwall veins, close to actively mined areas, were ignored if payable base metal mineralisation was not observed.

These practices provide the opportunity for untouched precious metal discoveries to be made by the Company. Prospech has developed a relational database across the six exploration licences selected to be part of the portfolio, allowing timely use of information for prospect target selection and ranking.

4.4 Exploration activities by Prospech

The exploration licences held by Prospech's Slovakian subsidiaries are generally located in Natura 2000 "Level One" and "Level Two" environmental protection levels, however there are some small areas within the licences that are covered by higher levels of environmental protection (and in which exploration and mining activities are not permitted) – for further details see the Solicitor's Report on Tenements in section 11. Level One and Level Two areas allow exploration and mining activities, however these activities in Level Two are subject to consent (or must be consulted with) of the Regional Environmental Office.

None of the identified mineralisation described in this section 4 occurs within the areas of the exploration licences that can't be mined or explored due to environmental classification. The areas within the exploration licence in which exploration and mining activities are not permitted do not affect the Company's current exploration plans and otherwise comprise an immaterial percentage of the total exploration licences area.

(a) Geologic Database Compilation

A significant archive of historical exploration data has been acquired by the Company, which include drilling results, numerous government studies, private exploration efforts preceding Atalaya's involvement and Atalaya's exploration results.

Prior to entering into the Earn-in Agreement with Atalaya, in late 2014, the Company conducted due diligence which included the collection of rock chip samples, in part to compare with the previous sample results achieved by Atalaya. Duplication of Atalaya sampling was limited by inevitable factors and it was not possible for the Company to exactly duplicate the location of specific samples. Nevertheless, samples collected by the Company which match with the most likely nearby Atalaya equivalent sample, showed no systematic bias and exhibited good correlation within the range of expected variability, thereby providing a degree of validation of the Atalaya geological database.

Prospech has now completed 3D digitisation of more than 50 mineralised vein sets, including void modelling, to a first pass standard to facilitate drill planning and for use in future resource estimation.

Targets identified in the Hodrusa-Hamre exploration licence include Ignac, Bauch, Unverzagt-Alzbeta, Schopfer and Kopanice. A pipeline of targets is subject to continual internal ranking and testing.

Records of precious metals mineralisation being historically mined at the Nova Bana goldfield have been found during the Company's review of the extensive geologic database. The Nova Bana area has been subjected to very limited modern exploration.

(b) Mapping and Sampling

The Company has continued with geological mapping, 3D digitisation of historical mining plans and voids and rock chip sampling to facilitate drill planning. Targets selected for drilling have been ranked by a matrix of factors including proximity to the Rozalia Mine (e.g. Ignac, Bauch, Kopanice) and the vein dimensions and grades sufficient to accommodate significant exploration targets (e.g. Schopfer, Nova Bana). See section 4.12 for details.

4. Projects

More than 1,500 rock chip samples and 700 soil and channel samples have been taken by the Company to date and used as a guide to design drill plans. Assay results, from the Company's rock chip, soil and channel sampling of various vein systems include the below results which highlight the potential for high grade mineralisation discovery:

- 28.00 g/t gold and 582.0 g/t silver from the Bauch prospect;
- 29 samples averaged 7.80 g/t gold and 33.0 g/t silver from the Ignac prospect;
- 47.30 g/t gold and 48.0 g/t silver from the Ignac prospect;
- 58.60 g/t gold and 7,400.0 g/t silver from the Schopfer vein;
- 28.20 g/t gold and 3,210.0 g/t silver from the Schopfer vein;
- 138.00 g/t gold and 3,590.0 g/t silver from the Stefultov Stefan prospect;
- 12.50 g/t gold and 961.0 g/t silver from the Jan Benedicky prospect;
- 12.85 g/t gold and 404.0 g/t silver from the Kopanice prospect;
- 5.54 g/t gold and 8.7 g/t silver from the Jan Jozef shaft;
- 4.28 g/t gold and 272.0 g/t silver from the Rudno prospect; and
- 1.48 g/t gold and 60.4 g/t silver from the Banska Bela prospect.

(c) Drilling

Prospect has completed approximately 6,800 metres of diamond drilling to date. So far only 14 prospects have been tested on a first-pass basis and many prospects remain to be tested. The Company's approach has been typically to drill only one "sentinel" diamond drill hole in each target vein. The Klokoc, Tiergarten, Banky, Rozalia West, Stefan, Trojkralova, Jan Benedicky, and Schopfer targets within the Hodrusa-Hamre exploration licence and also the Gupna and Kohutovo targets within the Nova Bana exploration licence have been tested in this manner.

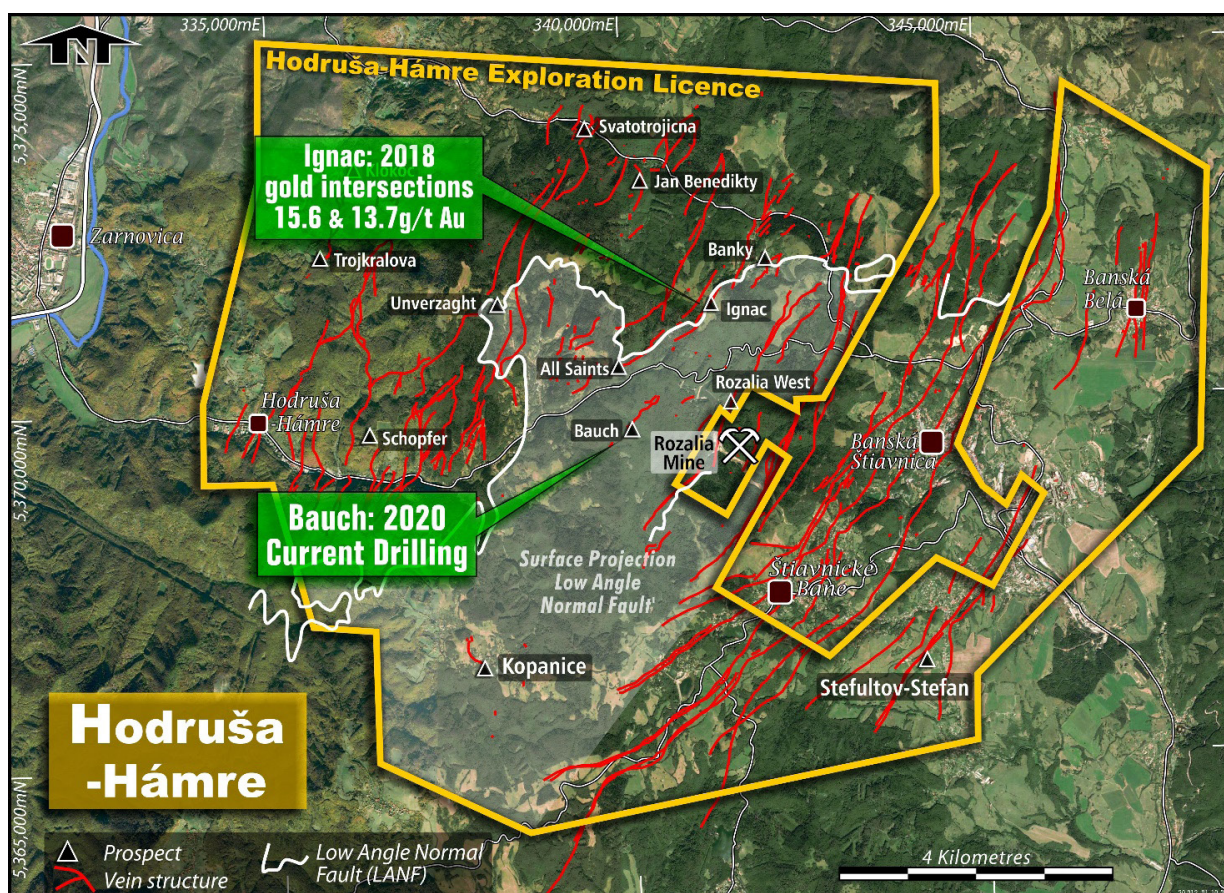
Underground holes have also been completed on the stope area of the Luisa vein within the Schopfer prospect. Initial results obtained from drilling the Ignac-Bauch target have encouraged the Company to undertake a follow up drilling program which is ongoing.

4.5 Hodruša-Hámre exploration licence

Located 200 kilometres east of Vienna, the 101.92km² Hodruša-Hámre exploration licence covers the majority of the historic Hodruša-Hámre/Banská Stiavnica mining district, comprising the caldera of a Neogene-aged Stiavnica Stratovolcano. The Hodruša-Hámre exploration licence hosts some 120 known epithermal veins. The major veins individually have a total strike length of up to approximately six kilometres. The licence is located in a Natura 2000 “Level Two” protection area which means that exploration and mining activity is permitted, subject to consent requirements that technical works have to be consulted with the local environmental office and a permit required prior to technical works being undertaken.

In 2016/17, a significant breakthrough in the geological understanding of the Hodruša-Hámre project area was the recognition that the gold deposit being exploited at the nearby, and still operating, Rozalia Mine, was controlled by major Detachment Fault (locally known as a Low Angle Normal Fault or LANF). The surface trace of the LANF falls mainly within Prospech’s Hodruša-Hámre exploration licence. This understanding provides for a number of exploration and discovery opportunities and has already led to positive drilling results at the Ignac target.

In addition to the LANF-style targets, there are a number of large epithermal quartz vein targets which are related to horst and graben faulting within the caldera. These veins are strongly mineralised in gold and silver and many of them have been extensively mined historically, with a focus on the mining of high grade silver. One of the most prospective of these targets is the large Schopfer vein system which has the potential to deliver a significant gold-silver mineral deposit and is prioritised for drilling.



Hodruša-Hámre exploration licence, targets and the LANF (Detachment Fault) shown in white.

4. Projects

(a) Ignac

Located adjacent to the west of the operating Rozalia Mine, Ignac is considered to be closely associated with the LANF structure the up-dip extension of the structure currently being mined.

(i) Geology, Mapping and Sampling

Rock chip results from 42 samples from the Ignac prospect average 7.80 g/t gold and 330 g/t silver. Most of the samples were collected from historical spoil dumps but some underground access allowed chip samples to be taken from underground in situ veins. The average grade of these underground samples was 8.00 g/t gold.

(ii) Drilling

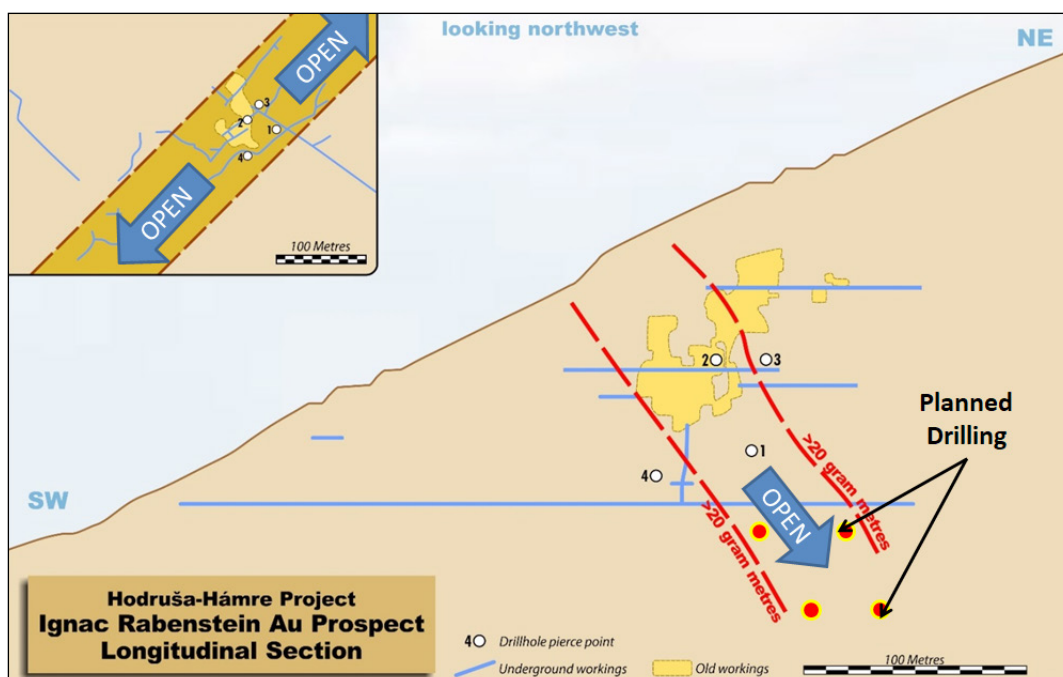
In 2018 Prospech drilled 4 diamond drill holes at Ignac. All of the holes intersected gold and silver mineralisation.

Hole ID	From (m)	To (m)	Intercept (m)	Au (g/t)	Ag (g/t)	Comments
IRDD001	190	199	9	1.9	20	Main Umbruch vein
including	190	195	5	3.2	22	Kristof Rozalia veins?
including	190	191	1	13.7	20	Visible Au
IRDD002	174	174.4	0.4	15.6	46	Stockwork and visible Au
including	195.8	196.2	0.4	8.3	117	Footwall vein
IRDD003	153	154	1	1.1	35	Hanging wall stockwork
	157	158	1	1.2	12	Hanging wall stockwork
IRDD004	214	215	1	1.3	35	Main Umbruch vein

As shown in the assay results for IRDD001 and IRDD002 above, a higher grade shoot was intersected by two out of four holes, including visible gold and grade-thickness accumulations of over 20 gram-metres of gold. IRDD004 contained intervals of epithermal breccias on the margins of the high grade shoot intersected by holes IRDD001 and IRDD002.

The geometry and structure, thus defined, indicate that additional drilling at depth, along this pitch, in the plane of the vein may result in the discovery of an extension of the higher grade shoot.

Future drilling is planned to extend these visible and high grade gold intercepts along the LANF at depth towards the trend of the nearby Rozalia Mine.



High grade shoot defined by holes IRDD001 and IRDD002. Future drill planning for Ignac will follow the higher grades at depth to a probable flattening position into the LANF.



Intervals from IRDD004 contained epithermal breccias on the margins of the high grade shoot defined by holes IRDD001 and IRDD002.

(b) Bauch

(i) Geology, Mapping and Sampling

The Bauch prospect lies two kilometres along strike from Ignac and is considered to be a continuation of the same LANF related structure. Assays of up to 28.3 g/t gold and 582 g/t silver have been returned from rock chip samples taken by the Company.

Bauch is notable for stacked or repeated structural zones hosting gold and silver quartz breccias. At least three, sub-parallel, individual precious-metal bearing veins have been recognised.

Mapping and surface sampling are complete and this is a high-priority drill target.



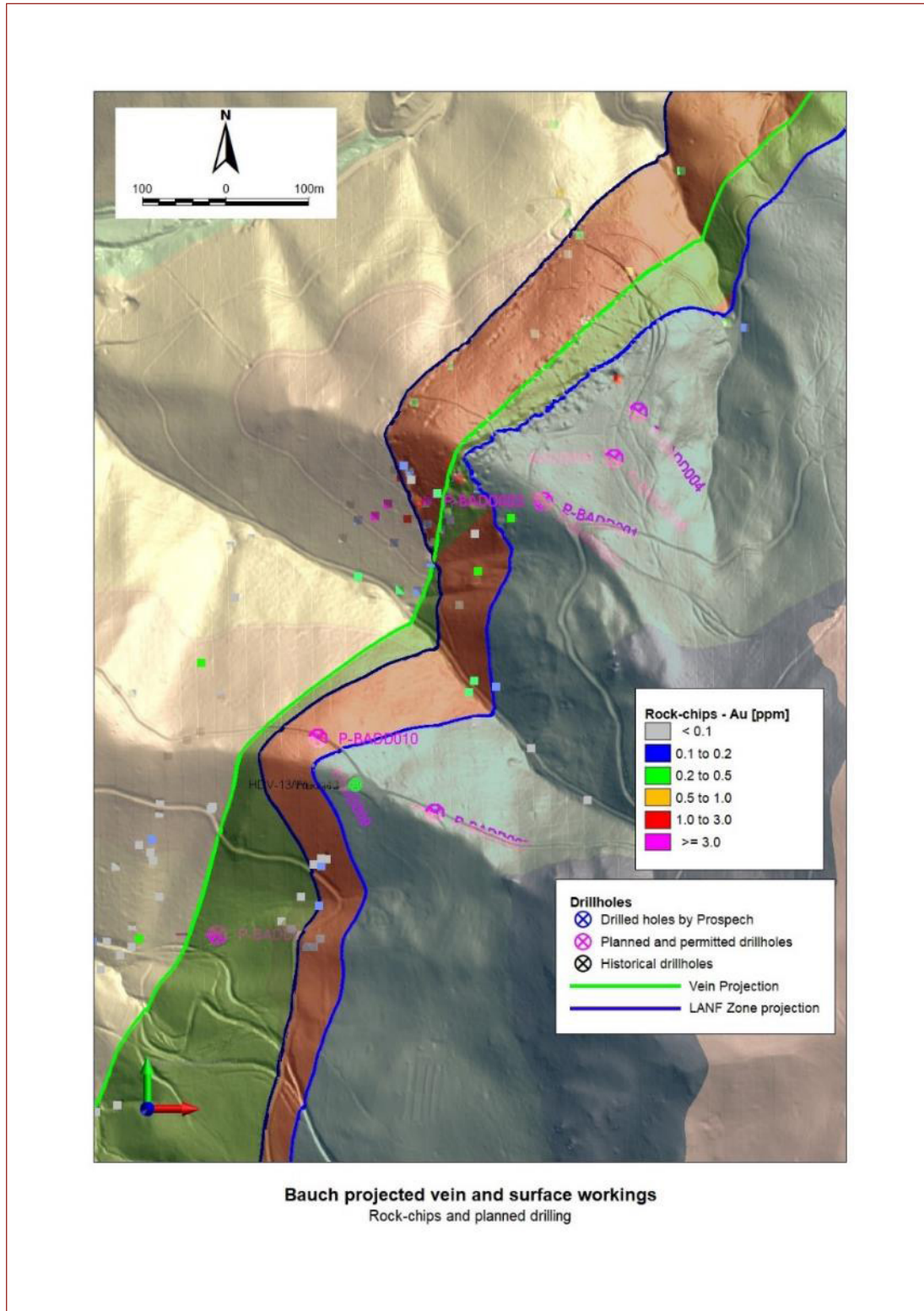
A 28.3 g/t gold sample recovered from the Bauch prospect, two kilometres along strike from the Ignac prospect.

4. Projects

(ii) Drilling

The Bauch prospect has never been previously drilled.

Drilling permits are now in place which will allow exploration drilling to proceed in the second half of 2020. This target fulfils two criteria that Prospech considers to be important, wide zones and shallow, high grade mineralisation.



Bauch prospect – showing the planned drill hole locations and the surface trace of three stacked gold-silver lodes which comprise the drill target.

(c) Anton Svatotrojicna**(i) Geology, Mapping and Sampling**

Prospech has collected a total of 17 grab samples collected from the Svatotrojicna shaft spoil heap. The samples returned assays averaging 8.6 g/t gold and 464 g/t silver. The peak gold assay was up to 52.6 g/t. This area represents significant strike-change flexure and is therefore prospective for structural dilation zones containing shoots of high grade gold and silver mineralisation.

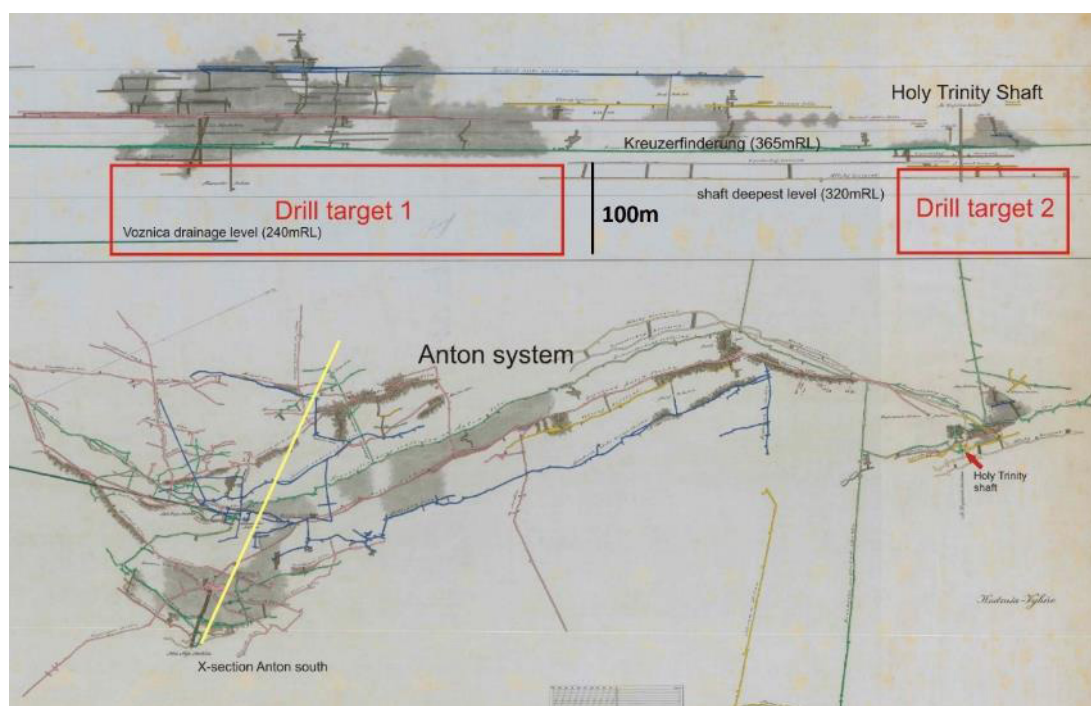
Access underground here is not possible and historical data is being reviewed to help drill planning.

Most of this target is related to a later, post-LANF, event of mineralised quartz filling horst graben bounding fault structures.

The Anton area is postulated to be a large (>20m true width) vein breccia and has reported historical grades of at least 3 g/t gold and 300 g/t silver.

(ii) Drilling

A good example of some of the historical records and how they are helping to guide modern exploration drill targeting is shown below. Applications for up to 20 drill hole permits have been lodged.



**Anton-Svatotrojicna long projection (upper panel) and plane view (lower panel)–
Drill ready with 20 holes planned.**

(d) Schopfer**(i) Geology, Mapping and Sampling**

The Schopfer vein has estimated historical production of 1.0 million tonnes at 4 g/t gold and 400 to 500 g/t silver for a total 130,000 ounces of gold and 13 to 17.5 million ounces of silver.

Mining finished here in the 1950s when the emphasis shifted to base metal production.

The drilling target consists of hanging wall and footwall of the Schopfer vein and area around the intersection of the Schopfer with the Keleti and Klement-Stefan veins, as well as the main vein structure at depth.

The intersection of vein trends is observed to coincide with intensive historical underground exploration and mining, which is probably related to structural dilation zones hosting thicker zones of higher grade material.

4. Projects

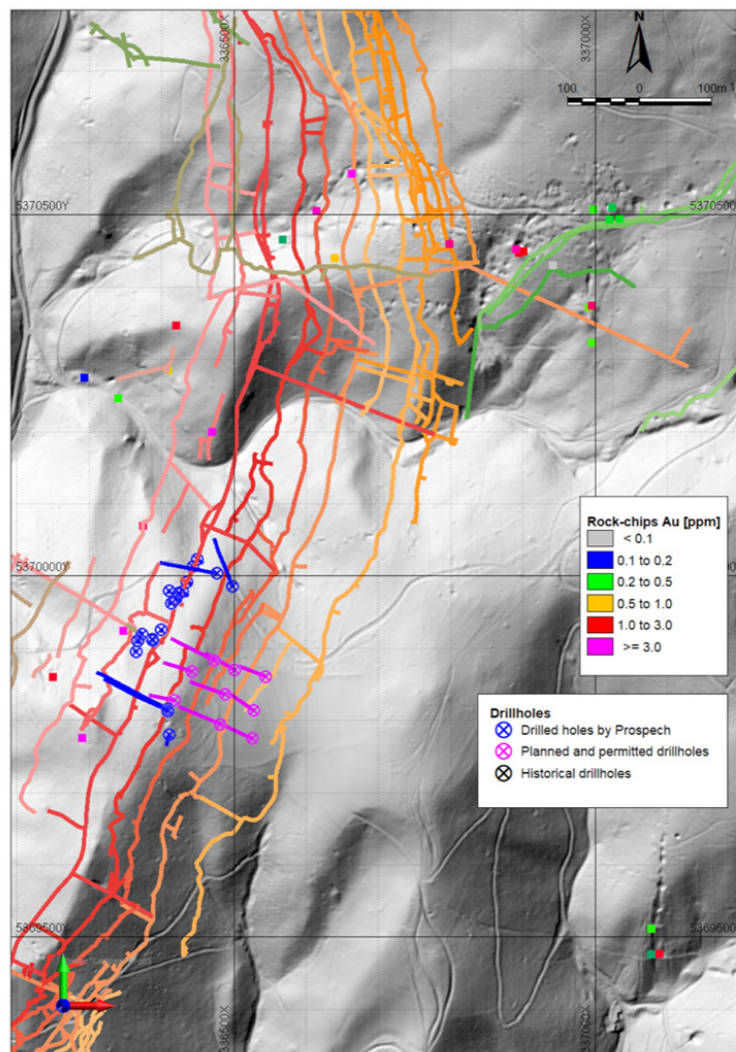
(ii) Drilling

Prospech has carried out some underground drilling at Schopfer to confirm the grades in remnant mineralised shoots. Drill hole SCDD001 ended in silver mineralised quartz due to friable drilling materials at 3.5 metres whilst targeting an area of stope which graded 58 g/t gold and 7,400 g/t silver. This target area is scheduled to be drilled with nine holes for 2,700 metres planned from surface in 2021.

(iii) Deposit Modelling

An independent review of the Schopfer prospect has been completed by independent consultant Tim Callaghan of *Resource and Exploration Geology*. This work included geological modelling of the Schopfer lodes and old workings and made an estimate of an Exploration Target for the Schopfer prospect. The modelling was based on historical plans, cross-sections and assay data. Modern day assay data from the Company's drilling and sampling was also used in the model and estimate. The Exploration Target is stated in the report to be 1 to 2 million tonnes at grades ranging between 2.5 to 3.5 g/t gold and 300 to 400 g/t silver.

The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. To ascertain the existence or otherwise of Mineral Resource according to the guidelines of the 2012 edition of the JORC Code, will require additional drilling over the 1.5 kilometre strike length of the Schopfer structure which the Company intends to be carry out over the next two years.



Schopfer vein
Workings, Drillholes, Rock-chips

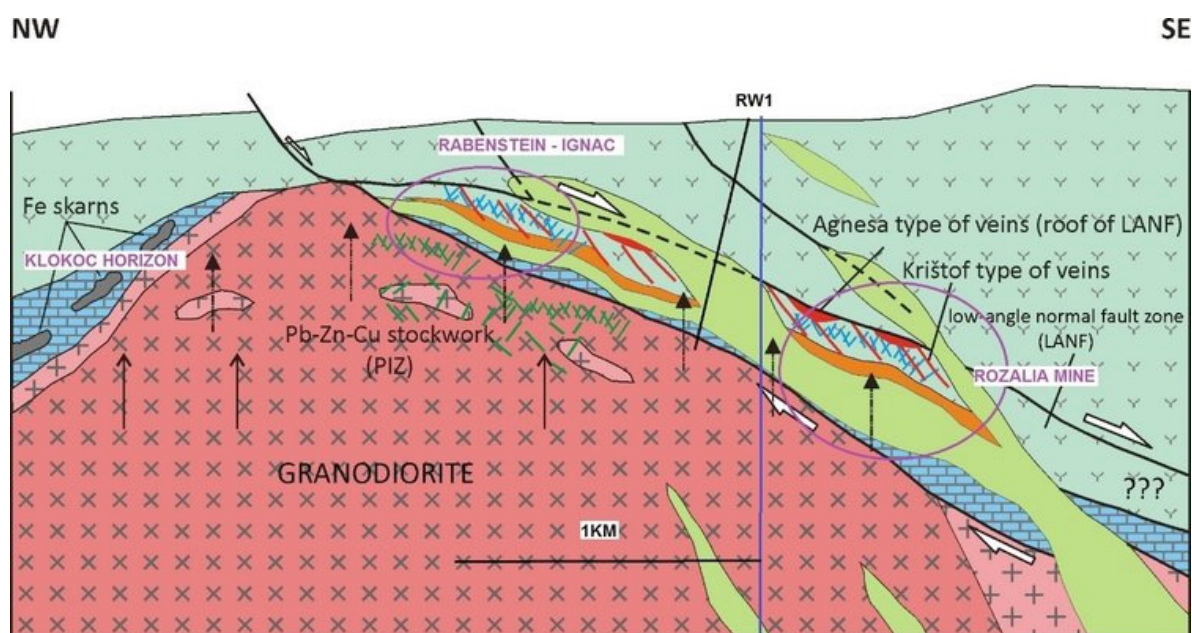
Plan view of a segment of the Schopfer vein showing the location of previous and planned Prospech drilling in relation to the topography and the historical workings. The Schopfer vein in this area dips at approximately 45 degrees to the east-south-east. Dimple marks (top right of the above new government LIDAR (laser) topography map) are previous workings.

(e) Rozalia West**(i) Drilling**

The Company has drilled one hole into the Rozalia West target. Drill hole (RW1) was designed to test the continuation of the Rozalia Mine gold mineral deposit which is currently being mined. RW1 was considered by the Company to be a technical success as it intersected the mineralisation host sequence, and thereby supported the LANF concept.

Gold and silver assay results were anomalous but sub-economic throughout the target zone, which, given the variable nature of the Rozalia Mine-style mineralized shoots, was not an unexpected outcome.

The Ignac target (discussed above) is linked along the same 3D LANF structural feature to the Rozalia West hole and then, further down-dip to the third-party operating Rozalia Mine, as shown in the following schematic section.



A Schematic section showing the Rozalia Mine and drill hole RW1 to the west, just inside Prospech's exploration licence represented by the vertical blue line. The conceptual position of the Ignac prospect is also shown, hosted by the LANF complex which has the granodiorite in the footwall and volcano-sedimentary sequence in the hanging wall. Movement on the LANF is indicated by the white arrows.

(f) Kopanice**(i) Geology, Mapping and Sampling**

This vein system occurs close to the settlement Kopanice and is represented by Hlavná ('main') and Zlatá ('golden') veins. First records of mining activity were from 1523, with historic stope grades up to 26 g/t gold and 62 g/t silver in sections of Hlavná. The vein system is being modelled in conjunction with recently completed drilling as described in the next section.

In 2018, rock chip and channel sampling by Prospech returned assays of up to 17.2 g/t gold and 1,432 g/t silver, which were included in a preliminary geological model which assisted in the definition of a successful micro drilling program.

4. Projects

(ii) Drilling

Assay results, including those shown below, from a 2019/20 winter season micro drilling program at Kopanice, where the Company drilled 8 holes for 60.4 metres, have led Prospech geologists to believe that the Schopfer vein has formed in a LANF at the top of a granodiorite intrusion and has similarities to the structural setting of the Rozalia Mine.

- Hole KODD001: 1.2 metres @ 3.12 g/t Au and 146 g/t Ag from 0.0 metres.
- Hole KODD004: 1.0 metres @ 12.35 g/t Au and 582 g/t Ag from 0.0 metres.
- Hole KODD007: 0.8 metres @ 1.99 g/t Au and 91 g/t Ag from 13.6 metres.

Further compilation of results, including location of interpreted high grade shoot determined by holes KODD001, 004 and 007 has been completed which has allowed the design of a second phase drilling program to be prepared. This second phase program is anticipated to commence in early 2021, early in the Slovakian field season.



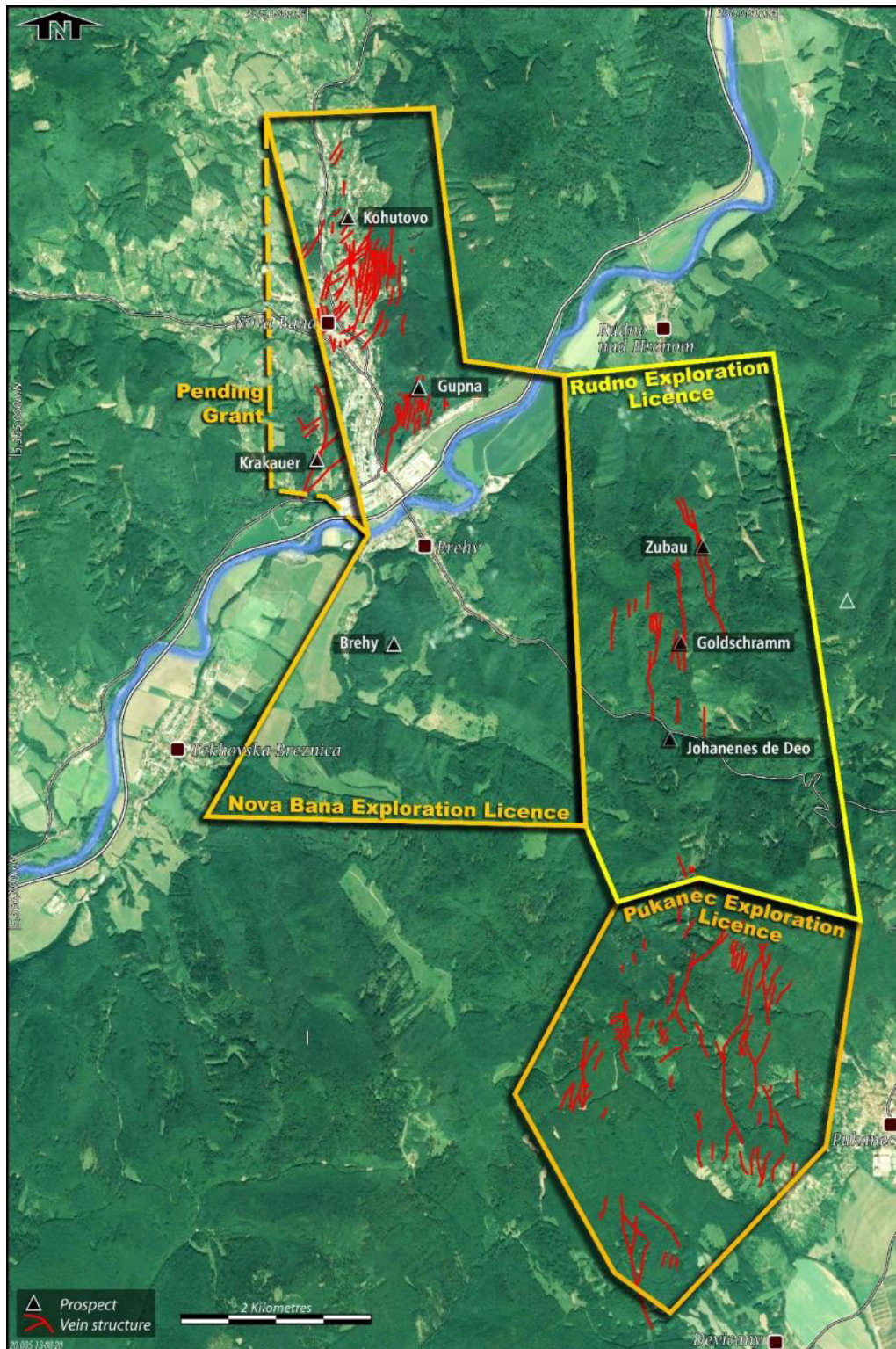
Core boxes from microdrill program at Kopanice - the first time the surface occurrences of the Kopanice prospect have been drilled.

Third party dispute

The Company is currently involved in an ongoing dispute with Slovenská banská, s.r.o. (the owner of the Rozalia Mine) in relation to the Hodruša-Hámre exploration licence. The challenge relates to a disputed area within that licence comprising approximately 1% of the exploration licence which is adjacent to the Rozalia Mine. The disputed area is immaterial (approximately 1% of total exploration licence area) and is not required by the Company for any of its current exploration activities or plans (nor has any mineralisation identified by the Company in its exploration activities to date been identified in this disputed area). Refer to section 12.13 for further details.

4.6 Nova Bana Exploration Licence

The Nova Bana exploration licence is part of a block of three contiguous exploration licences all owned by the Company. An application to expand the Nova Bana licence has been made by the Company to fully cover the visual recognition of high grade gold and silver mineralisation, including occurrences of visible gold at the Sibenicny-Krakauer prospect.



Nova Bana, Rudno and Pukanec exploration licences, including the recent Krakauer extension application. Known epithermal gold-silver veins and prospect names are shown.

4. Projects

(a) Sibeniczny-Krakauer

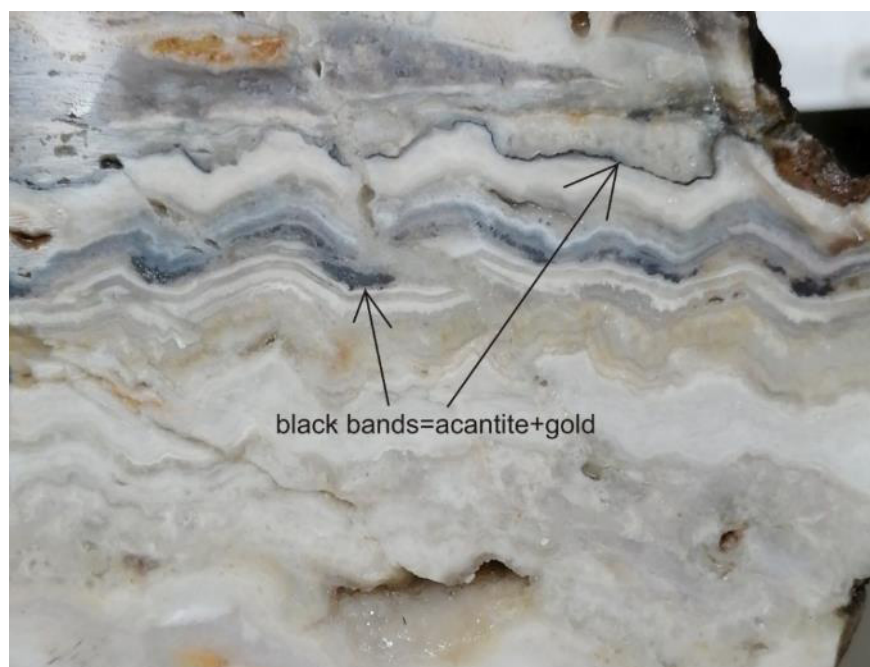
(i) Geology, Mapping and Sampling

A new discovery has been made by geological mapping of Nova Bana tenement area. The vein bearing historic name "Krakauer" has been recognised as a significant epithermal structure representing a fully preserved mineralised system.

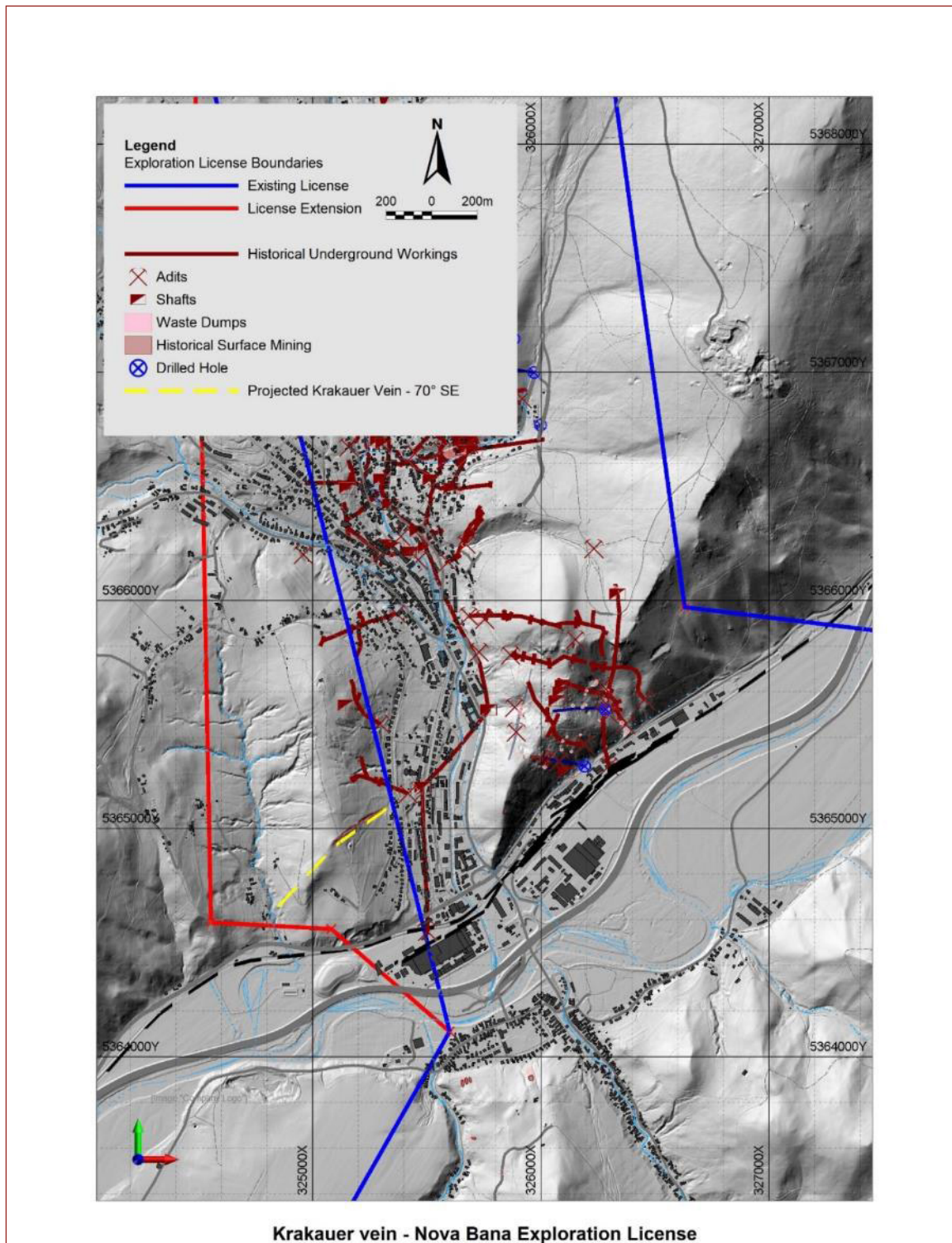
Based on field observations of the vein in outcrop, Prospech geologists estimate the width of the vein to be 2.5 metres and the presence of parallel veins in the zone is considered to be a possibility. Mineralisation is classical low-sulfidation epithermal with banded symmetric veins (ginguro) as shown below and open vugs in the central part of the vein. Ginguro type veins frequently report precious metals mineralisation. Gold is visible in several samples taken by Prospech geologists.

Vein textures indicate that the Krakauer vein is likely to be a nearly fully preserved, weakly eroded, epithermal system which may therefore have potential at depth for high grade gold and silver mineralisation. Banded vein float with visible acanthite (silver sulphide) and visible gold have been traced over a distance of 450 metres and old workings can be traced for 600 metres along the strike.

Assays of mineralised float will be carried out as soon as a submitted tenement extension is granted by Ministry of Environment.



Classic 'ginguro' epithermal vein textures from Krakauer vein float.



The central portion of the Nova Bana exploration licence showing historical workings in dark red and the newly discovered Krakauer vein in yellow.

(ii) Drilling

Drilling is planned for late 2020 and early 2021.

(b) Cupna

(i) Geology, Mapping and Sampling

The Cupna prospect area is defined by a cluster of old working over 100 metres wide. Prospech geologists (and earlier geological workers) recognised that there should be a significant 'feeder' or mineralised conduit from which these multiple mineral occurrences originated.

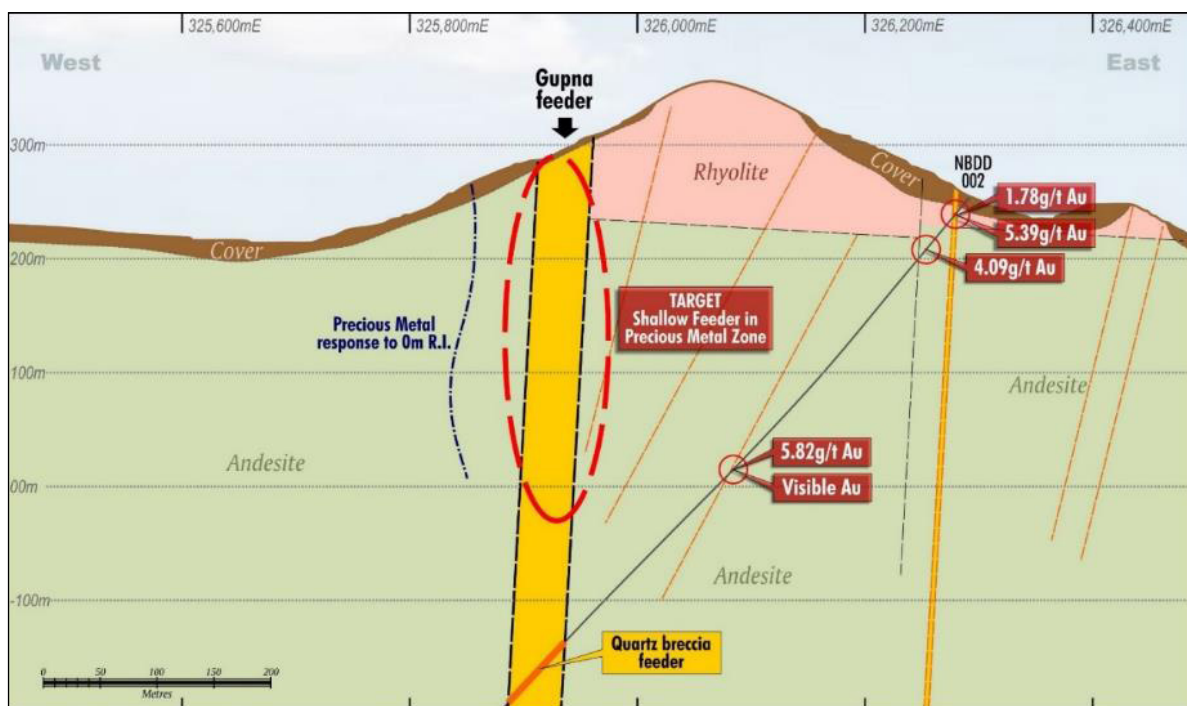
4. Projects

(ii) Drilling

The exploration concept for Gupna was first postulated in 2010 and drilled by Prospech in 2016, leading to the discovery of a fault at depth. This fault, at shallower depths, may be gold-mineralised. Historic plans of old workings have been digitised to assist in determining the appropriate vertical depth for further drill testing.

Gupna drill hole NBDD002 intersected a 93.0 metre quartz breccia zone from 531.5 metres to 624.5 metres. Within this broad structural zone, 10.0 metre wide zones of quartz-carbonate-pyrite veinlets are repeated. NBDD002 also intersected number of narrow, but encouraging, shallow depth veins which returned assay results of 5.39 g/t gold and 29.9 g/t silver and 4.09 g/t gold and 59.3 g/t silver. At the intermediate depth of 317 metres, NBDD002 intersected 0.8 metre @ 5.82 g/t gold and 1.6 g/t silver. On receiving this result the retained half-drill core for this interval was re-inspected and visible gold was identified in a section of adularised andesite with very sparse hairline quartz, minor carbonate, sphalerite and pyrite veins.

This structure is considered by the Company to be a main feeder of mineralisation and has informed ongoing drill hole designs and further shallow drilling (including possibly reverse circulation drilling), is being planned to test the continuity and extent of this shallow mineralisation.



Gupna (NBDD002) section with discovery of the main quartz breccia feeder to be drilled.

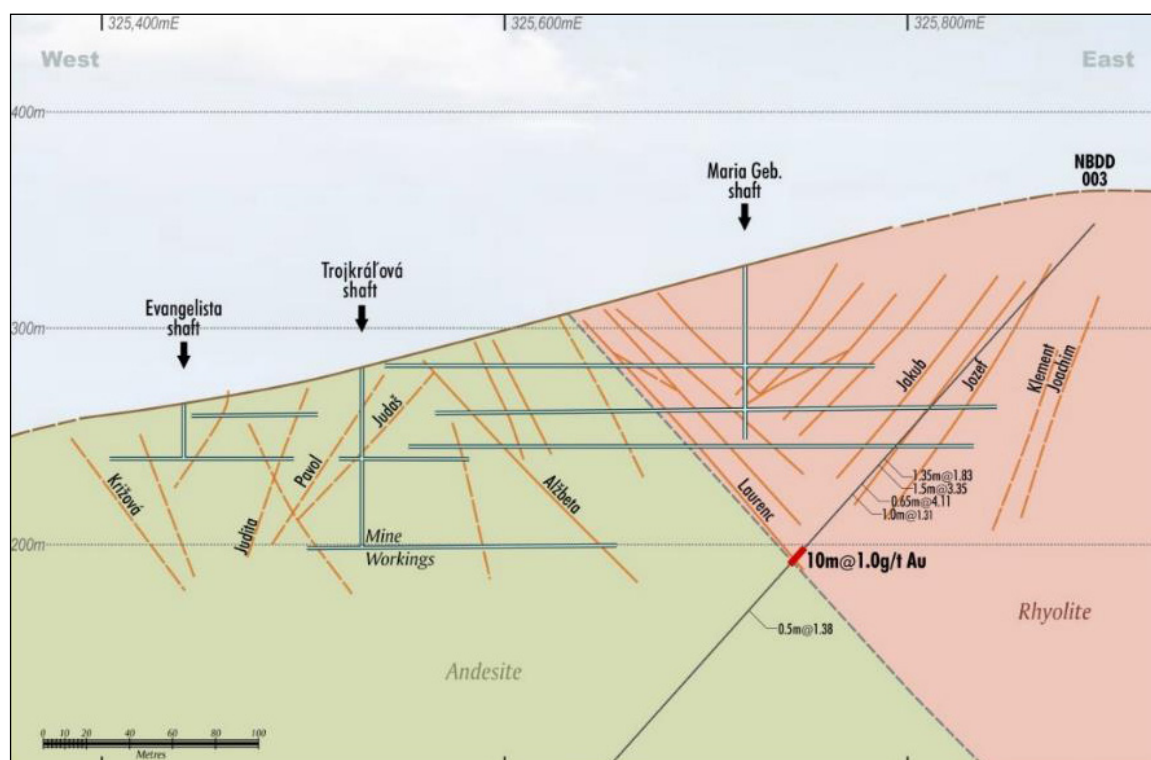
(c) Kohutovo

(i) Geology, Mapping and Sampling

Records indicate gold occurrences on the hanging wall rhyolite to footwall andesite contact. Quartz vein breccia with vuggy quartz, traces of chalcopyrite, pyrite and sphalerite occur at this position. This was also noted from historic records particularly of the Althandel vein or stope within the Kohutovo prospect. Samples of the dump material from the Althandel shaft assayed up to 116 g/t gold and 408 g/t silver.

(ii) Drilling

Kohutovo (NBDD003) has been drilled to a depth of approximately 394 metres to cross the Laurenc structure. As can be seen from the cross-section below, drilling conditions are difficult due to the numerous historic workings. A program to test the contact of the andesite and the hanging wall rhyolite was designed with a focus on the Laurenc feature as a possible location of high grade (15 g/t gold) historically noted mine production. Further work is required to determine the exact location of the highest grade stopes including along the historically important Alzbeta zone.



Kohutovo (NBDD003) drill plan cross-section. This historic gold silver production area has never been systematically drilled.

4.7 Rudno Exploration Licence

This exploration licence was pegged by the Company, over open ground and granted in May 2017.

Low sulphidation epithermal vein mineralisation occurs in hydrothermally altered pyroxene-amphibole andesite. There are two groups of steeply dipping precious metal veins striking north-south, 1 to 2 metres thick and 1,500 metres long. Only a 200 metre segment has been subject to historic mining.

A total of five scout holes for 1,076.3 metres were drilled at Rudno in 2018. Epithermal veins occur in four separate zones (from east to west) Anna-Zubau, Goldschramm, De Deo and De Deo East

The licence is located in a Natura 2000 "Level Two" protection area which means that exploration and mining activity is permitted, subject to consent requirements that technical works have to be consulted with the local environmental office and a permit required prior to technical works being undertaken.

(a) Anna-Zubau

(i) Geology, Mapping and Sampling

Anna-Zubau was sampled by Prospech at surface as the underground workings are not accessible. It was the most intensively mined zone in the Rudno exploration licence area in the past. The central part of this zone was 40 metres wide and rock chip samples collected around the Zubau surficial diggings returned assays of up to 35.9 g/t gold (average 11.4 g/t gold, 63 g/t silver from 5 samples). Relatively low silver grades (<90 g/t silver) might be the reason why this material was not historically processed.

(ii) Drilling

This target was tested by Prospech drill hole RDDD001 which returned 10.2 metres @ 1.08 g/t gold and 34 g/t silver from 174.5 metres. The hole stopped in mineralisation due to failure of the drill rods.

A second hole, RDDD002, was drilled below the first hole to test the depth potential and returned 5.0 metres of 0.36 g/t gold and 2.5 g/t silver from 205.0 metres.

4. Projects

(b) Goldschramm and De Deo

(i) Geology, Mapping and Sampling

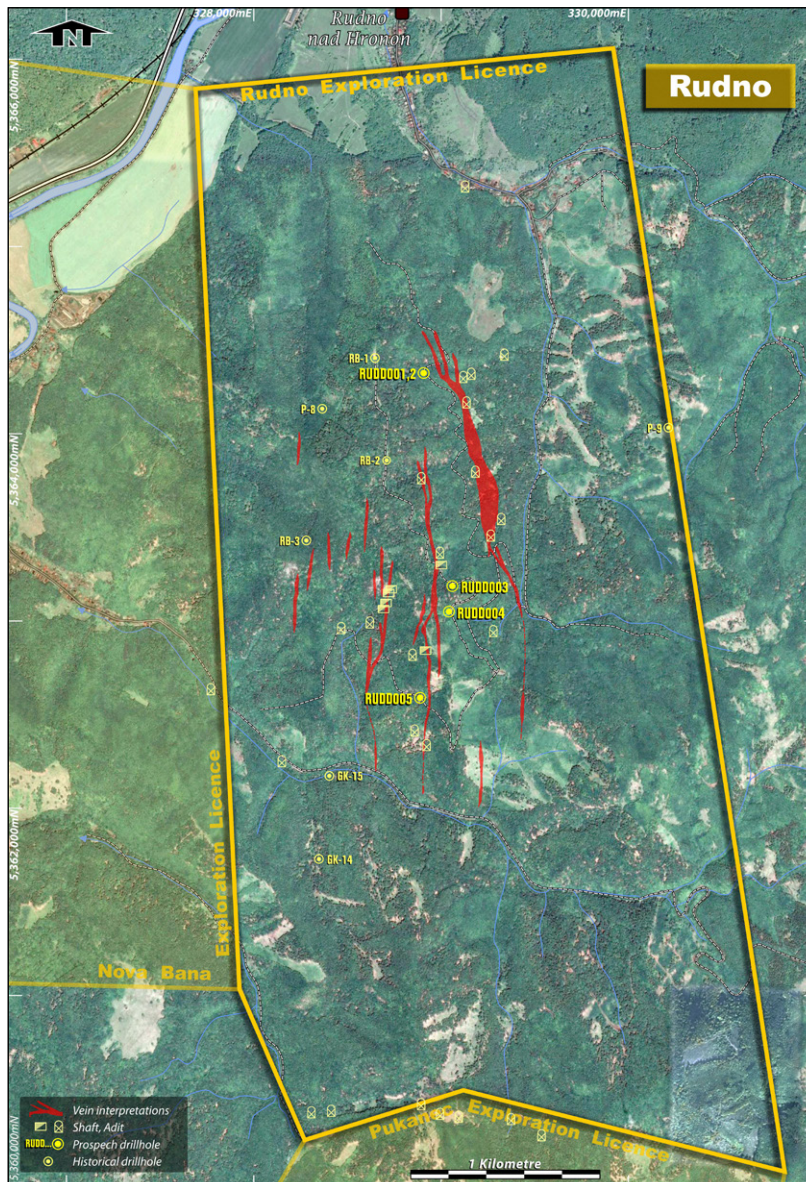
In order to access the Goldschramm, and the De Deo veins, Prospech drained the Johan De Deo heritage adit and sampled four mineralised zones which had been mined in the past. All of these zones returned high grade gold and silver assay results.

Goldschramm consists of at least five steeply dipping (65–90°) veins up to 1.0 metre thick. Although these veins were mined in the past, there was likely no production deeper than the Johan De Deo heritage adit level at approximately 450 metres RL. The width of the zone is approximately 85 to 90 metres (easternmost to westernmost vein). A total of 18 grab samples were collected from this zone from the floor and ceiling of the underground development tunnels with average assay results from all 18 samples returning 5.73 g/t gold and 416 g/t silver.

(ii) Drilling

Drilling results from Goldschramm and De Deo were as follows:

- Hole RDDD003: 0.6 metres @ 0.86 g/t Au and 38.8 g/t Ag from 178.4 metres.
- Hole RDDD004: 0.5 metres @ 4.59 g/t Au and 173.0 g/t Ag from 46.6 metres (in the main vein).
- Hole RDDD005: 0.3 metres @ 1.25 g/t Au and 33.9 g/t Ag from 22.4 metres (in the hanging wall).



Rudno exploration licence showing the main precious metal veins and the location of Prospech drill holes.

4.8 Pukanec Exploration Licence

(i) Geology, Mapping and Sampling

The licence is located in a Natura 2000 "Level Two" protection area which means that exploration and mining activity is permitted, subject to consent requirements that technical works have to be consulted with the local environmental office and a permit required prior to technical works being undertaken.

There are two groups of grab samples collected by Prospech in the Pukanec area. The first group PR0804-811 were collected in Michelka area, approximately two kilometres from Pukanec town. The average grade of these samples is 3.68 g/t gold and high grades are associated with the presence of manganese. The highest grade sample was PR0807, returning 9.80 g/t gold and 478 g/t silver.

The second group, PR0824-832 was collected on the northwest part of the tenement. This part was inspected because of known existence of old workings in the area, however these were thought to be insignificant. The samples do not show presence of any manganese minerals, but are very different from typical Pukanec material, with abundant coarse crystalline calcite gangue and small inclusions of sulphides (sphalerite, galena). The average of all nine samples is 3.58 g/t gold and 56 g/t silver.

Significant supergene effects are thought to occur with this prospect and future work may include a clay sampling program to determine the core of the mineralised system with over 800 individual workings.

In 1995, a third party completed 89 trenches totalling 7,276 metres across the areas of old surface workings. Trenches were completed by excavator to at least 1 metre depth through the old workings. A significant intersection from the 1995 trenching is:

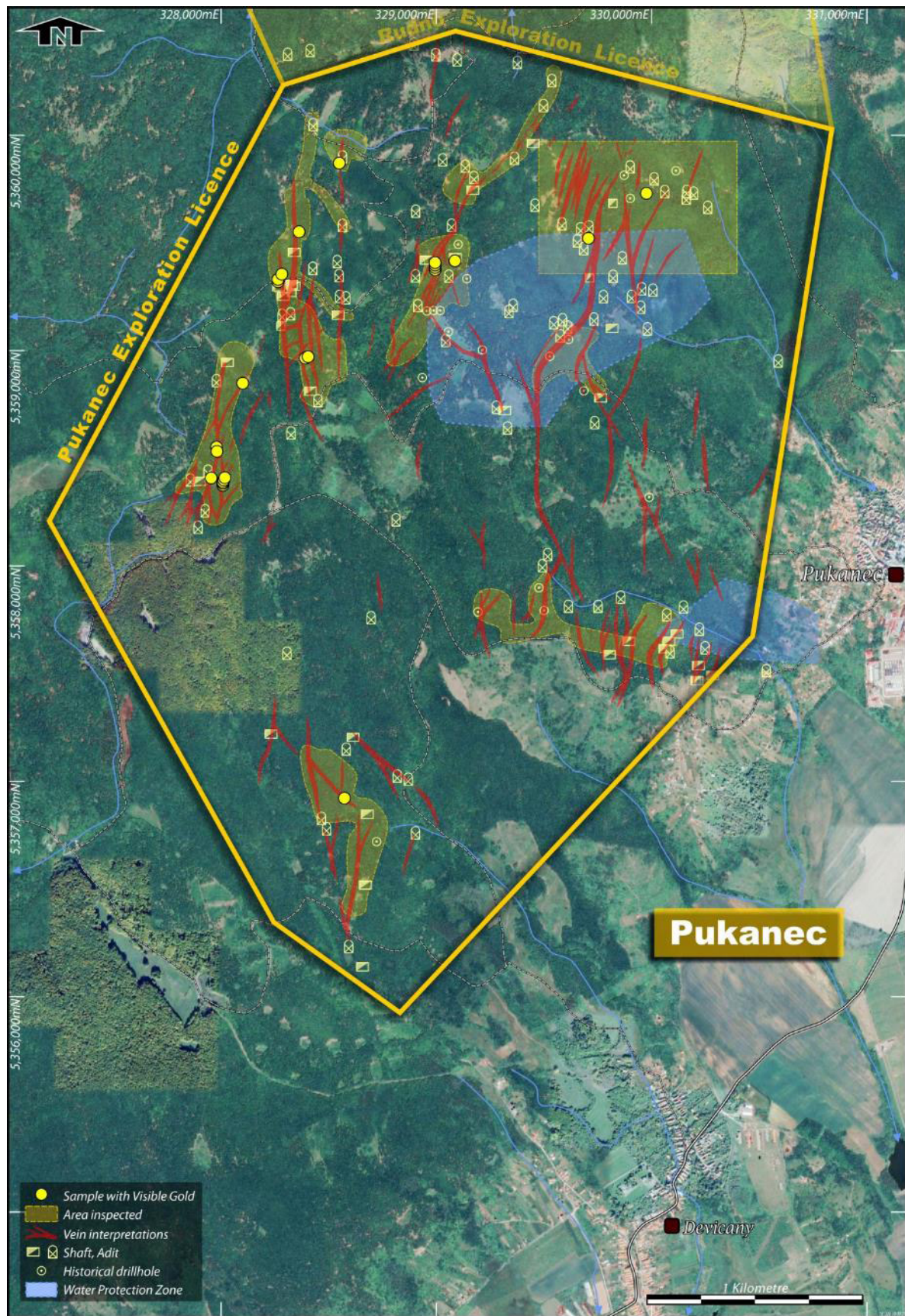
- PR2-2A-2B: 15 metres @ 2.1 g/t Au and 133 g/t Ag from 1 metre.

(ii) Drilling

Also in 1995, 21 holes totalling about 3,196 metres were drilled based on results from the trench and surface sampling. Significant problems were encountered with the drilling with over 50% core loss in mineralised sections reported. In the future, a percussion or triple tube diamond drilling technique is planned should the targets be drilled to enhance recoveries. Some significant intersections from the 1995 drilling are:

- AP15A: 6 metres @ 2.55 g/t Au and 104 g/t Ag from 44 metres; and
- AP21: 4 metres @ 1.12 g/t Au and 61 g/t Ag from 62.1 metres.

4. Projects



Pukanec exploration licence showing the extensive distribution of epithermal quartz veins and the samples showing visible gold. Assays are pending.

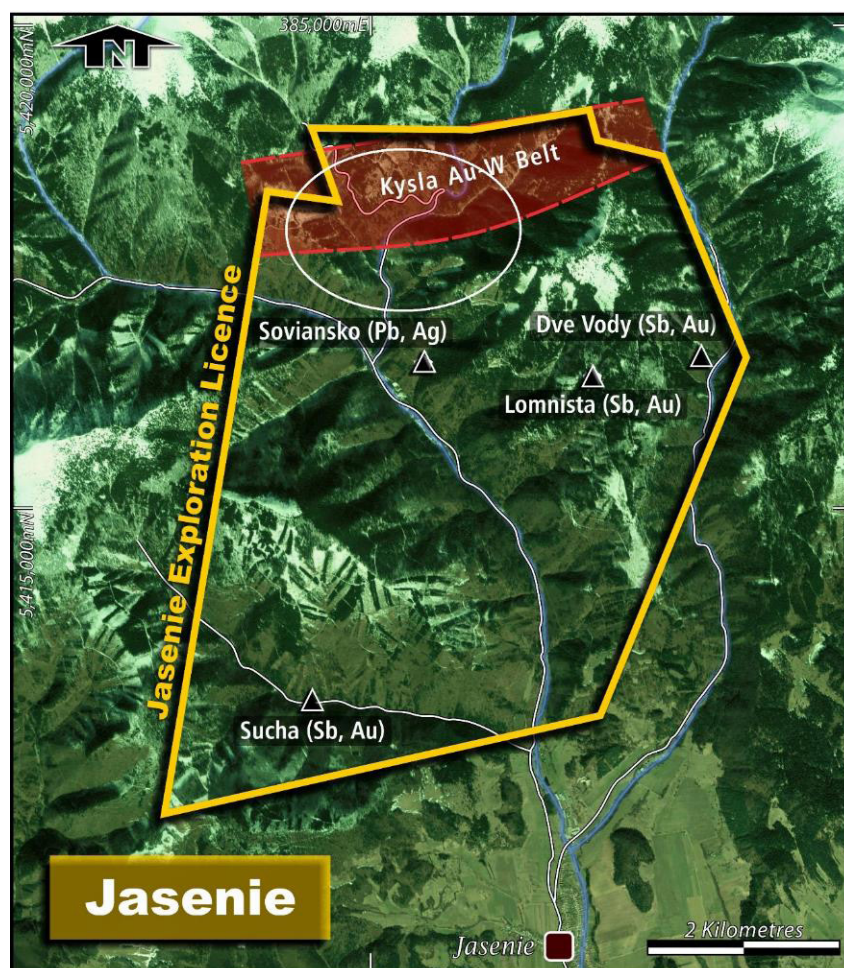
4.9 Jasenie Exploration Licence

The Jasenie exploration licence is located approximately 90 kilometres northeast of the Hodrusa–Hamre licence area on the southern side of the Nizke Tatry mountains, to the north of Jasenie village. The exploration licence was granted to the Company in May 2017. The licence is partly in a Natura 2000 “Level Two” protection area National Park buffer zone which means that exploration and mining activity is permitted, subject to certain conditions imposed by the Environmental Bureau of Slovakia.

The licence area hosts four known mineral prospects:

- Kysla (tungsten–gold)
- Soviansko (silver–lead)
- Lomnista (gold–antimony)
- Sucha (gold–antimony)

The Company’s main exploration efforts have focussed on Kysla. Work has included surface and underground rock chip sampling, compilation and digitisation of extensive historical exploration information and diamond drilling. Based on the extensive historical database backed up by modern sampling and drilling, Prospech has completed an Inferred Resource estimate for the Kysla prospect.



Jasenie exploration licence showing the location of the main, known prospects.

Historical data from the Soviansko silver–lead prospect has been digitally compiled and a 3D geological model constructed. In this case a resource estimate has not been attempted as there has been no modern sampling of the deposit.

4. Projects

(a) Kysla

(i) Geology, Mapping and Sampling

The history of modern mining activity at Kysla starts in the late 1950s, when an 18 kilometre long and 400 metre to 1,000 metre wide scheelite-gold anomaly was identified on the southern slopes of the Nízke Tatry mountains. Exploration adits with a total length of 13 kilometres were driven in the 1980s.

Quartz veins up to 9.0 metres wide and with an average 1.5 metre width contain the highest gold concentrations, whereas scheelite (tungsten) occurs predominantly in stockwork zones.

Prospech has taken 86 surface, rock chip samples of outcrop, mullock and float and 53 underground samples in adit 4. The sampling was designed to confirm the presence of gold and tungsten in the prospect area and many samples appear to generally confirm the level of mineralisation reported in the government sampling.

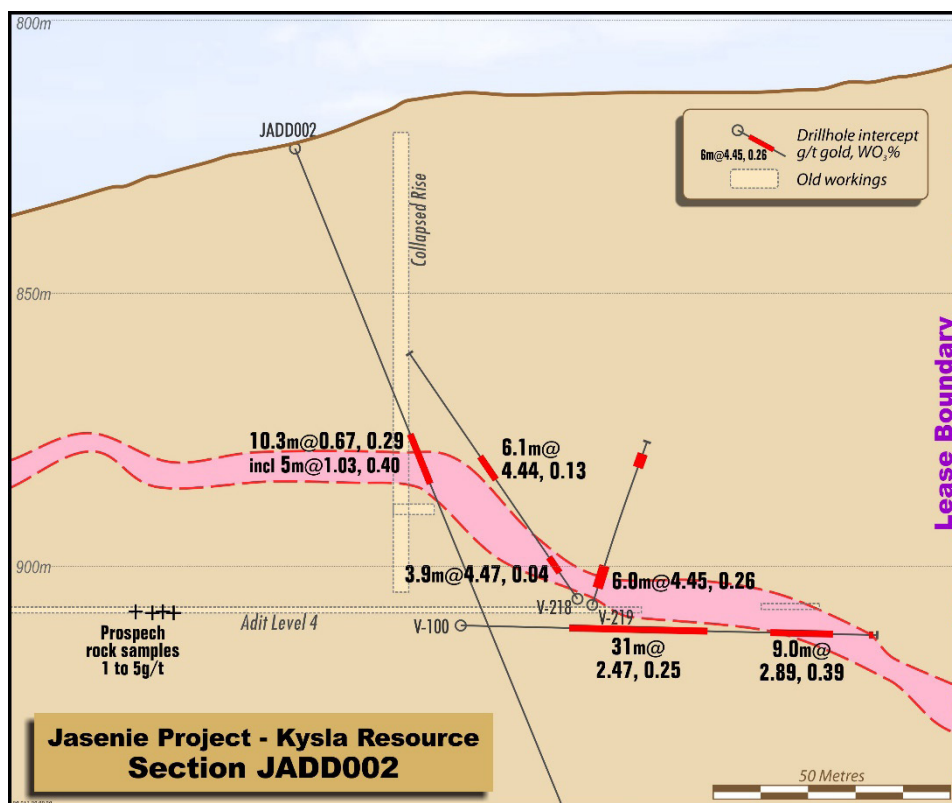
The average of three assays collected by the Company from a structure in the adit level 4, was 9.61 g/t gold. In a surface area of high grade gold, 13 rock chip samples averaged 8.58 g/t gold. Historical mining and prospecting pits, identified by surface mapping, potentially represent an extension of the high grade gold structure for at least 900 metres strike length.

(ii) Drilling

Prospech has completed four drill holes at Kysla for 761.1 metres. Those holes were designed to confirm historic grade in the underground workings to add confidence to the in-house Inferred Resource estimate and to test a newly recognised high grade gold structure. Drill hole locations in relation to the block model for the Inferred Resource estimate are shown below. Holes JADD002 and JADD004 intersected significant mineralisation within the two main mineralised areas used in the mineral resource estimate.

The significant intersection from the drilling are:

- JADD002: 10.3 metres @ 0.67 g/t Au and 0.29% WO₃ from 57.7 metres;
 - including: 5.0 metres @ 1.03 g/t Au and 0.40% WO₃ from 63.0 metres;
- JADD003: 7.0 metres @ 0.18 g/t Au and 0.88% WO₃ from 85.0 metres;
 - including: 2.0 metres @ 0.24 g/t Au and 2.46% WO₃ from 89.0 metres; and
- JADD003: 2.0 metres @ 1.33 g/t Au and 0.18% WO₃ from 175.0 metres.



Cross section showing drill hole JADD002 which intersected one of the modelled gold-tungsten zones.

(iii) Mineral Resource Estimate

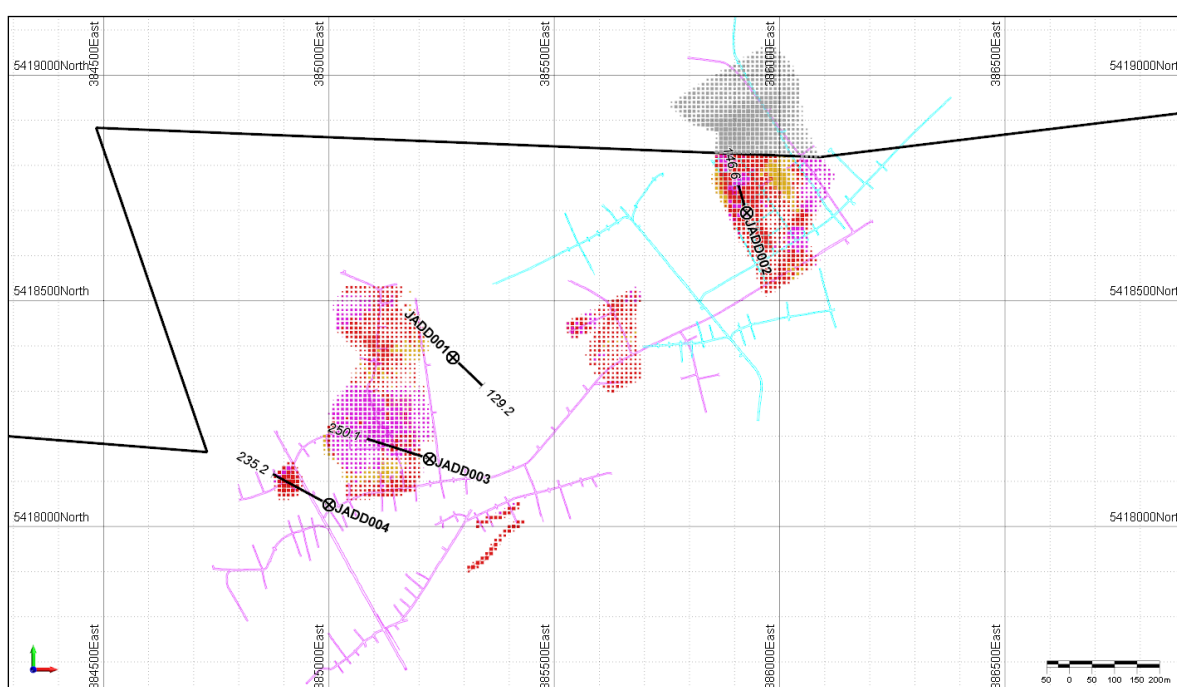
In late 2018, the Company completed a gold-tungsten Mineral Resource estimate for the Kysla prospect within the Jasenie exploration licence area. The resource estimate was principally based on exploration activities carried out between 1987 and 1992, which included 221 surface and underground drill holes and 13 kilometres of underground tunnels, much of which was channel sampled and assayed for gold and tungsten. This historic data has been supported by exploration drilling and underground sampling done by the Company.

The highly detailed, 3-dimensional information would normally support a higher mineral resource classification than Inferred, but in this case, due to the limited amount of modern sampling and drilling, it was appropriate to use the Inferred classification.

The Kysla Inferred Mineral Resource estimate reported in accordance with the JORC (2012) Code is:

- 1.82 million tonnes at 1.22 g/t Au and 0.36% WO₃ = 71,000 ounces gold and 6,612 tonnes WO₃.

Based on the block model diagram below, the resource is based on small segments of the total strike of the deposit and further drilling is likely to provide additional data density to expand the resource.



Plan view of the Kysla mineral resource block model showing Prospech drill holes. Coloured blocks are gold-tungsten mineralised, grey-coloured blocks are located outside the Prospech lease boundary (thick black line) and are not reported in the resource estimate. Extensive underground exploration tunnels shown in magenta (Level 3) and Cyan (Level 4)

(iv) Metallurgical Testwork

Historical metallurgical testwork has indicated the potential to produce a sulphide gold concentrate for sale or further processing. Tungsten concentrates were also produced although commercial concentrate grades of WO₃ were not achieved.

The Company is planning to carry out a metallurgical testwork program at a reputable Canadian laboratory, to build on the historical knowledge base.

Further drilling of the Kysla target is contingent on encouragement from the metallurgical testing program.

(b) Soviansko

(i) Geology, Mapping and Sampling

The Soviansko prospect comprises a set of 14 narrow, sub-vertical structures hosting silver-lead mineralised veins. The vein-system strikes north-east and dips variably at approximately 65 degrees to the north-west. The veins have been delineated by exploration tunnels and channel sampling on six levels spaced between 25 and 40 metres apart. There is no record of significant historical mining activity.

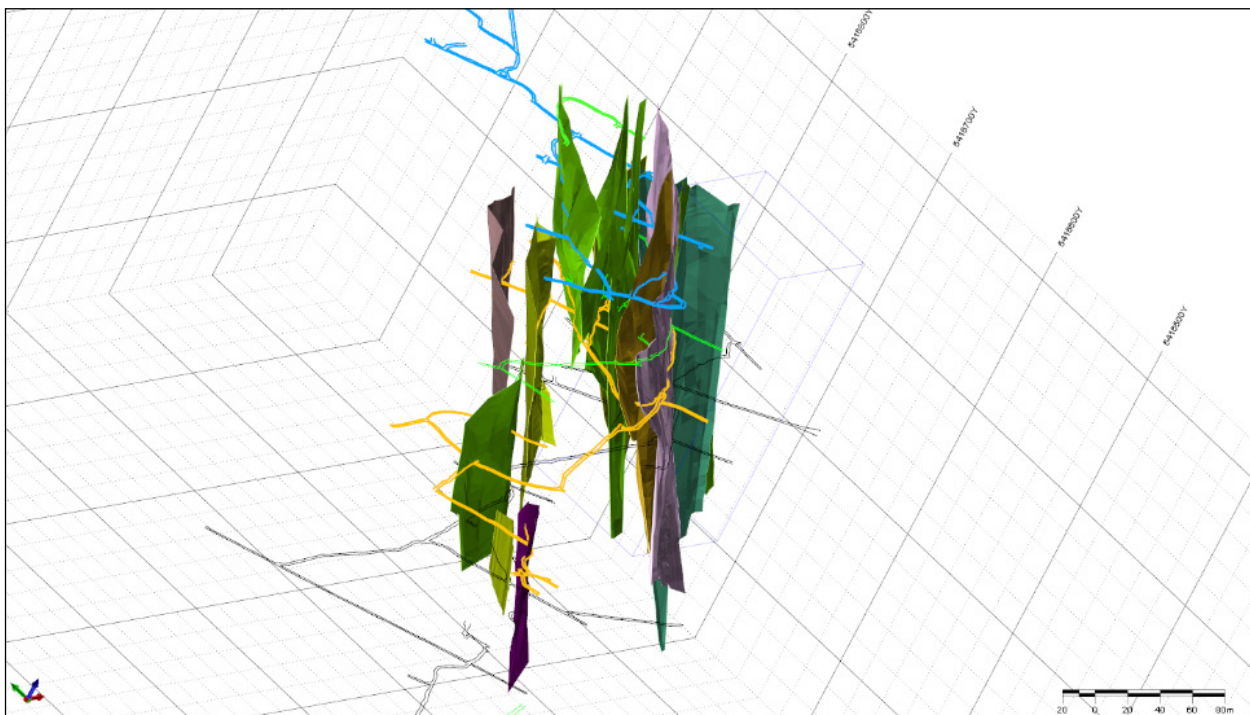
4. Projects

Paper records consisting of level-plans and sections were digitised and a 3D vein model created in Micromine geological software.

A historical database of 673 channels samples, all located in 3D space, averaged 0.41 metres in thickness, 90 g/t silver and 3.1% lead.

Some of the better historical channel samples were:

- Channel sample JGS/25: 2.20 m @ 202 g/t Ag and 6.13% Pb,
- Channel sample JGS/33: 0.60m @ 819 g/t Ag and 13.42 % Pb
- Channel sample JGS/01: 1.35m @ 143 g/t Ag and 9.61% Pb
- Channel sample JGS/32: 0.61m @ 528 g/t Ag and 16.22% Pb
- Channel sample JAS/16: 1.10 m @219 g/t Ag and 9.39 % Pb
- Channel sample JGS/35: 0.70m @219 g/t Ag and 16.63 % Pb



Soviansko 3D silver-lead vein geological model showing underground exploration tunnels on six levels.

(ii) Drilling

The Company has not conducted drilling at Soviansko. Further evaluation of the overall exploration potential of the system is needed prior to the formulation of a drilling proposal.

4.10 Cejkov-Zemplin Exploration Licence

(i) Geology, Mapping and Sampling

The Cejkov-Zemplin exploration licence was pegged by the Company over open ground and the exploration licence was granted in late 2018.

Epithermal veins rich in silver-lead-zinc are hosted in rhyodacite and quartz-diorite porphyry. Outcrop is mostly covered by a thin layer of aeolian sand and soil. The veins are interpreted to be several hundred metres long, strike north-south and are observed to be up to 3.5 metres thick in drill holes.

The epithermal system does not outcrop on the surface and no historical mining has been carried out.

The sphalerite is a honey colour indicating low temperature deposition as shown in the figure below. From chalcedonic vein textures in limited float samples, Prospech geologists believe this to be a fully preserved epithermal system with typical low temperature chalcedony in the upper parts of the veins. Precious metals are associated with base metal sulphides (sphalerite, galena).

Several holes, up to 200 metres deep, have been drilled by the Slovak Geological Survey. Two of these holes intersected epithermal veins carrying high grades of silver, lead and zinc:

- Hole VS-19: 2.5 metres @ 514 g/t Ag, 13.4% Pb, 8.3% Zn from 95.0 metres; and
- Hole VS-20: 3.7 metres @ 127 g/t Ag, 10.2% Pb, 11.6% Zn from 145.1 metres.

Generally, the gold content was less than 1.0 g/t.



High grade base metal mineralisation in historic hole VS-20.

An ionic leach geochemical survey was completed in late 2019. This type of sampling has been shown to be able to “see through” post-mineral cover rocks to enable better understanding of the underlying mineralised system.

(ii) Drilling

Prospech has not yet completed any drilling on this tenement however confirmatory drilling is planned for the 2021 summer drilling season.

4.11 Additional Opportunities

Since acquiring its initial interests in the Hodrusa-Hamre and Nova Bana exploration licence areas, the Company has successfully applied for and been granted exploration licences covering the Jasenie, Rudno, Pukanec and Cejkov-Zemplin exploration licences.

Numerous other exploration licence areas have been assessed and have not been pursued. The Company’s qualified personnel will continue to assess further properties but is mindful that the Company’s current portfolio of projects provided a wide range of exploration targets and exploration of these projects will be the Company’s focus.

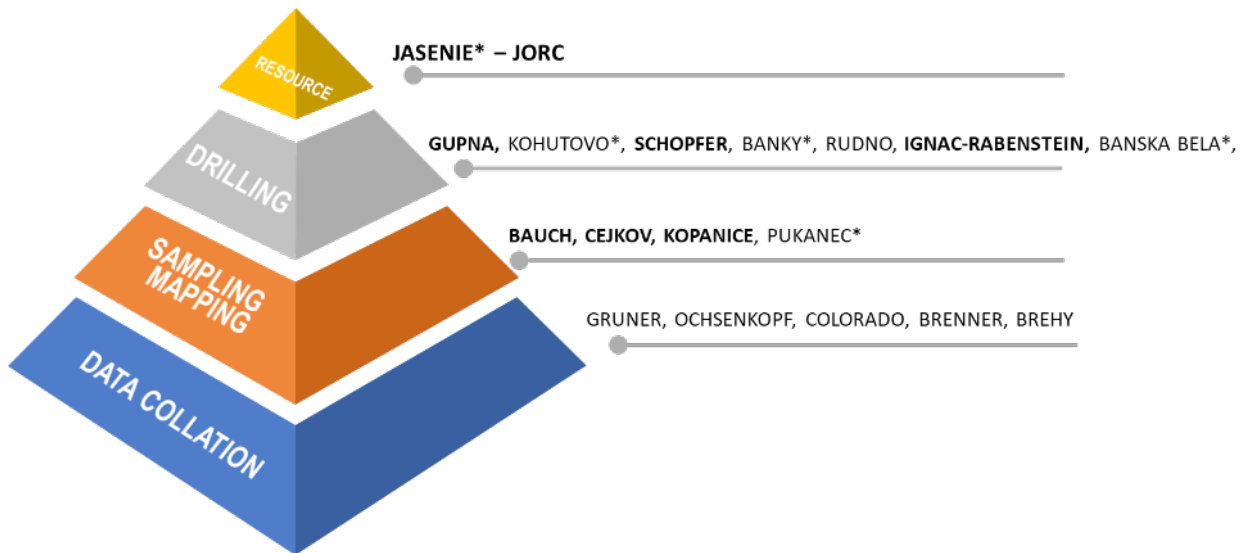
4.12 Exploration Target

Based on centuries of extensive historical mining activity and modern-day exploration encouragement, the Directors consider that there is evidence to support the proposition that the Company’s exploration licences, which total approximately 204km², may host undiscovered deposits of gold, silver and other potentially commercially exploitable metals such as lead, zinc, tungsten, copper and antimony.

In order to quantify this potential, Exploration Targets have been estimated based on historic production, drill assays and surface sampling (all known occurrences known over 1.0 g/t gold described in sections 4 and 10). Datasets used to determine the grade and tonnage ranges included historical production records, surface sampling, modern drilling results and, where appropriate, 3D modelling of voids and interpreted solids of interpreted vein zones.

These Exploration Targets will be refined and updated as further data from the Company’s ongoing exploration activities becomes available.

4. Projects



Provisional ranking of Prospech's Exploration Targets. (Note. Asterisks indicate prospects drilled by 3rd parties prior to the Company's involvement).

Prospech's objective is primarily the definition of gold and silver mineral resources. Highlighted prospects are drill-ready and over 60 holes are currently permitted and 105 other holes are planned. The ranking of drill targets takes into account grade and tonnage of the Exploration Target and perceived ability to progress to Mineral Resource estimations in due course.

Based on a review of historical exploration data, including 3D digitisation of some of the historical mining plans and sections, the Company has identified a number of Exploration Targets where gold rich veins are known to exist but have yet to be drilled or only sparsely drilled. These Exploration Targets are described and quantified in the following Table

Project	Prospect	Basis for Estimation				
Main Caldera						
Hodrusa	Ignac- Jozef - Rabenstein - Banky - Bauch	Ignac and Banky only drilled first pass - Open				
Hodrusa	Schöpfer vein	Surface and underground drilled - Surface samples				
Hodrusa	Kopanice (Hlavná and Zlatá)	Surface Drilled and Trenches				
Hodrusa	Alžbeta Unverzagt Anton	3D modelled - 50m zone up to 4g/t Au 400 g/t Ag				
Hodrusa	Vyhne-Klokoč	Surface Drilled - 3D modelled				
Hodrusa	Grüner-footwall (Štefan)	Based on 3D model				
Hodrusa	Ochsenkopf (Roxner)	More modelling required				
Hodrusa	Colorado (Melango)	3D modelled				
Hodrusa	Brenner	Evaluation Stage				
Hodrusa	Banská Belá system	Surface Drilled by Atalaya in 1990s				
Western Flank						
Nova Bana	Gupna	Drilled - Permitting Shallow Drilling - 3D modelled				
Rudno	Rudno	Drilled First pass				
Pukanec	Pukanec	Collating 1990s drilling and trenching with sampling				
Nova Bana	Kohutovo	Drilled - 3D modelled				
Eastern Slovakia						
Jasenie	Kysla - Gold Tungsten*	Inferred JORC - Open Au and WO ₃				
Jasenie	Soviasko - Silver Lead	3D modelled - Surface samples				
Jasenie	Lomnista - Gold Antimony	Surface samples				
Jasenie	Sucha - Gold Antimony	Surface samples				
Cejkov	Cejkov- Silver Lead Zinc Gold	Drilled 1990s - Recent ionic leach soil sampling				
		Tonnes (Millions)	Grade (Au g/t)	Grade (Ag g/t)	Au Ounces (Millions)	Ag Ounces (Millions)
Exploration Target Range Minimums		15	3	100	1.4	48
Exploration Target Range Maximums		16	8	400	4.1	206

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. To ascertain the existence or otherwise of Mineral Resources according to the guidelines of the 2012 edition of the JORC CODE, will require additional drilling which is intended to be carried out over the next two to five years.

4. Projects

4.13 Summary and Outlook

Hodrusa-Hamre, Nova Bana, Rudno, Pukanec, Jasenie and Cejkov-Zemplin project areas have relatively little modern exploration and recent drill encouragement.

Exploration prospectivity of the Hodrusa-Hamre project has been enhanced by the breakthrough in the geological understanding that the gold deposit being exploited at the nearby, and still operating, Rozalia Mine, was controlled by a major Detachment Fault (the LANF) which projects extensively into the Company's Hodrusa-Hamre exploration licence.

At all projects, Prospech is seeking the discovery of high grade deposits which can be profitably mined by underground or open pit methods and processed in a manner similar to the operating and neighbouring Rozalia Mine.

The Exploration Targets in this Prospectus are based on proposed exploration programs and have been estimated based on historical records of past mining activities and in some instances supported by modern exploration results including drilling.

4.14 Competent Person Statement

The information in this Prospectus that relates to Exploration Results, Exploration Targets and Mineral Resources of the Company has been reviewed by Matthew Houston, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Matthew Houston has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Houston consents to the inclusion in this Prospectus of the matters based on the information in the form and context in which they appear. The potential quantity and grade of an Exploration Target is conceptual in nature in that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

5.1 Earn-in Agreement and Share and Rights Sale and Purchase Agreement

On 22 December 2014, the Company entered into an agreement (**Earn-in Agreement**) to earn up to an 81% interest in Slovenské Kovy, s.r.o. (**SLOK**), a then 100% owned Slovakian subsidiary company of EMED Mining Public Limited (subsequently renamed Atalaya Mining plc. (Atalaya)), the 100% holder (at the time) of the Hodrusa-Hamre exploration licence and Nova Bana exploration licence.

In October 2015, the Nova Bana exploration licence was transferred to Prospech Slovakia s.r.o (Prospech SK), a wholly owned subsidiary company of the Company, pursuant to an Addendum to the Earn-in Agreement was entered into by the Company and Atalaya.

On 10 October 2017, the Company entered into a Share and Rights Sale and Purchase Agreement with Atalaya (**SPA**), pursuant to which Atalaya transferred its remaining 19% interest in SLOK to the Company. Under the terms of the SPA:

- the Earn-in Agreement and a joint venture agreement between the Company and Atalaya dated 31 January 2017 were both terminated;
- the Company issued 937,500 Shares to Atalaya at an issue price of \$0.16 per Share; and
- the Company issued 468,750 Options with an exercise price of \$0.25 to Atalaya and an expiry date of 30 September 2019 (**Atalaya Options**). None of the Atalaya Options were exercised and all of the Atalaya Options have since lapsed.

The Company now owns 100% of the issued share capital in both SLOK and Prospech SK, which are the holders of 100% of the exploration licences detailed in section 5.2.

5.2 Exploration licences

The Company, through its wholly owned subsidiaries, SLOK and Prospech SK, holds the below exploration licences in Slovakia. Exploration licences in Slovakia have tenure of 10 years after which the licences can be converted to mining leases or an application made for an additional renewal of the exploration licence period. Exploration licence area reductions are not compulsory and annual rental fees are calculated as follows:

	Period	Rental Fee (€/Km ²)
Initial application	4 years	100
First renewal	4 years	200
Second renewal	2 years	350
All subsequent renewals	1 year – subject to approval	700

Tenement Name and Number	Area (km ²)	Valid till	Annual Tenement Fee	Licence Holder
Hodrusa-Hamre – P8/15	101.92	15/05/2023	€20,400	Slovenské Kovy s.r.o.
Nova Bana – P22/15	18.14	30/11/2023	€3,900	Prospech Slovakia s.r.o.
Rudno – P6/17	14.26	9/05/2021	€1,500	Prospech Slovakia s.r.o.
Pukanec – P20/17	10.71	7/09/2021	€1,100	Prospech Slovakia s.r.o.
Jasenie – P10/17	29.41	24/05/2021	€3,000	Prospech Slovakia s.r.o.
Cejkov-Zemplin – P14/18	29.23	21/11/2022	€3,000	Prospech Slovakia s.r.o.
Total	203.67		€28,800	

Refer to the Solicitor's Report on Tenements in section 11 for further information on the exploration licences.

5. Material contracts

5.3 Lead Manager Mandate Letter

The Company entered into a mandate letter with Peloton Capital Pty Ltd (**Lead Manager**) on 14 July 2020 pursuant to which the Lead Manager was appointed as lead manager to provide services to the Company with respect to the IPO and a pre-IPO raise (**Mandate Letter**).

Under the terms of the Mandate Letter, the Company issued 312,500 Shares, valued at \$50,000 at the time, to the Lead Manager for services in relation to the pre-IPO raise. The Company will pay to the Lead Manager a placement fee of 6% of funds raised under the Offer. The fees are exclusive of GST. The Lead Manager will also be paid a success option fee in the form of 5,000,000 Lead Manager Options, the terms of which are summarised in section 12.4.

Additionally the Company has agreed to pay the Lead Manager a monthly retainer of \$10,000 per month, for a period of six months, commencing on the successful listing of the Company on the ASX, for the purpose of providing corporate advisory services to the Company during the six month period.

The Lead Manager is entitled to be reimbursed for its reasonable costs and expenses associated with the performance of its services under the Mandate Letter.

The Mandate Letter may be terminated for convenience by either party with 30 days' written notice. The Company indemnifies the Lead Manager, its related body corporates and their respective representatives from and against all claims against, liabilities and loss suffered or incurred by, any indemnified party in connection with the Mandate Letter.

5.4 Managing Director Executive Consultancy Agreement

The Company has entered into an executive consultancy agreement with a company associated with Managing Director, Mr Jason Beckton, in which the consultancy company agrees to make Mr Beckton available to perform the duties and responsibilities of the role of Managing Director. Terms of the agreement are summarised in section 7.3.

5.5 Executive Director Executive Consultancy Agreements

The Company has entered into an executive consultancy agreement with a company associated with its Chief Financial Officer and Executive Director, Mr Peter Nightingale, in which the consultancy company agrees to make Mr Nightingale available to perform the duties and responsibilities of the role of Chief Financial Officer and Executive Director. Terms of the agreement are summarised in section 7.3.

The Company has also entered into an executive consultancy agreement with a company associated with its Executive Director, Mr John Levings, in which the consultancy company agrees to make Mr Levings available to perform the duties and responsibilities of the role of Executive Director. Terms of the agreement are set out in section 7.3.

5.6 Non-Executive Chairman Engagement Letter

The Company has entered into a letter of engagement with its Non-Executive Chairman Thomas Mann confirming his appointment and terms of engagement. Terms of the agreements are summarised in section 7.3.

5.7 Service Agreement with MIS

The Company entered into a corporate and administrative services agreement with MIS Corporate Pty Ltd (**MIS**), an entity in which Peter Nightingale holds an interest, on 1 September 2020, under which MIS provides a range of corporate and administrative services to the Company, including rental accommodation, administrative staff, services and supplies. The Company currently pays MIS \$5,000 per month which will increase to \$10,000 per month commencing on the successful listing of the Company on the ASX. The fee will be reviewed on a quarterly basis by MIS and the Company. The agreement may be terminated at any time by either Prospech or MIS by giving one month's notice in writing to the other party.

5.8 No other material contracts

Other than as disclosed in this section and elsewhere in this Prospectus, there are no other material contracts relating to the Company or its business.

6.1 Overview

An investment in the Company will be exposed to a number of risks.

Risks that the Directors believe are key risks are described under the headings “Risks related to the Company’s business and risks related to the industry in which the Company operates” (refer to section 6.2) and “Risks related to the Offer and an investment in Shares” (refer to section 6.3).

The key risks are the risks that senior management and the Directors focus on when managing the business of the Company and have the potential, if they occurred, to result in significant consequences for the Company and an investment in it.

There are also risks that are common to all investments in shares and which are not specific to an investment in the Company; for example, the general volatility of share prices including as a result of general economic conditions (including monetary and fiscal policy settings as well as exchange and interest rates) in Australia and elsewhere and other events outside the usual course of the Company’s business such as acts of terrorism or war.

Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position before investing in the Company. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional advisor before deciding whether to invest.

Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position before investing in the Company. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional advisor before deciding whether to invest.

6.2 Risks related to the Company’s business and risks related to the industry in which the Company operates

The risks related to the Company’s business and risks related to the industry in which the Company operates are summarised below.

Risks related to the Company’s business and risks related to the industry in which the Company operates	
Risk	Description of risk
COVID-19 risk	<p>The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals, and governments to operate. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the pandemic on the Company’s business (or on the operations of other businesses on which it relies), and there is no guarantee that the Company’s efforts to address the adverse impacts of COVID-19 will be effective. The impact to date has included periods of significant volatility in financial, commodities and other markets. This volatility, if it continues could have an adverse impact on Prospech’s people, communities, suppliers or otherwise on its business, financial condition and results of operations.</p> <p>The pandemic may lead to delays or restrictions regarding land access and the Company’s ability to freely move people and equipment to and from the Company’s exploration projects, leading to delays and cost increases.</p> <p>There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions.</p> <p>The impact of some or all of these factors could cause significant disruption to the Company’s operations and financial performance.</p>

6. Risk factors

Risks related to the Company's business and risks related to the industry in which the Company operates

Risk

Description of risk

Exploration risk

The Company's exploration licences are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these licences, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

Mineral Resources risk

The Jasenie mineral resource estimate described in this Prospectus is based on historic work previously done on the properties and work done by the Company. The report was prepared using information as at a specific date. The Company may undertake revisions to its respective mineral resource estimates based upon actual exploration and production results, depletion, new information and fluctuations in production and economic parameters. These factors may result in reductions in its mineral resource estimates, which could adversely affect plans and values.

Mineral Resources, which are not Ore Reserves, do not have demonstrated economic viability. An Ore Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

The mineral resource estimate falls into the Inferred category. Inferred Resources provide a low level of confidence in the continuity of grade. Any reduction in grade could adversely affect plans and values detailed in this Prospectus.

Exploration Target estimates referred to in this Prospectus reflect corporate objectives based on previous mining and estimates of Slovak and predecessor reports.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target estimates are based on historic production, drill assays and surface sampling set out in sections 4 and 10 based on all known occurrences known over 1.0 g/t gold.

Development and production risks

Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.

Risks related to the Company's business and risks related to the industry in which the Company operates	
Risk	Description of risk
<i>Risks of operating in another country</i>	<p>The Company's exploration licences are located in Slovakia. The Company's operations are therefore subject to the laws and regulations of Slovakia. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.</p> <p>The success of the Company is dependent on the stability of the political, economic and legal situation in Slovakia. Any change in legislation could have an adverse effect on the Company.</p>
<i>Regulatory risks</i>	<p>The Company's operations require approvals from Slovakian regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. It is most likely that the development of any mining operation will be restricted to underground mining and processing without the use of cyanide. The Company cannot guarantee that any or all requisite approvals will be obtained. A failure to obtain any approval would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.</p>
<i>Commodity price risks</i>	<p>Commodity prices, including gold and silver, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.</p>
<i>Future funding risks</i>	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Hodrusa-Hamre and/or Nova Bana and/or Jasenie projects are successfully developed and production commences. Exploration and development costs and pursuit of its business plan will reduce the Company's current cash reserves and the amount raised under the Offer.</p> <p>Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.</p> <p>The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Existing Shareholders will be diluted.</p>
<i>Risk that the Company's management and key personnel may discontinue their services</i>	<p>The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.</p>

6. Risk factors

Risks related to the Company's business and risks related to the industry in which the Company operates	
Risk	Description of risk
Payment of dividends	<p>Payment of future dividends will depend on matters such as the future profitability and financial position of the Company and the other risk factors set out in this section 6. There is no assurance that the Company will be in a position or determine to pay dividends in the near future.</p>
Third party risk	<p>The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages a number of external contractors to provide exploration/drilling works.</p> <p>Financial failure, default, contractual non-compliance and the conduct on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.</p>
Insurance risk	<p>The Company insures its operations in accordance with industry practice.</p> <p>However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>
Operational risk	<p>The operations of the Company may be affected by various factors including logistics, occupational health and safety, environmental management and compliance and failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will mitigate these risks through management and supervision controls.</p> <p>In addition, the investments of the Company may be affected by various factors which are beyond the control of the Company, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.</p> <p>The operations of the Company may also be affected by natural disasters, epidemics, terrorist attacks and other disasters which may materially and adversely affect the economy in Australia and the Company's business.</p>
Title risk	<p>The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority.</p>

Risks related to the Company's business and risks related to the industry in which the Company operates	
Risk	Description of risk
<i>Metallurgical recoveries</i>	<p>When compared with many industrial and commercial operations, mining exploration projects are high risk. Each mineral deposit is unique and the nature of the mineralisation, the occurrence and grade, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling which represent a very small sample of the entire mineral deposit. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.</p> <p>The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the mineral deposit as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.</p>
<i>Actions of competitors</i>	<p>The Company may face competition from other entities in the mineral exploration sector which may have significant advantages including greater name recognition, longer operating history, lower operating costs, pre-existing relationships with current or potential clients and greater financial, marketing and other resources.</p> <p>Larger entities enjoy wider recognition and superior economies of scale. Any significant competition may adversely affect the Company's ability to meet its objectives.</p>
<i>Reliance on relationships and alliances</i>	<p>The Company has relationships with government, technical and advisory parties and other stakeholders in the industry. The Company's success, in part, depends upon continued successful relations with these parties.</p> <p>The loss of one or more of these relationships or a change in the nature or terms of one or more of these relationships may have a material adverse impact on the financial position and prospects of the Company.</p>
<i>Litigation risk</i>	<p>The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.</p> <p>The Company is currently involved in an ongoing dispute with a third party in relation to the Hodruša-Hámre exploration licence. Refer to section 12.13 for further details.</p>
<i>Environmental risks</i>	<p>The Company is subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties and the Company's social licence may be questioned in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.</p>

6. Risk factors

6.3 Risks relating to the Offer and an investment in Shares

The risks related to the Offer and an investment in Shares are summarised below.

Risks related to the Offer and an investment in Shares	
Risk	Description of risk
<i>Investment speculative</i>	<p>Investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.</p> <p>Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares offered under this Prospectus.</p>
<i>Liquidity and realisation risk</i>	<p>The Shares issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia or elsewhere.</p> <p>As such, there can be no guarantee that an active market in the Shares will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. Furthermore, the market price for Shares may fall or be made more volatile because of a potentially low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of Shares.</p>
<i>Stock market fluctuations</i>	<p>There are a number of risks associated with any stock market investment. The price of Shares may rise or fall in relation to the Offer Price and investors who decide to sell their Shares, after listing of the Company on ASX, may not receive the full amount of their original investment.</p> <p>The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company and its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.</p>
<i>Dependence on general economic conditions</i>	<p>The operating and financial performance of the Company will be influenced by a variety of general economic and business conditions. Any protracted downturn in Australia and world economic situation could be expected to have a material adverse effect on the Company's financial performance, financial position and cash flows.</p> <p>Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs and on gold and silver prices. The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for gold and silver as well as exchange rate movements.</p>
<i>Negative publicity may adversely affect the Share price</i>	<p>Any negative publicity or announcement relating to any the Company, the Company's substantial shareholders, key personnel or activities may adversely affect the share performance of the Company, whether or not this is justifiable.</p>

7. Board, management and corporate governance

7.1 Board of Directors

The Board has a broad range of experience in the mining industry, exploration and geology as well as commercial expertise. The Board is well positioned to implement the Company's strategic objectives. The following table provides information regarding the Directors, including their ages and positions.

Name	Age	Position
Thomas Mann	75	Non-Executive Chairman
Jason Beckton	50	Managing Director
Peter Nightingale	63	Executive Director and Chief Financial Officer
John Levings	64	Executive Director

7.2 Details of Directors

Details of each of the Directors are set out below.



Thomas Mann	
Role	Chairman, Non-Executive Director (appointed 26 September 2014).
Expertise	Mr Mann has over 30 years' experience in financial markets and global trade having established a global trading corporation with offices in North America and the Asia-Pacific. Mr Mann is actively involved in capital raising and strategic development initiatives for public and private companies. He retired as the Non-Executive Chairman of ASX listed Aeon Metals Limited in November 2016.
Independence or affiliations	Thomas Mann is independent.
Interests and remuneration	4,418,749 Shares held indirectly and 2,500,000 options held directly at the date of this Prospectus. \$80,000 per annum as Director fees.
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

7. Board, management and corporate governance



Jason Beckton

Role	Managing Director (appointed 26 September 2014).
Expertise	<p>Professional geologist with over 20 years' experience in exploration, project development, production and management in Australia and internationally.</p> <p>Mr Beckton commenced his career with Pancontinental and Goldfields Ltd throughout Australia from the early 1990s before moving to a senior role with Gympie Gold in 2001. Subsequently, he was Project Manager for the Palmarejo silver gold project in Mexico during 2004. More recently, Mr Beckton was Manager – Chile for Exeter Resource Corporation and led the team in 2007 that was responsible for the commercial discovery at the Caspiche Porphyry prospect in the Maricunga Gold Copper Belt of Chile.</p> <p>In 2013, Mr Beckton founded Redhill Magallanes SpA, currently drilling the Franceses bulk tonnage copper discovery in Region XII and Redhill Chile (Ibanez) SpA in Region XI, both assets are farmed out.</p>
Independence or affiliations	Jason Beckton is not independent.
Interests and remuneration	<p>160,157 Shares held directly and 3,750,002 Shares held indirectly and 3,125,000 options held directly at the date of this Prospectus.</p> <p>\$240,000 per annum in remuneration under the terms of an executive consultancy agreement between the Company and a company associated with Mr Beckton – refer to section 7.3.</p>
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

7. Board, management and corporate governance



Peter Nightingale

Role	Executive Director, Chief Financial Officer (appointed 26 September 2014).
Expertise	<p>Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.</p> <p>As a director or company secretary Mr Nightingale has, for more than 25 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals N.L., Mogul Mining N.L. and Bolnisi Gold N.L.</p> <p>Mr Nightingale is currently a director of ASX Listed Alpha HPA Limited and Nickel Mines Limited.</p>
Independence or affiliations	Peter Nightingale is not independent.
Interests and remuneration	<p>7,966,842 Shares held indirectly and 3,125,000 options held directly at the date of this Prospectus.</p> <p>\$120,000 per annum in remuneration under the terms of an executive consultancy agreement between the Company and a company associated with Mr Nightingale - refer to section 7.3.</p>
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

7. Board, management and corporate governance



John Levings

Role	Executive Director (appointed on 17 May 2016 as a Non-Executive Director and appointed Executive Director on 14 September 2020).
Expertise	<p>Mr Levings gained a Bachelor of Science degree from the University of Tasmania in 1977 and then worked for several years as a field geologist and geophysicist for Anglo American Limited. In 1985, as Chief Geologist for Australian Development Limited (later re-named Normandy Gold Limited), Mr Levings was responsible for the discovery of the high grade White Devil gold deposit (760,000 ounces of gold at 14.6 grams per tonne) in Tennant Creek. In 1986 Australian Development Limited was the best performing stock on the ASX on the back of this discovery. Relocating to Indonesia, Mr Levings became a founding partner of a successful geological consultancy which was very active during the 1990s. In more recent times, Mr Levings identified the Romang Island polymetallic opportunity which was acquired by Robust Resources Limited.</p> <p>He remains a director of Robust Resources Limited which is now an unlisted public company and is a Fellow of the Australasian Institute of Mining and Metallurgy.</p>
Independence or affiliations	John Levings is not independent.
Interests and remuneration	<p>507,313 Shares held directly and 1,250,000 options held directly at the date of this Prospectus.</p> <p>\$120,000 per annum as Director fees.</p>
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

7. Board, management and corporate governance

7.3 Consultancy agreements and letters of appointment

Consultancy Agreement – Managing Director

The Company entered into an executive consultancy agreement with a company associated with Jason Beckton, Beckton Gledhill Pty Ltd (**Beckton Gledhill**) on 10 September 2020. Under this executive consultancy agreement, Beckton Gledhill agrees to make Mr Beckton available to perform the duties and responsibilities of the position of Managing Director of the Company. Beckton Gledhill receives a monthly fee of \$19,000 (exclusive of GST), which will increase to \$20,000 on Completion. As a Director of the Company, Mr Beckton is also eligible to participate in the Company's Incentive Option Plan. As at the date of this Prospectus, Mr Beckton has been issued 3,125,000 Options under the Incentive Option Plan. Further details are set out in section 12.7.

The consultancy agreement may be terminated by the Company or Beckton Gledhill by either party giving three months' notice. The Company may terminate the consultancy agreement without notice in certain circumstances, including breach of contract, criminal activity or serious misconduct involving the consultancy company or Mr Beckton.

Consultancy Agreement – Chief Financial Officer and Executive Director

The Company has entered into an executive consultancy agreement with a company associated with Peter Nightingale, Rosignol Consultants Pty Ltd (**Rosignol**). Under this executive consultancy agreement, Rosignol agrees to make Mr Nightingale available to perform the duties and responsibilities of the position of Chief Financial Officer and Executive Director of the Company. Rosignol receives a monthly fee of \$5,000 (exclusive of GST), which will increase to \$10,000 on Completion. As a Director of the Company, Mr Nightingale will also be eligible to participate in the Company's Incentive Option Plan. As at the date of this Prospectus, Mr Nightingale has been issued 3,125,000 Options under the Incentive Option Plan. Further details are set out in section 12.7.

The consultancy agreement may be terminated by the Company or Rosignol by either party giving three months' notice. The Company may terminate the consultancy agreement without notice in certain circumstances, including breach of contract, criminal activity or serious misconduct involving the consultancy company or Mr Nightingale.

Consultancy Agreement – Executive Director

The Company has entered into an executive consultancy agreement with a company associated with John Levings, International Business Services Ltd (**IBS**). Under this executive consultancy agreement, IBS agrees to make Mr Levings available to perform the duties and responsibilities of Executive Director. IBS receives a monthly fee of \$10,000 (exclusive of GST). As a Director of the Company, Mr Levings is also eligible to participate in the Company's Incentive Option Plan. As at the date of this Prospectus, Mr Levings has been issued 1,125,000 Options under the Incentive Option Plan. Further details are set out in section 12.7.

The consultancy agreement may be terminated by the Company or IBS by either party giving three months' notice. The Company may terminate the consultancy agreement without notice in certain circumstances, including breach of contract, criminal activity or serious misconduct involving the consultancy company or Mr Levings.

The consultancy agreement has a commencement date of 14 September 2020 and continues until terminated in accordance with its terms.

Letter of Appointment – Non-Executive Chairman

The Company's Non-Executive Chairman Thomas Mann has entered into a Letter of Appointment with the Company to serve as Non-Executive Chairman. The Letters of Appointment provides that, amongst other things, in consideration for his services, the Company will pay Mr Mann \$40,000 per annum for his services, which increases to \$80,000 per annum on Completion.

As a Director of the Company, Mr Mann is also eligible to participate in the Company's Incentive Option Plan. As at the date of this Prospectus, Mr Mann has been issued 2,500,000 Options under the Incentive Option Plan. Further details are set out in section 12.7.

Service Agreement with MIS

On 1 September 2020, the Company entered into a corporate and administrative services agreement with MIS, an entity in which Peter Nightingale holds an interest – refer to section 5.7 for further details.

7. Board, management and corporate governance

7.4 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director:

- (a) has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; and
- (b) has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Executive Directors' fees and remuneration

Refer to section 7.3 for a summary of the fees and remuneration which are paid by the Company to certain of its Executive Directors and officers.

Each Executive Director is also entitled to be reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board and any committee on which he serves.

Non-Executive Chairman compensation

Refer to section 7.3 for a summary of the fees which are paid by the Company to its Non-Executive Chairman.

7.5 Directors' interests in securities

The tables below set out the interests of the Directors as at the date of this Prospectus and the date following completion of the Offer.

Shares

Director	Shares at the date of the Prospectus			Shares at the date of completion of the Offer		
	Number of Shares held directly	Number of Shares held indirectly	%	Number of Shares held directly	Number of Shares held indirectly	%
Thomas Mann	Nil	4,418,749	7.0%	Nil	4,418,749	5.0%
Jason Beckton	160,157	3,750,002	6.0%	160,157	3,750,002	4.4%
Peter Nightingale	Nil	7,966,842	12.6%	Nil	7,966,842	9.0%
John Levings	507,813	Nil	0.8%	507,813	Nil	0.6%

Options

Director	Options* at the date of the Prospectus		Options at the date of completion of the Offer	
	Number of Options held directly	Number of Options held indirectly	Number of Options held directly	Number of Options held indirectly
Thomas Mann	2,500,000	Nil	2,500,000	Nil
Jason Beckton	3,125,000	Nil	3,125,000	Nil
Peter Nightingale	3,125,000	Nil	3,125,000	Nil
John Levings	1,250,000	Nil	1,250,000	Nil

* The options have an exercise price of \$0.30, fully vested at the date of issue which was 30 September 2020 and expire 30 September 2023. Refer to section 12.5 for a summary of the terms of the Options.

7. Board, management and corporate governance

7.6 Corporate governance

The Board is responsible for the overall corporate governance of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company.

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. In addition to matters it is expressly required by law to approve, the Board has the following principal functions and responsibilities:

- formulation and approval of the strategic direction, objectives and goals of the Group;
- the prudential control of the Group's finances and operations, monitoring the financial performance and approving budgets and major expenditures of the Group;
- the resourcing, review and monitoring of performance of senior management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market;
- the establishment and maintenance of appropriate ethical standards;
- overseeing the integrity of the accounting and corporate reporting systems and the external audit process;
- approving the Group's remuneration framework; and
- monitoring the effectiveness of corporate governance practices.

In conducting business, the Board's objective is to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company's corporate governance principles and policies are structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX CGC Principles and Recommendations**), which are as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to add value
Principle 3	Instil a culture of acting lawfully, ethically and responsibly
Principle 4	Safeguard the integrity of corporate reports
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

The following is a summary of policies and procedures that have, or will be, adopted by the Company and in accordance with the ASX CGC Principles and Recommendations and lodged with the ASIC. The Company's Corporate Governance Statement as at 24 September 2020 is provided on the Company's website under the Corporate Governance Section and details any instances where the Company's corporate governance practices have not followed the Recommendations of the ASX CGC Principles and Recommendations.

7. Board, management and corporate governance

Board Charter

The Board Charter sets out the functions and responsibilities of the Board.

Board Committees

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish the following committees, each with written terms of reference:

- Audit and Risk Committee; and
- Remuneration and Nomination Committee.

Where the Board does not consider that the Company will gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

Code of Conduct

The Code of Conduct provides a set of guiding principles which are to be observed by all employees of the Group and addresses matters that are relevant to the Company's legal and ethical obligations to its Shareholders. The Code of Conduct outlines requirements in respect of the Directors' discharge of their duties, relationships, compliance with laws and ethics, conflicts of interest and confidentiality.

Securities Trading Policy

The Securities Trading Policy sets out the Company's policy with regard to trading in the Company's securities. The Security Trading Policy applies to all Directors, key management personnel and other employees of the Company and their associates. The Security Trading Policy outlines the general prohibition on insider trading, restrictions on trading, how permission to trade must be sought, what are trading windows and closed periods for trading, and how proposed trading in securities must be notified to the Company.

Continuous Disclosure Policy

The Continuous Disclosure Policy sets out how the Company will comply with the continuous disclosure requirements of the ASX Listing Rules and how Shareholders are to be informed of all material developments in respect of the Company.

Risk Management Policy

The Risk Management Policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation and discussion at Board meetings.

Diversity Policy

The Board values diversity and recognises the benefits it can bring to the business' ability to achieve its goals. Accordingly, the Company has set in place a diversity policy which includes requirement for the Board, at the appropriate time and subject to the Company's size and operations, to achieve measurable objectives for achieving diversity, and the Board to assess annually both the objectives, and the Company's progress in achieving them.

Anti-bribery and Corruption Policy

The Company is committed to complying with all laws of the jurisdictions in which it operates, including those related to bribery and corruption. The Anti-bribery and Corruption Policy outlines the Company's position on bribery and other corrupt behaviour and the responsibilities of the Directors, officers, executives, employees, contractors and advisors in observing and upholding the Company's position against bribery and corruption.

Whistleblower Policy

The Company has adopted a Whistleblower Policy which encourages employees to raise any concerns and report instances of illegal or unethical behaviours, without fear of reprisal. This policy establishes the mechanisms and procedures for employees to report unethical conduct in a manner which protects the whistleblower and gathers the necessary information for the Company.

Copies of these charters, codes and policies are available in full on the Company's website at www.prospech.com.au.

8.1 Introduction

This section contains the historical financial information and a pro forma Statement of Financial Position of the Company and its controlled entities (**Financial Information**) that the Directors consider relevant to investors.

The Financial Information in this section comprises:

- historical financial information, being the Company's:
 - Consolidated Statement of Financial Position as at 30 June 2020;
 - Consolidated Statement of Comprehensive Income for the six months to 30 June 2020 and for the years ended 31 December 2019 and 31 December 2018; and
 - Consolidated Statement of Cash Flows for the six months to 30 June 2020 and for the years ended 31 December 2019 and 31 December 2018.
- a Pro Forma Statement of Financial Position prepared based on the Company's Consolidated Statement of Financial Position as at 30 June 2020 and adjusted for certain subsequent events and the transactions resulting from the Offer pursuant to this Prospectus.

The information in this section 8 should also be read in conjunction with the risk factors set out in section 6 and other information contained in this Prospectus.

8.2 Basis of preparation and presentation of the Financial Information

The historical financial information has been extracted from the Company's consolidated financial statements for the years ended 31 December 2019 and 31 December 2018, which were audited by KPMG in accordance with Australian Auditing Standards, and for the six months to 30 June 2020, which were reviewed by KPMG in accordance with Australian Auditing Standards applicable to review engagements.

KPMG issued unmodified audit opinions on the financial statements for the years ended 31 December 2019 and 31 December 2018 and an unmodified review conclusion on the financial statements for the six months to 30 June 2020. As the Company required additional funding to continue its planned activities, the audit and review reports included an emphasis of matter in relation to material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, however the audit opinions and review conclusion were not modified in this regard. The Directors are of the view that, following receipt of the proceeds of the Offer, the Company will have sufficient funding to pursue these activities and continue as a going concern.

The Pro Forma Statement of Financial Position has been derived from the historical statement of financial position as at 30 June 2020 and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer, as if those events and transactions had occurred at 30 June 2020.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and with the significant accounting policies set out in Section 8.8.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Directors are responsible for the preparation and presentation of the Financial Information. RSM Corporate Australia Pty Ltd has undertaken a review and prepared an Investigating Accountant's Report with respect to the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Section 9.

8. Financial information

8.3 Historical and Pro forma Statement of Financial Position

The table below sets out the Company's reviewed Consolidated Statement of Financial Position as at 30 June 2020 and the pro forma Statement of Financial Position.

The pro forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Statutory Reviewed 30 June 2020 \$	Subsequent events Unaudited 30 June 2020 \$	Other pro forma Adjustments Unaudited 30 June 2020 \$	Pro forma Unaudited 30 June 2020 \$
Assets				
Current assets				
Cash and cash equivalents	57,198	750,000	4,500,000	5,307,198
Trade and other receivables	10,046	-	-	10,046
Prepayments	2,305	-	-	2,305
Total current assets	69,549	750,000	4,500,000	5,319,549
Non-current assets				
Exploration and evaluation expenditure	5,495,822	-	-	5,495,822
Plant and equipment	16,330	-	-	16,330
Total non-current assets	5,512,152	-	-	5,512,152
Total assets	5,581,701	750,000	4,500,000	10,831,701
Liabilities				
Current liabilities				
Trade and other payables	498,525	(461,361)	-	37,164
Total current liabilities	498,525	(461,361)	-	37,164
Total liabilities	498,525	(461,361)	-	37,164
Net assets	5,083,176	1,211,361	4,500,000	10,794,537
Equity				
Issued capital	6,767,823	1,211,361	4,200,000	12,179,184
Reserves	927,259	424,319	460,000	1,811,578
Accumulated losses	(2,611,906)	(424,319)	(160,000)	(3,196,225)
Total equity	5,083,176	1,211,361	4,500,000	10,794,537

Subsequent events relate to the following matters:

- The pre-IPO equity issue of 7,500,000 Shares in July 2020 at \$0.10 per Share which raised \$750,000 (4,687,500 Shares at \$0.16 per Share on a post-Consolidation basis).
- The issue of 312,500 Shares to the Lead Manager at an issue price of \$0.16 per Share in connection with the pre-IPO equity issue.
- Settlement of \$461,361 owed to Directors and management related entities for services provided, through the issue of 2,883,505 Shares (post-Consolidation) in the Company at an issue price of \$0.16 per Share.

8. Financial information

- Cancellation of 12,500,000 31/12/2020 \$0.40 options and the issuance of 12,031,250 1/09/2023 replacement options on 30 September 2020. The terms of these Existing Options are set out in Section 12.5. For the purposes of the Pro Forma Statement of Financial Position, the Directors have valued the Options at \$0.068 per option. The Black-Scholes formula model inputs were a Company share price of \$0.16 at the grant date, a volatility factor of 100%, a risk-free interest rate of 0.25% based on government bonds, and a dividend yield of 0%.

Other pro forma adjustments relate to the following matters:

- As set out in section 2.1, under the Offer, 25.0 million new Shares will be issued at \$0.20 per Share. Gross proceeds will be a \$5.0 million.
- Costs of the Offer, which are estimated to be \$500,000, as set out in Section 12.11.
- Under the Offer, 5,000,000 Lead Manager Options will be issued as part consideration for performance of the Lead Manager role. The terms of these Lead Manager Options are set out in Section 12.4. For the purposes of the pro forma Statement of Financial Position, the Directors have valued the Lead Manager Options at \$0.092 per option. The Black-Scholes formula model inputs were a Company share price of \$0.20 at the grant date, a volatility factor of 100%, a risk free interest rate of 0.25% based on government bonds, and a dividend yield of 0%.

8.4 Historical Statements of Comprehensive Income

The table below sets out the Company's Consolidated Statements of Comprehensive Income for the half year ended 30 June 2020 and for the years ended 31 December 2019 and 31 December 2018.

	6 months ended 30 June 2020	12 months ended 31 December 2019	12 months ended 31 December 2018
	\$	\$	\$
Administration and consultants' expenses	(202,812)	(379,611)	(515,428)
Depreciation expense	(7,459)	(16,721)	(37,566)
Results from operating activities	(210,271)	(396,332)	(552,994)
Financial income	25	1,697	7,388
Financial expense	-	(191)	(1,347)
Net financial income/(expense)	25	1,506	6,041
Loss before income tax	(210,246)	(394,826)	(546,953)
Income tax expense	-	-	-
Loss for the year/period	(210,246)	(394,826)	(546,953)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations	50,194	(77,911)	125,182
Total comprehensive loss for the year/period	(160,052)	(472,737)	(421,771)

Investors should note that past results are not a guarantee of future performance.

8. Financial information

8.5 Historical Statements of Cash Flows

The table below sets out the Company's Consolidated Statements of Cash Flows for the half year ended 30 June 2020 and for the years ended 31 December 2019 and 31 December 2018.

	6 months ended 30 June 2020	12 months ended 31 December 2019	12 months ended 31 December 2018
	\$	\$	\$
Cash flows from operating activities			
Cash payments in the course of operations	(65,836)	(207,961)	(412,877)
Interest received	25	1,697	4,638
Net cash used in operating activities	(65,811)	(206,264)	(408,239)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure	(281,257)	(802,292)	(1,024,307)
Payments for property, plant and equipment	-	-	(40,451)
Net cash used in investing activities	(281,257)	(802,292)	(1,064,757)
Cash flows from financing activities			
Issue of shares	-	1,065,000	577,500
Net cash from financing activities	-	1,065,000	577,500
Net increase/(decrease) in cash and cash equivalents	(347,068)	56,443	(895,496)
Effect of exchange rate adjustments on cash held	-	1	2,750
Cash and cash equivalents at the beginning of the period	404,266	347,822	1,240,568
Cash and cash equivalents at the end of the period	57,198	404,266	347,822

Investors should note that past results are not a guarantee of future performance.

8.6 Sources of liquidity

The Company's principal source of funds is the cash proceeds from the Offer. The Directors consider that the Company has sufficient working capital to carry out its stated objectives.

8.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.

No assurances can be given by the Company as to the payment of future dividends as this will depend on, amongst other things, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.

8.8 Significant accounting policies

The following sets out a summary of the Company's significant applicable accounting policies:

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interest

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Where a controlled entity issues shares to minority interests which does not result in loss of control by the Group, any gain or loss arising on the Group's interest in the controlled entity is recognised directly in equity.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign entities are translated at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the foreign currency translation reserve ('FCTR'), a separate component of equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call deposits.

Exploration, evaluation and development expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised at cost or fair value, as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

8. Financial information

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

Share based payments

The Group issues share based payments to its employees. Share based payments are measured at fair value at the date of grant. The fair value at the grant date of the share based payments is expensed on a straight line basis over the vesting period, unless the shares or options vest immediately in which case the full value of the share based payment is expensed immediately.

Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

Income tax

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: The initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.



RSM Corporate Australia Pty Ltd

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14 October 2020

The Directors
Prospech Limited
Level 2, 66 Hunter Street
SYDNEY NSW 2000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Prospech Limited Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Prospech Limited ("Prospech" or the "Company") to report on the historical and pro forma historical financial information of the Company for the two years ended 31 December 2019 and the six months ended 30 June 2020 for inclusion in a prospectus ("Prospectus") of Prospech to be dated on or about 15 October 2020. The Prospectus is in connection with Prospech's initial public offering and listing on the Australian Securities Exchange ("ASX"), pursuant to which the Company is offering 25,000,000 ordinary shares at an issue price of \$0.20 per share to raise \$5 million before costs ("Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The future prospects of the Company, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Section 8.3 of the Prospectus, are not addressed in this Report.

Background

Prospech Limited is an unlisted public company which was incorporated on 26 September 2014. Prospech is a minerals exploration company focused on gold and silver projects in Slovakia.

In July 2020, the Company raised proceeds of \$750,000 by way of a share placement, and in August 2020 completed a 10:16 share consolidation prior to seeking admission to the ASX and raising new equity through a public offering of shares.

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847



Scope

Historical financial information

You have requested RSM Corporate Australia Pty Ltd (“RSM”) to review the historical financial information of the Company included in Section 8 of the Prospectus, and comprising:

- the consolidated statements of comprehensive income and consolidated statements of cash flows of the Company for the two years ended 31 December 2019 and the six months ended 30 June 2020; and
- the consolidated statement of financial position of the Company as at 30 June 2020.

(together the “Historical Financial Information”).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards and the Company’s adopted accounting policies.

The Historical Financial Information has been extracted from:

- the financial statements of the Company for the two years ended 31 December 2019, which were audited by KPMG in accordance with Australian Auditing Standards and the *Corporations Act 2001*. The audit report issued with respect to these financial statements included an unmodified opinion.
- the financial statements of the Company for the six months ended 30 June 2020, which were reviewed by KPMG in accordance with Australian Auditing Standards applicable to review engagements, and with the *Corporations Act 2001*. The review report issued with respect to these financial statements included an unmodified review conclusion.

The audit and review reports issued by KPMG with respect to the financial statements for the year ended 31 December 2018, the year ended 31 December 2019 and the six months ended 30 June 2020 all included an emphasis of matter in relation to material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. However, the audit opinions and review conclusion were not modified in this regard.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM to review the pro forma historical statement of financial position as at 30 June 2020 (“the Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the pro forma adjustments described in Section 8.3 of the Prospectus. The stated basis of preparation is the recognition and measurement principles of Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Section 8.3 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position.



Directors' responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditor's work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of the pro forma adjustments described in Section 8.3 of the Prospectus; and
- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Historical Financial Information or the Pro Forma Historical Financial Information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in the Sections 8.3, 8.4 and 8.5 of the Prospectus, and comprising:

- the consolidated statements of comprehensive income and consolidated statements of cash flows of the Company for the two years ended 31 December 2019 and the six months ended 30 June 2020; and
- the consolidated statement of financial position of the Company as at 30 June 2020.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 8.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 8.3 of the Prospectus, and comprising the pro forma consolidated statement of financial position of the Company as at 30 June 2020, is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 8.2 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.



Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

A handwritten signature in black ink that reads 'Justin Audcent'. The signature is written in a cursive style with a long horizontal stroke extending to the right.

JUSTIN AUDCENT
Director

**Independent Expert Geologist, Technical Assessment Report
of the Prospech Limited Exploration Licences in Slovakia.**

14th October 2020

M.J.Houston

Director of M.J.Houston and Associates Pty Ltd

10. Independent Geologist Report

Mathew John Houston, Director
M.J. Houston and Associates Pty Ltd.
PO Box 91 Eumundi QLD 4562
Email; matt.houston@ozemail.com.au
ACN 061 819 869

14th October 2020
The Directors
Prospech Limited
Level 2, 66 Hunter Street Sydney 2000
ABN 24 602 043 265

Dear Sirs

M.J. Houston and Associates Pty Ltd ("M.J. Houston") has been commissioned by the Directors of Prospech Limited ("Prospech" or the "Company") to provide an Independent Technical Assessment Report on mineral exploration projects in Slovakia in which the Company or its subsidiaries hold a percentage interest. This report is to be included in an IPO prospectus to be lodged by the Company with ASIC and the ASX in respect of the Company's initial public offer of up to 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000 (the "offer"). The funds raised under the offer will be used to undertake mineral exploration and working capital requirements for the projects in Slovakia.

The Projects

All projects are held 100% by two Slovakian subsidiaries of Prospech, Slovenske Kovy sro and Prospech Slovakia sro.

The main projects include exploration licences over the Hodrusa-Hamre / Banska Stiavnica mining district under exploration licence number P8/15 and the nearby Nova Bana-Rudno-Pukanec exploration licences P22/15, P6 /17 and P20/17. A tenement extension for the Nova Bana licence P22/15 has recently been applied for, but not yet granted to the west of the existing licence area. It is estimated that more than 1,000 years of historical mining has produced 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper from these areas. An additional 0.4 million ounces of gold has been produced from the currently operating Rozalia Mine. The Hodrusa-Hamre / Banska Stiavnica mining district and the Nova Bana-Rudno-Pukanec goldfield are located approximately 180 kilometres east of Bratislava in Slovakia, a country member of the European Union and Eurozone.

Prospech has another granted exploration licence at Jasenie as number P10/17 some 60 km north east of Banska Stiavnica where there are historic reports of gold, tungsten and gold - antimony vein systems. Prospech has completed an in-house, JORC inferred mineral resource estimate, based on work carried out at the Kysla deposit in the 1980's by Geological Exploration Service, State Enterprise. The inferred resource estimate at Kysla has been reported as 71,000 oz Au and 6,612 tonnes WO₃. Kysla is one of several prospects in the tenement area.

Prospech has another tenement number P14/18 in the east of Slovakia called the Cejkov-Zemplin gold silver property. This area contains epithermal quartz veins with previous government drilling returning mineralised intersections, including hole VS-19 with 2.5m of 514 g/t Ag, 8.34 % Zn and 13.37 % Pb. Prospech has completed an ionic leach soil geochemical programme in preparation for future drilling.

From an inspection of the Slovakian government register of exploration areas online, all tenements are valid and in good standing. A table with the tenement details is attached in the report in **Section 1 Table 1**.

Prospech has estimated an exploration target based on their existing extensive geologic database which, where able, has been correlated within reasonable variability by Prospech's exploration results. Prospech's exploration target ranges of tonnages and grades have been estimated as: 15 to 16 million tonnes @ 3 to 8 g/t Au and 100 to 400 g/t Ag for 1.4 to 4.1 million ounces Au and 48 to 206 million ounces Ag.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The exploration target is based on proposed exploration programs. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. To ascertain the existence or otherwise of Mineral Resources will require exploration drilling which is intended to be carried out over the next two to five years.

Declarations

Relevant codes and guidelines

This Technical Assessment Report has been prepared in accordance with the Australian Code for Public Reporting of Mineral Assets (the "VALMIN Code" 2015 edition) which is binding upon Members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists both of which the author is a member. In addition, the report follows the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports.

Where exploration reports have been referred to in this report, some may be historic in nature and were prepared under previous versions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") code. The author of this report is not aware of any new information or data that materially affects the information in the earlier reports which have been used in this Technical Assessment Report and all the material assumptions and technical information underpinning this report continue to apply and have not materially changed.

Under the definition provided by the VALMIN Code the mineral projects of the Company are classified as "early stage exploration projects" where mineralisation may or may not have been identified but where Mineral Resource Estimates past inferred level have not been identified. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential.

This report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or projects or make any comment on the fairness and reasonableness of any transactions related to the offer. Aspects reviewed in this report may include prices, socio-political issues and environmental considerations however the author does not express an opinion regarding the specific value of the assets and tenements involved.

Sources of information, reliance on other experts, methodology and verification of information

The statements and opinion in this report are given in good faith and are based on information provided by the Company. I have endeavoured by making certain reasonable enquiry to confirm the accuracy, authenticity and completeness of the information on which this report is based and I have no reason to doubt the authenticity and substance of the information provided. A final draft of this report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

This report may contain statements attributable to third persons. These statements are made or based on statements made in previous geological reports by the Company or are publicly available from government departments or other public domains. The authors of these previous reports have not consented to the statements used in this report and these statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72.

The Company has provided a data set and information which is housed in a digital data-room which was downloaded via Dropbox between 6th August 2020 and the 7th August 2020. This report is based on information provided up until the latter date. The information and data consist of a number of past reports and documents prepared by the Company as well as other published reports and papers on the geology of the area by other geologists who are considered expert in the geology and style of mineralisation of the project areas.

10. Independent Geologist Report

There are two Microsoft Access databases which contain information on the drilling and surface sampling which have been compiled by the Company to include work done by Prospech as well as the previous licence holder, Atalaya Mining Plc ('Atalaya'). The data contains historic drill holes dating back to the time of socialist control which should be treated with a lower level of confidence with regard to accuracy of location and assay results however these holes are not critical to any interpretation by the Company and require verification by redrilling in sensitive areas to comply with JORC standards. The Slovakian government keep representative sections of the historical drilled core which can be viewed and resampled on application.

I am aware that there is a vast amount of pre second world war historic data which is written in Slovakian, Hungarian and German which can be obtained from the relevant Slovakian government departments, however as I do not speak these languages, I have not directly included that data in this review. Some of the Company prospect generation is based on the historic plans and translations of early reports by local Prospech staff which has been used in good faith. Given the very long mining history of the area it is likely that the surviving historic data is incomplete, however it has and will be a valuable resource to the Company.

As part of the data verification process, the Access databases were uploaded to a Micromine software program so it could be viewed spatially in three dimensions where any significant errors would be apparent.

There has not been a site visit during this review, however the author visited the site between 7 June 2015 and 21 June 2015 and is familiar with many of the prospect areas. I consider that because of my previous site visit and experience with this type of mineralisation and exploration techniques that there is sufficient information to allow an informed appraisal of the projects without another visit.

Qualifications and Experience

The person responsible for this report is;

Matthew John Houston, B App Sc, Member of the AusIMM and AIG.

Mr "Matt" Houston is 63 years old and an Australian based geologist with over 40 years' experience in exploration geology specialising in epithermal gold silver deposits and porphyry copper gold deposits in Australia, the Pacific islands, South America and Europe. He is the founder and director of an independent consulting and contract exploration geologist company, M.J. Houston and Associates Pty Ltd since 1993.

Matt Houston graduated from the Canberra College of Advanced Education in 1979.

Some of his career highlights include;

- The discovery of significant mineralisation at the Extorre Gold Mines Cerro Moro project in Argentina between 2007 and 2014.
- Senior contract exploration geologist for Newcrest Mining in Queensland between 2004 and 2006.
- Senior contract exploration geologist for Gympie Eldorado Gold Mines in Gympie Queensland 1997 to 2004.
- Project manager for Leigh Resources Solomon Islands 1996 to 1997.
- Freelance contract exploration work for many clients including CRA between 1991 and 1996.
- Supervising Geologist Eastern Australia and Pacific for Paragon Resources between 1987 and 1991.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Matthew Houston who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Matthew Houston is not an employee of the Company.

Matthew Houston has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Matthew Houston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement- JORC Code. The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources of the Company has been reviewed by Matthew Houston, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Matthew Houston has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Houston consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Independence

M.J. Houston and Associates Pty Ltd, its Directors, Employees and Associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this report are prepared in return of professional fees of \$1000 per day plus GST if relevant, for between 5 and 10 days' work, based upon agreed commercial rates and the payment of those fees is in no way contingent on the results of this report.

Currency Convention

Any figures of monetary currency mentioned in this report are in Australian dollars unless stated otherwise.

Yours Faithfully



Matthew. J. Houston
B.App.Sc, Member AusIMM and AIG
Director of M.J. Houston and Associates Pty Ltd.

10. Independent Geologist Report

Executive summary

M.J. Houston and Associates Pty Ltd (“M.J Houston”) has been commissioned by the Directors of Prospech Limited (“Prospech” or the “Company”) to provide an Independent Technical Assessment Report on mineral exploration projects in Slovakia in which the Company or its Slovakian subsidiaries hold a 100% interest. This report is to be included in an IPO prospectus to be lodged by the Company with ASIC and the ASX in respect of the Company’s initial public offer of 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000 (the “offer”). The funds raised under the offer will be used to undertake mineral exploration and working capital requirements for the projects in Slovakia.

The main Projects which are situated approximately 180 km east of Bratislava include exploration licences over the Hodrusa-Hamre/Banska Stiavnica mining district under exploration licence number P8/15 and the nearby Nova Bana-Rudno goldfield under exploration licences P22/15, P6/17 and P20/17. An application to extend the P22/15 Nova Bana tenement to the west has been lodged at the time of writing. It is estimated that 1,000 years of historical production has totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper from these areas.

The projects are located over the mid Miocene (16.2 to 10.5 million year old) predominately andesitic Stiavnica stratovolcano in Central Slovakia. This is the largest volcano in the Carpathian arc and features a 20 km diameter caldera with a large sub-volcanic intrusive complex which is manifest as a resurgent horst in the centre of the caldera. The bulk of past production has come from 120 epithermal veins, individually up to 6 km long which are associated with the resurgent horst and late rhyolite emplacement. Mineralisation styles also include magnetite skarn, porphyry Au-Cu-Mo, carbonate replacement Pb-Zn deposits and base metal stock works in the granodiorite.

An additional Exploration Licence P10/17 has been granted to the Company at Jasenie some 60 km north east of Banska Stiavnica where there are historic reports of a gold, tungsten vein system. An in-house JORC inferred mineral resource estimate has been completed by Prospech, based on work carried out at the Kysla deposit in the 1980’s by Geological Exploration Service, State Enterprise. The JORC inferred resource estimate at Kysla has been reported as 71,000 oz Au and 6,612 tonnes WO₃. Kysla is one of several prospects in the tenement area and further drilling is required to expand the inferred resource estimate and identify new areas of mineralisation.

Prospech holds another Exploration Licence P14/18 over the Cejkov-Zemplin gold silver epithermal vein system in the east of Slovakia. This tenement was acquired due to reports of mineralisation in epithermal quartz veins in previous government drilling, including hole VS-19 with 2.5m of 514 g/t Ag, 8.34 % Zn and 13.37 % Pb. Prospech has completed an ionic leach, soil geochemical programme in preparation for future drilling. All of the tenements are current and believed to be in good standing.

Production during the first and second world wars and subsequent communist era from 1948 to 1989 saw the focus shift from precious metals to industrial commodities such as coal, copper, lead, zinc and iron. As a result, much of the country, including the Company’s exploration licence areas, has not been subject to modern exploration or exploitation prior to the work included in this report. There is a current high grade, underground gold mine operation on a third-party mining lease enclosed within the Hodrusa-Hamre exploration licence at the Rozalia Mine near Banska Stiavnica, which has been in production since 1991.

A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies and minor private exploration. As part of a previous Earn-in Agreement with Atalaya Mining PLC, under which Prospech has now earned 100% of the projects, Prospech has acquired the Atalaya database. A due diligence study of the Atalaya work by Prospech in November 2014 concluded that the Atalaya assays and the laboratory which did the work are reliable.

At report date, Prospech has drilled a combined total of 57 holes for 6887.66m (including 24 holes at Schopfer for 1053.26m) on all of the tenements. General drill results are tabulated in this report as **Table 2**. Prospech are concentrating on two main targets in the Hodrusa-Hamre/Banska Stiavnica tenement. Firstly, veins that are likely to be the up-dip equivalent of the currently operating high grade Rozalia Gold Mine which include Ignac, Rabenstein and Bauch. The other main target is the Schopfer, Unverzagt and Anton (Svatotrojicna) structure which is over 6 kilometres long. See vein locations on **Figure 8**. Drilling on the Nova Bana group of tenements, Jasenie and Cejkov-Zemplin is at an early stage and further work is planned.

10. Independent Geologist Report

A proposed exploration program has been formulated by the Company to test a series of drilling targets which are ranked by the proximity to the existing Rozalia Mine and on perceived prospectivity based on geological reasoning. Details of the proposed program are set out in **Section 6** and in **Appendix 3** of this report. Six of targets have been chosen to be drill tested by 28 holes for 6,415m between July 2020 and the end of September 2022. The estimated expenditure for the period is A\$3.55 million and a detailed breakdown is attached in **Appendix 3**.

The programme will be subject to modification on an ongoing basis, depending on the exploration results as they progress. The proposed funds raised by the IPO will be sufficient to cover the exploration budget and licence obligations as set by the Slovakian Government.

The proposed exploration program and budget appears to be based on sound geologic principals and supported by reliable data.

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1 Property Location and description

Prospech holds a 100% interest in six exploration licences in Slovakia as described in **Table 1**. Two of those tenements (Hodrusa-Hamre/Banska Stiavnica and Nova Bana) were fully acquired under an earn-in joint venture agreement with Atalaya Mining plc as described in **Section 2**. Prospech was granted an extension of the original Hodrusa-Hamre/Banska Stiavnica licence from 77.36 sq km to 101.92 sq km to cover additional vein systems. Two other tenements (Rudno and Pukanec) are adjacent to the Nova Bana Tenement and were granted to Prospech through the normal application process. An application to extend the Nova Bana tenement to the west has recently been lodged with the Slovakian government. Another two tenements (Jasenie and Cejkov-Zemplin) which cover other historic mining areas were also granted to Prospech following applications on open ground.

The tenements are located in Central and Eastern Slovakia as shown in **Figure 1**. The licences which have been the main focus of the Prospech work cover the Hodrusa-Hamre/Banska Stiavnica (HHBS) mining district and the Nova Bana goldfield are located approximately 180 kilometres east of Bratislava in Slovakia, a country member of the European Union and Eurozone. These are shown in more detail in **Figure 2** which was downloaded from the official Slovakian government website.

The Jasenie tenement covers a tungsten gold and an antimony gold vein system north of the village of Jasenie, 60 km north east of Banska Stiavnica as shown in **Figure 3**. The project is partly in the Low Tatras (Nizke Tatry) National Park and partly in a National Park buffer zone. The environmental protection levels permit exploration and mining subject to conditions to be imposed by the Environmental Bureau of Slovakia and exclude exploration and extraction of oil and natural gas.

The Cejkov-Zemplin licence is in the eastern part of Slovakia as shown **Figure 4** which was granted to Prospech after they found previous government drill results with significant base metal and silver vein intersections (e.g. VS-19 - 2.5m of 514 g/t Ag, 8.34 % Zn and 13.37 % Pb). The validity of these results and true width of the intersection is unknown. As the area was not covered by any exploration permits at the time it was applied for and has now been granted.

The status of the tenements has been viewed on the Slovakian Government State Geological Institute of Dionyz Stur (SGIDS) website pursuant to Section 7.2 of the VALMIN Code, 2015. The tenements can be viewed on the English version of the web site at <http://apl.geology.sk/mapportal/#/aplikacia/38>. The Tenements are shown to be current and are believed to be in good standing, based on expenditure by Prospech, and there is no reason to believe that they will not be renewed after their expiry date.

Table 1. Exploration Tenement Details.

Tenement Name and Number	Area [km ²]	Valid till	Annual Tenement Fee [EUR]	Total budgeted	Reported expenditure to date	Licence Holder
Hodrusa-Hamre/Banska Stiavnica. P8/15	101.92	15/05/2023	€20,400	€700,600	€763,510	Slovenske Kovy s.r.o.
Nova Bana P22/15	18.14	30/11/2023	€3,900	€230,441	€223,833	Prospech Slovakia s.r.o.
Rudno P6/17	14.26	9/05/2021	€1,500	€238,000	€197,855	Prospech Slovakia s.r.o.
Jasenie P10/17	29.41	24/05/2021	€3,000	€42,000	€19,032	Prospech Slovakia s.r.o.
Pukanec P20/17	10.71	7/09/2021	€1,100	€62,000	€35,147	Prospech Slovakia s.r.o.
Cejkov-Zemplin P14/18	29.23	21/11/2022	€3,000	€167,500	€19,290	Prospech Slovakia s.r.o.
Total	203.67		€28,800	€1,211,041	€1,204,230	

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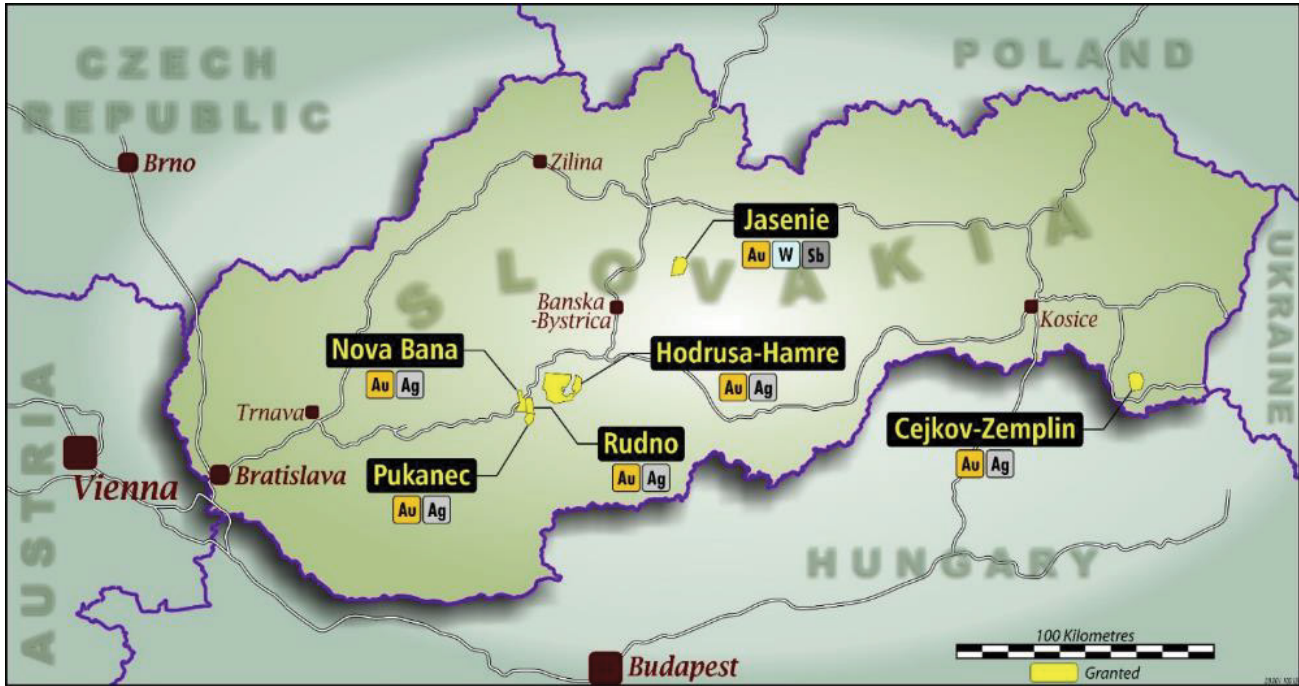


Figure 1. Tenement Locations Slovakia.

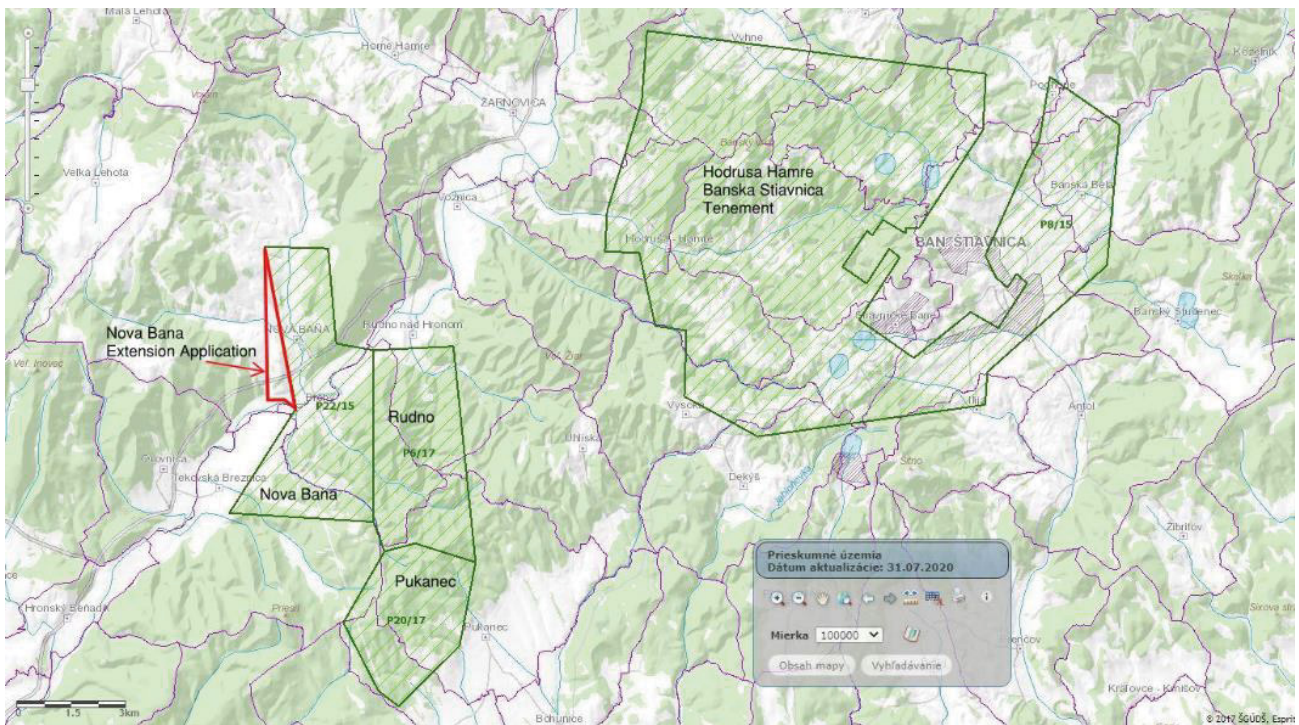


Figure 2. The Hodrusa-Hamre/Banska Stiavnica and Nova Bana, Rudno and Pukanec Exploration Licences from the Slovakian Government Website.

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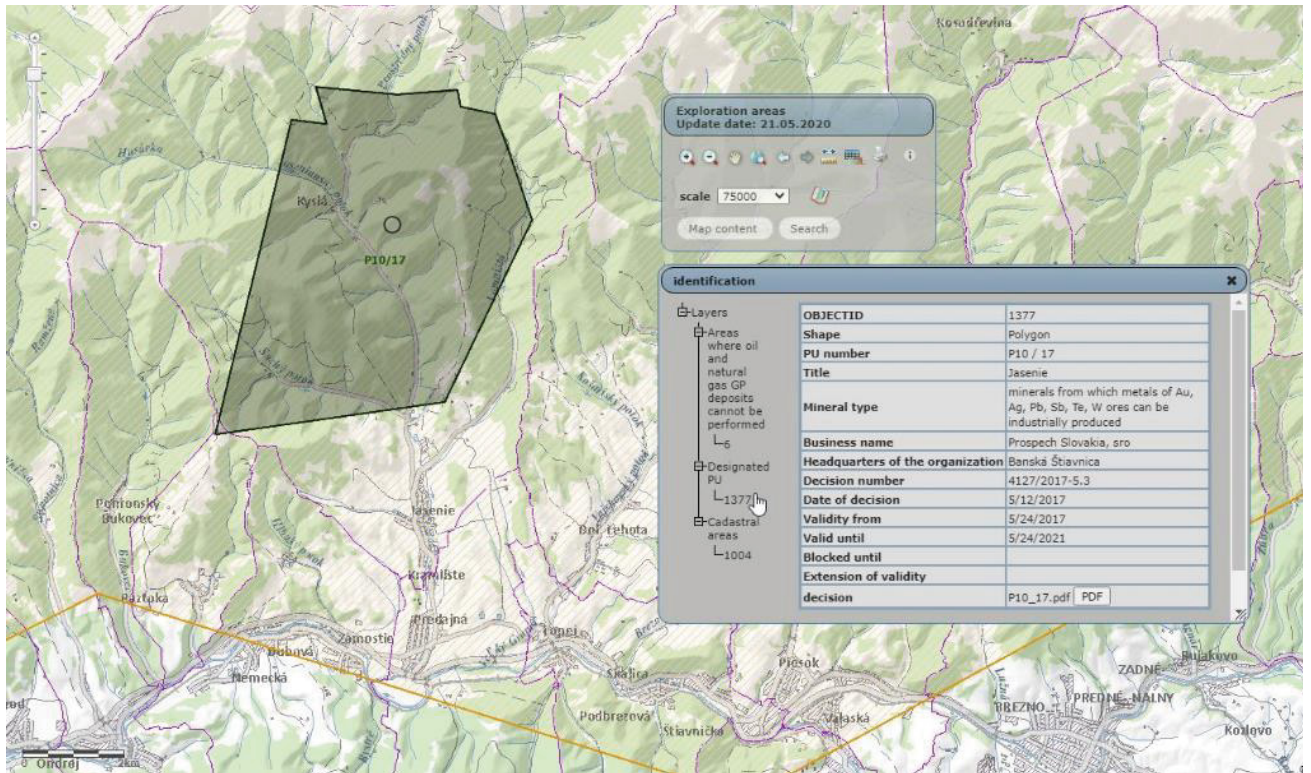


Figure 3. Jasenie Exploration Licence from the Slovakian Government Website.

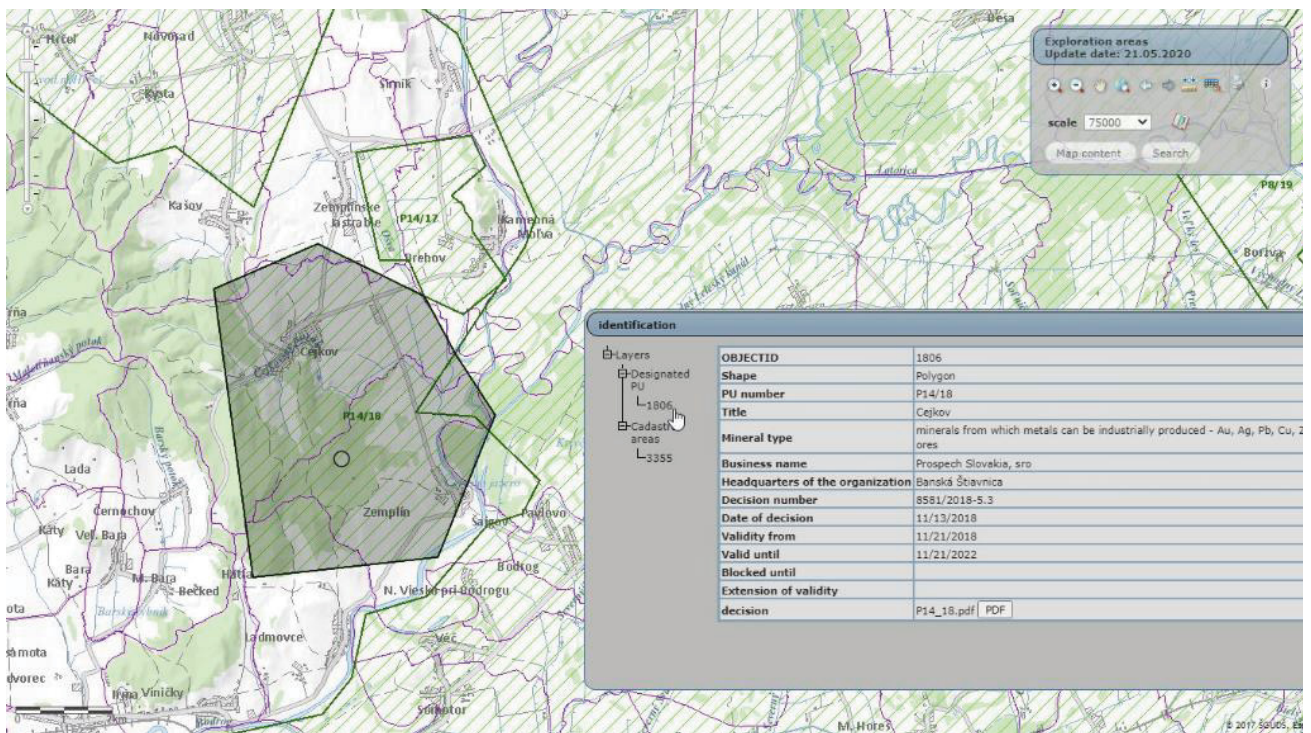


Figure 4. Cejkov-Zemplin Exploration Licence from Slovakian Government Website.

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1.1 Hodrusa Tenement Renewal and Ruling on District Mining Bureau proposed protected expanded mining area N-W of the Rozalia mine.

Prior to the last renewal of the Hodrusa Hamre/ Banská Stiavnica tenement, an attempt was made by the operators of the Rozalia mine to exclude an area of approximately 1% of the Hodrusa Hamre/ Banská Stiavnica tenement from the exploration tenement to the north west of the operating Rozalia Mine to allow them to continue underground mining below the Prospech Tenement area as shown in **Figure 5**. A brief summary of the chronological proceedings of this attempt, provided by Prospech is outlined below. This was resolved in favour of Prospech in November 2019 after the tenement was fully renewed on 30 July 2019 for an additional 4-year period to 15 May 2023.

- 16.1.2019 – Prospech meeting with MOE officer (Ministry of Environment – Responsible for Exploration Leases)- found that the District Mining Bureau (DBM) sent a statement regarding the Hodrusa Hamre / Banská Stiavnica renewal requesting the exclusion of a (Protected Deposit Area) adjacent to the north west of the Rozalia mine lease. Later, DBM announced that SB (Slovenská Banská – Rozalia mine Operator) submitted an application for expansion of their ML over the PDA. Prospech obtained both letters from our Hodrusa files at MOE. The MOE officer wasn't sure what would be the outcome and she was waiting for other statements.
- 18.1.2019 - based on the above, Prospech took legal advice and decided to file a letter to the DBM to become a participant in the SB proceedings.
- 21.1.2019 - Prospech finalised a letter for DBM and their authorised lawyer and visited DBM officer with the lawyer.
- 24.1.2019 - Prospech prepared formal letters to both DBM and MOE and set a meeting with MOE to discuss the Hodrusa renewal.
- August 2019 - Case resolved at a ministerial level in favour of Prospech however a final court confirmation of the ministerial decision is still pending.

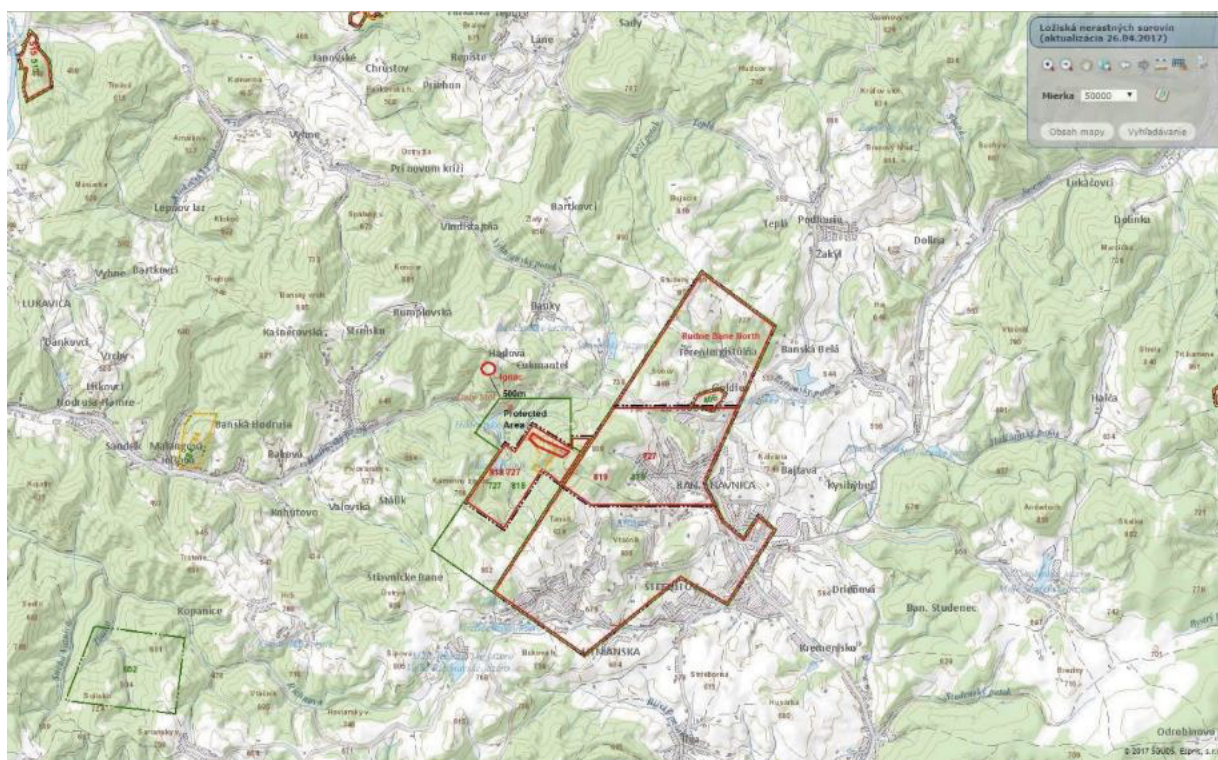


Figure 5. Area of the proposed Protected Area to the north west of the Rozalia Mine lease.

2.0 Previous Atalaya Mining Earn in Agreement

In September 2014, Prospech entered into a Term Sheet with EMED Mining Public Limited (now renamed Atalaya Mining plc) (**Atalaya**). Following due diligence, a positive decision was reached by Prospech to proceed with the transaction and an Earn-in Agreement between Prospech and Atalaya was executed to formalise the staged purchase by Prospech of up to an 81% interest in Slovenské Kovy, s.r.o. (**SLOK**), Atalaya's Slovakian subsidiary and tenement holders.

The Earn-in Agreement provided for Prospech to earn up to an 81% interest in SLOK on a staged basis as follows:

- Stage 1: €200,000 exploration expenditure over not more than 6 months to earn 30% of SLOK.
- Stage 2: a further €200,000 exploration expenditure over not more than 1 year after Stage 1 to increase to 51% of SLOK.
- Stage 3: a further €600,000 exploration expenditure over not more than 2 years after Stage 2 to increase to 81% of SLOK.

As part of the Stage 1 earn-in expenditures, Prospech paid €86,000 to Atalaya for the right to access all of Atalaya's geologic data (including maps, plans, drilling data, core samples, assays and other geological, geophysical, geochemical, technical data etc.) and for the 2015 licence renewal costs.

A Management Committee was formed to approve the exploration programs and budgets by simple majority. The Management Committee was made up of two Atalaya representatives and two Prospech representatives, one of whom is the Chairman of the Management Committee with a tie-breaking casting vote.

Prospech is the manager of the Projects during the term of the Earn-in Agreement and will manage the exploration operations in accordance with the programs and budgets approved by the Management Committee and conduct the operations in a manner in accordance with generally accepted mining industry standards and practice.

Following the completion of Stage 3, a joint venture agreement was entered into between Prospech and Atalaya, providing for the conduct of operations with the parties contributing to funding requirements in accordance with their participating percentage interests in the joint venture. In the event that one party elects not to contribute their share of a funding requirement, they will dilute down. In the event that Atalaya's participating interest dilutes down to 5% or less and a bankable feasibility study recommends the commencement of mining, Atalaya shall have the option to transfer its participating interest to Prospech in return for a 1% net smelter royalty for a 5% participating interest, on a pro-rata basis.

Effective 1 January 2016, Prospech had satisfied the Stage 1 and Stage 2 conditions of the Earn-in Agreement and earned a 51% interest in, and control of, SLOK. Effective 31 December 2016 Prospech had satisfied the Stage 3 exploration expenditure requirement of the Earn-in Agreement and the Earn-in Agreement was replaced by the Joint Venture Agreement.

The Joint Venture Agreement has subsequently been superseded and Prospech has moved to 100% ownership of the Hodrusa-Hamre and Nova Bana exploration licences and Atalaya has no trailing interests in the properties.

3.0 Geology

The Hodrusa-Hamre/Banska Stiavnica and Nova Bana-group of tenements are located over the mid Miocene (16.2 to 10.5 million years old) predominately andesitic Stiavnica stratovolcano in Central Slovakia which is a part of Neogene Carpathian volcanic arc. According to Koderá et al 2005 and Lexa et al 1999 this is the largest volcano in the Carpathian arc and features a 20 km diameter caldera with a large sub-volcanic intrusive complex which is manifest as a resurgent horst in the centre of the caldera. The Hodrusa Hamre/ Banska Stiavnica tenement covers the mineralised central part of the caldera and the Nova Bana group of tenements lie immediately outside the caldera rim to the south west as shown in **Figure 6**. The bulk of the estimated 4,000 tons of silver and 2.4 Million ounces of gold from historic mines have come from approximately 120 epithermal veins, individually up to 6 km long, over an area of 12 by 10 km which are associated with the resurgent horst of the intrusive core and late rhyolite emplacement.

Other than the epithermal veins, mineralisation styles also include magnetite and Ca, Mg skarns, porphyry Au-Cu-Mo, carbonate replacement Pb-Zn deposits and base metal stock works in the granodiorite as shown in **Figure 7**.

Currently there is a mining operation at the Rozalia Mine which is exploiting, relatively flat lying, high grade gold in intermediate sulphidation style epithermal quartz veins. These veins are older than the steeper veins, from which most of the historic production has come from. The Rozalia Mine style veins are now thought to be associated with an extensive, south-east dipping, low angle normal fault (LANF or Detachment Fault), developed sub parallel to the upper contact of the intrusive core of the caldera, which was active in the early stage of the stratovolcano evolution and the start of the uplift of the resurgent horst. The high-grade shoots at Rozalia are formed as irregular bodies in tensional zones immediately above the main structure. There is a high variability in gold grade in the underground stopes and drill-holes due to the irregular shape of the gold bearing veins and the presence of free gold (Nugget Effect).

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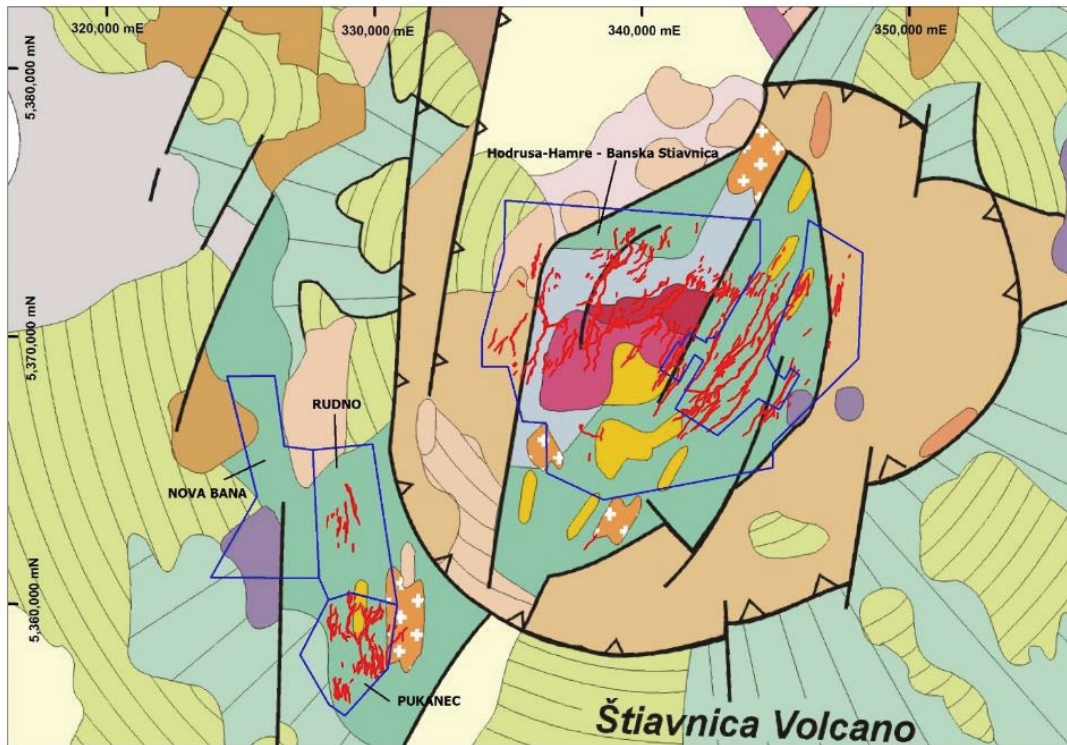


Figure 6. Simplified Geological Plan. Red lines represent simplified vein distribution.

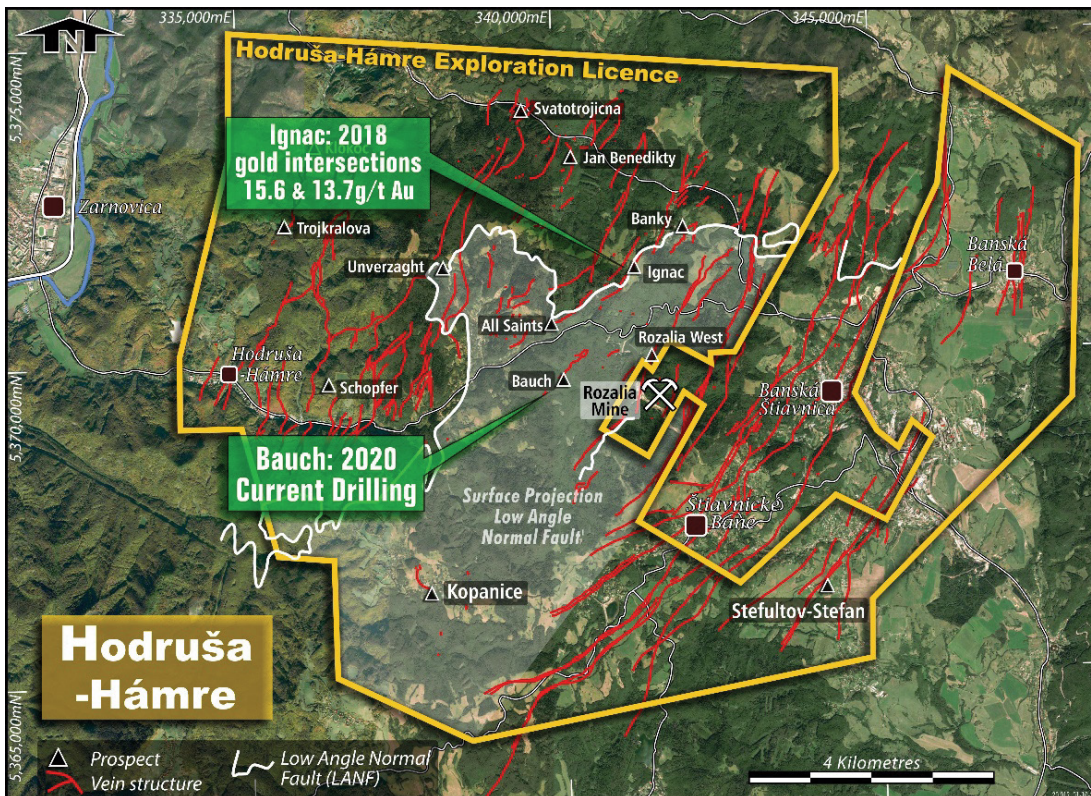


Figure 6.1 Simplified Geological Plan. Red lines represent simplified vein distribution as per above but in addition the surface interpretation of the Low Angle Normal Fault (white lines) which hosts the Rozalia Mine at 600m vertical depth.

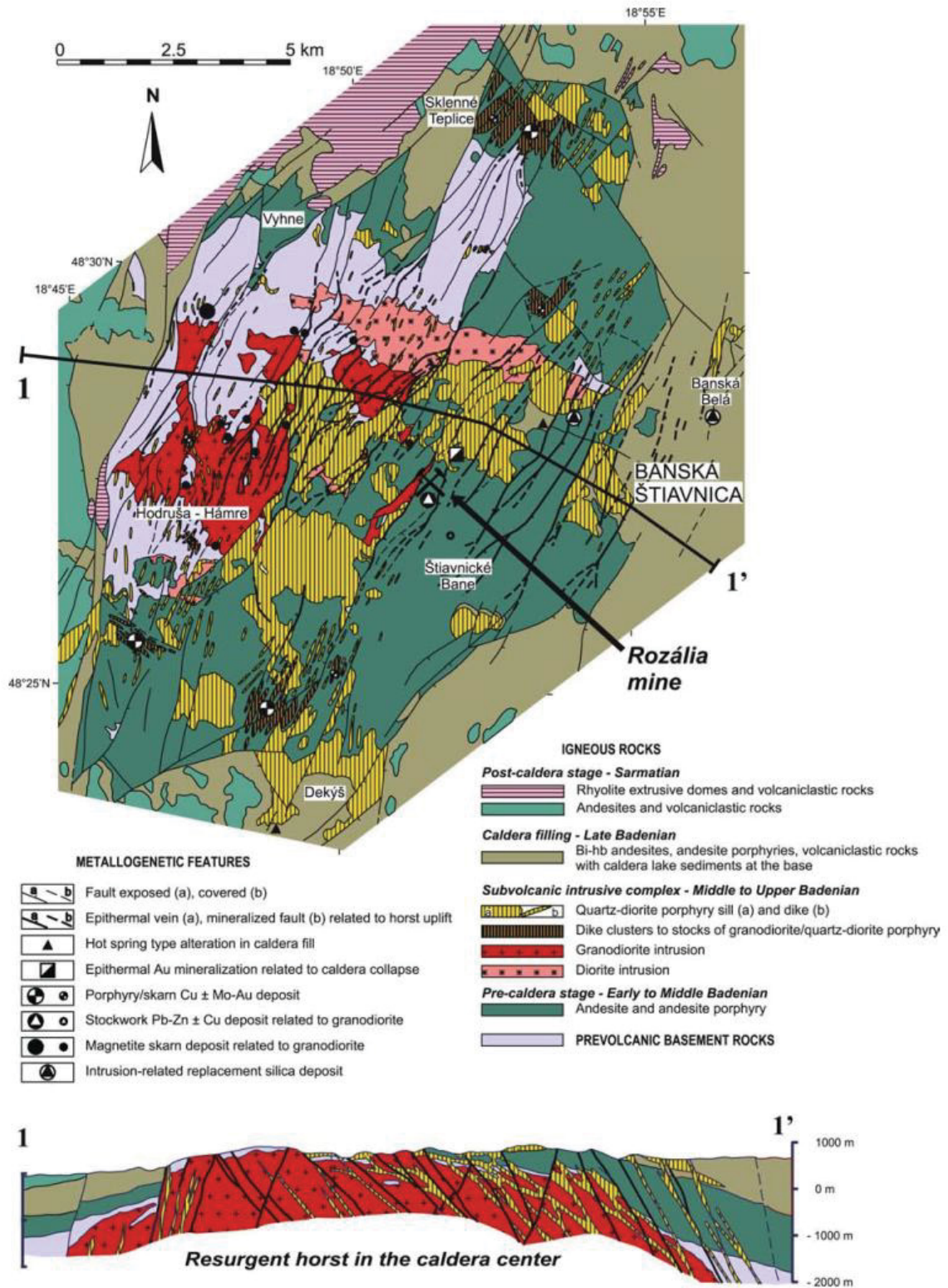


Figure 7. The Geology of the Hodruša-Hámre/Banská Štiavnica area from Peter Kodera, Jaroslav Lexa, Andrew Hugh Rankin, Anthony Edward Fallick. Epithermal gold veins in a caldera setting: Banská Hodruša, Slovakia. Mineralium Deposita (2005) vol 39.

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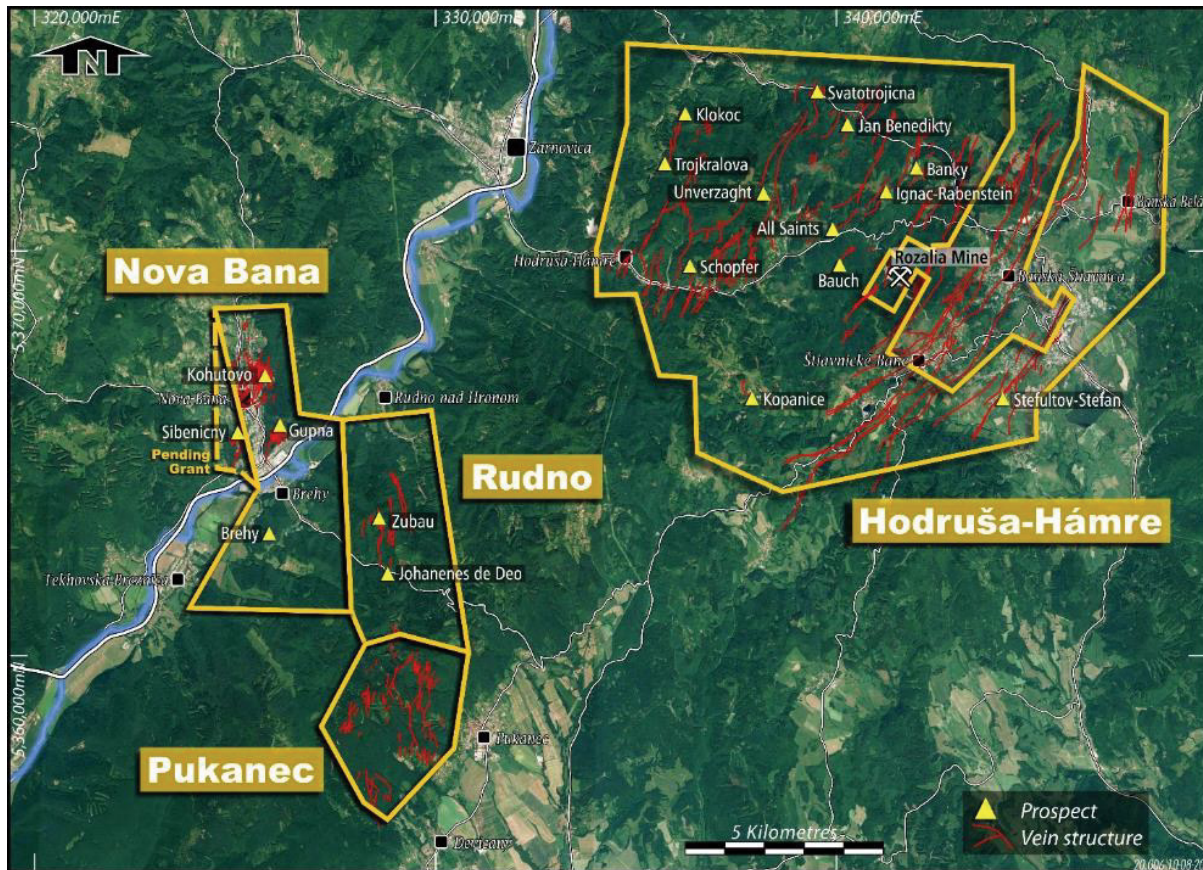


Figure 8. Vein locations, tenement boundaries and prospect names.

According to Cran 2015 and Ferenc et al 2014, the Nova Bana tenement group (Nova Bana, Rudno, Pukanec) covers an epithermal gold system with veining known over an area of 14 by 4 kilometres associated with rhyolite intrusives and extrusives, hosted by andesite volcanics on the western flanks of the Neogene Stiavnica Stratovolcano. **Figure 6** summarises the regional geology with tenement outlines and **Figure 8** illustrates the tenement area, the distribution of known quartz veins and prospect locations. The mineralisation is of the sericite – adularia, low sulphidation, epithermal gold type.

The Jasenie licence area is situated 60 km north east of the Banska Stiavnica licence and partially covers an 18 kilometre long by 400 to 1,000 metre wide, tungsten-gold anomaly in basement metamorphic rocks which was identified in the 1950s on the southern slopes of the Nízke Tatry mountains. A series of exploration adits with a total length of 13 kilometres were installed in the 1980s. Quartz veins up to 9.0 metres wide with an average 1.5 metre width contain the highest gold concentrations, whereas the tungsten mineral scheelite occurs predominantly in stockwork zones. Vein-type mineralised material is reported to contain several grams per tonne gold; with local enrichment up to tens of grams per tonne. Tungsten content is reported to locally reach as much as 4%.

The Cejkov-Zemplin Tenement covers epithermal vein style mineralisation, hosted in volcanic rocks – mainly rhyodacites and dacites under cover of wind-blown sand. The target is concealed and mineralisation has poor outcrop, except for a few low temperature chalcedonic veins close to the Zemplin village. The presence of chalcedonic, low temperature quartz veins at surface indicate the upper level of a low-sulphidation epithermal system with potential for higher grades deeper down in the boiling zone of the system. High grade silver, lead and zinc were identified here in some 1980's drillholes carried out by Slovak government.

4.0 Previous Exploration

An extensive country-wide, geological, geochemical and geophysical database has been built by the Slovak Geological Institute of the Slovak Republic. A significant archive of historical exploration data has been acquired by Prospech, including drilling results, numerous government studies and minor private exploration prior to the Atalaya exploration. In addition, as part of the previous Earn-in Agreement, Prospech has also acquired the Atalaya database for the work they did prior to their decision to pull out and focus on the Rio Tinto Mine in Spain. The Rozalia mine drill database was acquired from the open file reports stored in the archives of the SGIDS.

4.1 Exploration prior to EMED / Atalaya.

Most exploration done prior to the end of the Second World War was done by traditional prospecting to locate outcropping veins. This was followed up with shafts and adits to locate the known veins and any blind parallel structures by underground development. There is a vast amount of original historic maps and reports held by the Slovakian Government, local council and various mining museums and universities in the country and while this is likely to be incomplete and possibly in part inaccurate it is valuable to Prospech for target generation. It is not within the scope of this report to go into any detail of this work. To my knowledge there was no drilling done during this time. The Hodrusa-Hamre/Banska Stiavnica mining district was previously known as the Schemnitz district in old reports.

During the communist era until 1989 there were many vertical core holes drilled for “stratigraphic” information. Whilst some of the drill pads of these surface drill holes can be located, the location of these holes should be treated as unreliable and the historic dataset incomplete. Any available data is added to Company’s Access database as it comes to hand and all drill holes can be filtered by when and who they were drilled by, including a dedicated field named Historic Hole. All drill holes not drilled by Atalaya or Prospech are shown on **Figure 9** which also include the modern underground holes at the Rozalia Mine. Communist era gold assays used in Government and private exploration programs have been proven to be unreliable and this must be taken into account when interpreting reports from that time. Presently there are 63 historic holes for a total of 29,695.5m in the database which are not attributable to Atalaya or Prospech. Of these there is only one historic hole for 2,077.5m on the Nova Bana tenement. The significant depth was due to a government sponsored stratigraphic drill program. Some of these holes or selected intervals are stored in the Slovakian Government core storage facilities.

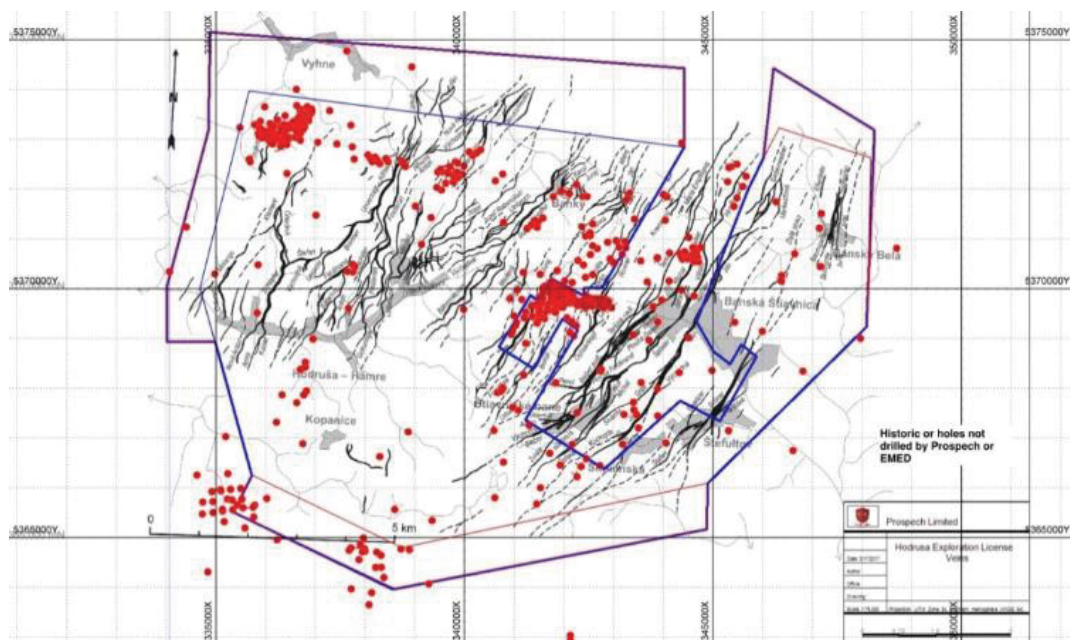


Figure 9. All holes not drilled by EMED-Atalaya or Prospech. These include government and Communist era holes.

4.2 EMED / Atalaya.

As part of the lead up to the Earn-in Agreement between Prospech and Atalaya a due diligence study of the Atalaya work was completed by Prospech, (Cran 2014). This document is a good summary of the Atalaya work. A full summary of the previous work on the Nova Bana tenement was also prepared by Cran (2015).

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The Atalaya work involved taking over 3,000 rock chip samples and following up with drilling 27 holes for 1,612m in the Hodrusa-Hamre/Banska Stiavnica area shown in **Figure 10** and one hole for 346.9m at Nova Bana. Of those holes only 13 were drilled on the current Hodrusa-Hamre/Banska Stiavnica tenement and extension. The drill holes and assays were incorporated into a Micromine project by the author in 2017 and the data was validated by the Micromine software and spatially checked for collar location errors, of which none were found.

Atalaya used an Australian standard accredited ALS laboratory in Romania for their assay work and their sampling methods were to industry standards.

As part of the due diligence process Prospecch collected 35 samples from as near as possible to the equivalent Atalaya samples. Given the obvious inherent limitations that the Prospecch duplicates were not from exactly the same coordinates the results had good correlation within the range of expected variability and the conclusion is that the Atalaya assays and the laboratory which did the work are reliable.

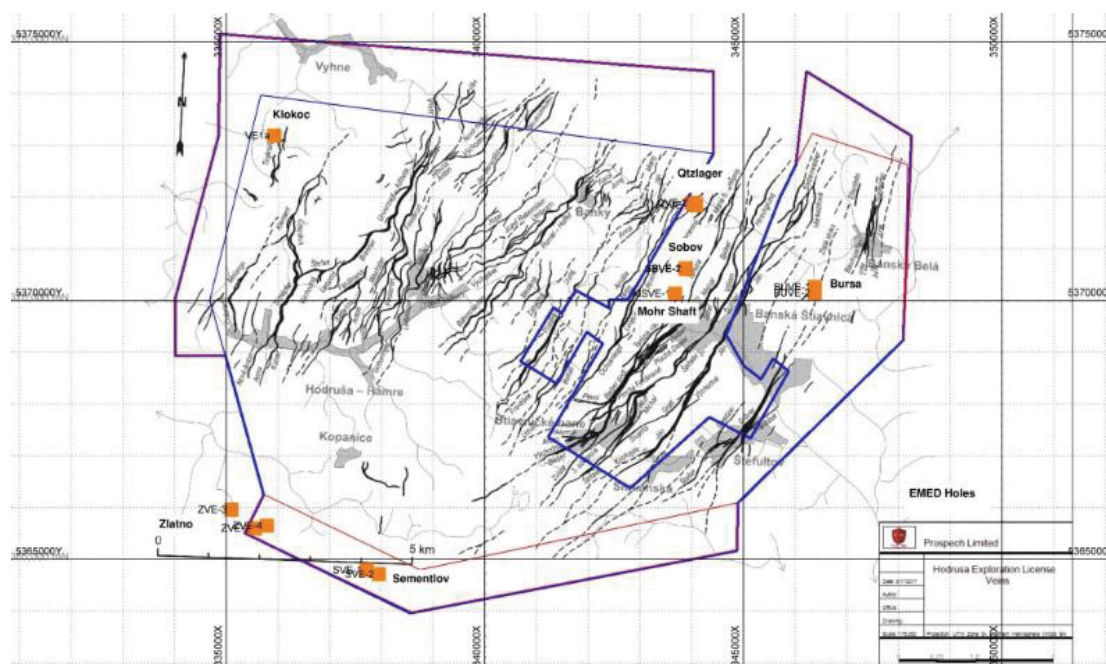


Figure 10. Atalaya drill hole locations.

5.0 Prospecch work

After initial rock chip sampling and collation of historical information, first pass drill programs have been completed over several prospect areas which are outlined below. A general summary of the prospect locations is shown in **Figure 11**. Further information of significant intersections and drill-hole location are provided in the JORC table as **Appendix 1**. Drilling statistics are shown in **Table 2**.

5.1 Hodrusa Hamre / Banska Stiavnica Tenement

In total 880 rock chip samples have been taken from veins identified from the review of historic data. Rock chip sampling was undertaken to confirm historic grade as well as silver to gold ratios which has helped ranking these prospects for first pass drilling. Since 2016 the drilling priority has shifted to target veins which may be in the up-dip position along the LANF (Detachment Fault), of the high grade Rozalia Gold Mine which include Banky, Ignac-Rabenstein and Bauch. In addition, the Schopfer vein and its six kilometre long strike extension to the north, through Unverzagt to Anton (Svatotrojicna) has been identified as a high priority target. The Schopfer vein has potential to provide a near term growth target with further drilling below the old workings and along strike.

In total 45 holes for 3,736.14m has been drilled on this tenement including 24 holes for 1,053.26m in a small section of the Schopfer vein. Most of those Schopfer holes tested a short section of the vein from underground with a small portable drill rig.

The drilling of the various prospects on the HHBS tenement is outlined in the sections below and in **Table 2**.

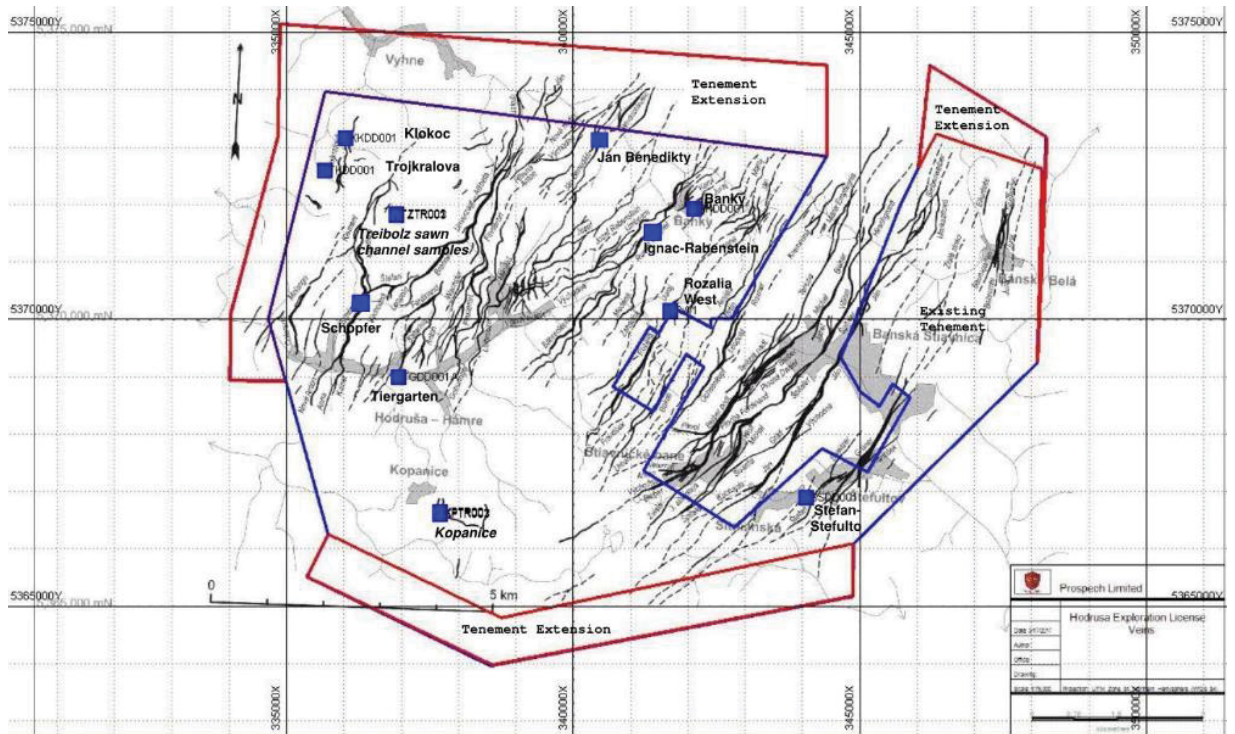


Figure 11. Prospech drill hole locations summary map.

Table 2. Prospech drill hole data

Area	Prospect	Number of holes	Total metres	Year
HHBS	Klokoc	1	274.8	2015
HHBS	Tiergarten	2	46.2	2015
HHBS	Banky	1	297.5	2016
HHBS	Stefan- Stefultov	1	150	2016
HHBS	Rozalia west	1	298.5	2016
HHBS	Trojkrálova	1	272.5	2016
NB	Gupna	2	920.15	2016
NB	Kohutovo	1	393.9	2016
HHBS	Jan Benedikti	2	362.7	2017
NB	Rudno	5	1076.25	2018
HHBS	Schopfer	24	1053.26	2017-18
HHBS	Ignac	4	920.3	2018
Jasenie	Kysla	4	761.2	2019
HHBS	Kopanice	8	60.4	2019
HHBS	Total	45	3736.14	
NB	Total	8	2390.3	
Jasenie	Total	4	721.2	
All projects	Total	57	6887.66	

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5.1.1 Klokoc

Prospect drill hole KKDD001 validated the location of previous intercepts of gold bearing, sulphide replaced magnetite skarn. Previous holes along strike include V169 with 10.5 metres @ 3.10 g/t Au and 6.5 g/t Ag, 100 metres to the west and V155 with 2.5 metres @ 61.00 g/t Au and 42.0 g/t Ag 100 metres to the south as shown on **Figure 12**. 3D modelling has shown that the target remains open to the north and south and because it becomes shallower to the north is amenable to shallow Reverse Circulation Percussion drilling over an area of approximately 500 metres by 250 metres.

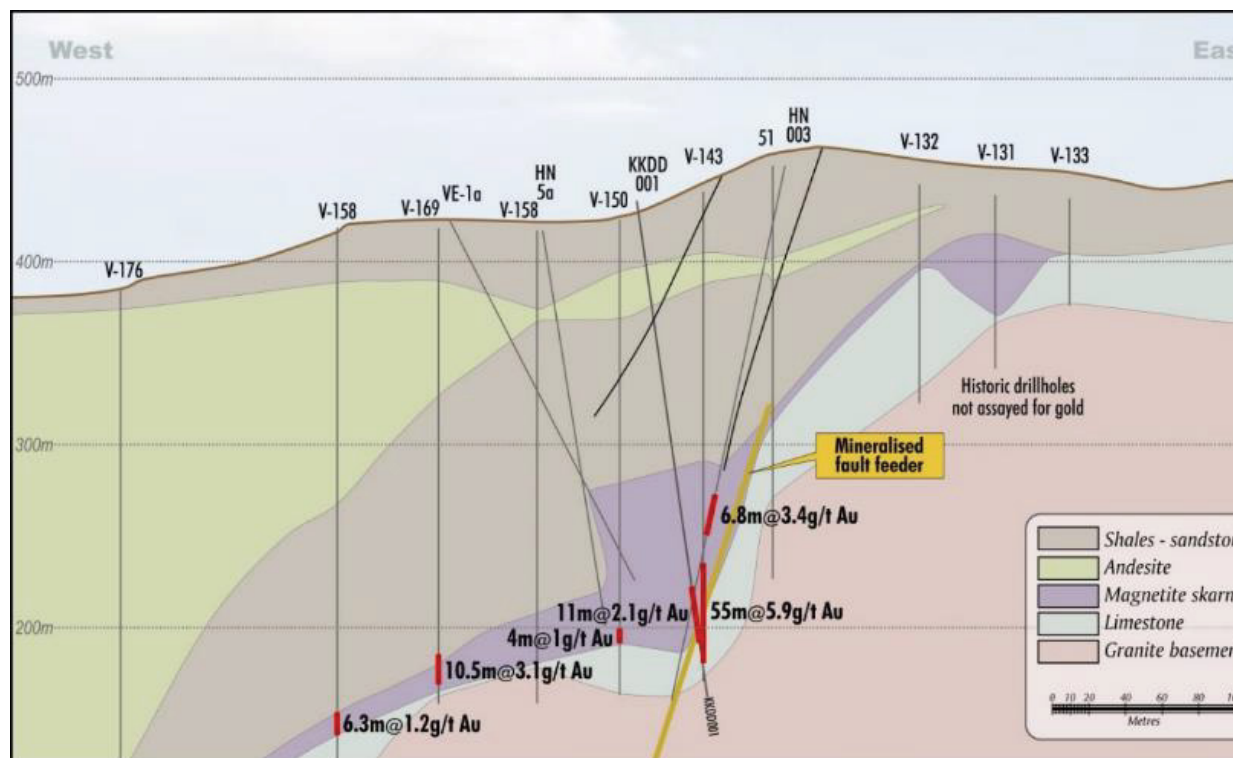


Figure 12. Oblique section showing Prospect hole KKDD001 and previous nearby intersections.

5.1.2 Tiergarten

TGDD001 and TGDD002 were drilled underground at the Tiergarten vein system where historic sampling in a drainage adit reported up to 500 g/t Ag in a fault zone. Assay results from TGDD001 and TGDD002 were disappointing, however, this drilling has demonstrated that underground drilling is possible. Important benefits are the zero surface disturbance and shorter, lower risk holes starting at or near vein zone, delivering both economic and community public relations benefits.

5.1.3 Stefan- Stefultov

Stefan – Stefultov is on the eastern side of the tenement. Sampling by Prospect in an old adit there returned a single rock chip sample of 138 g/t gold. One hole SSDD001 was drilled below the high grade sample in the adit and intersected a clay shear 50m below where the vein was expected and this had a disappointing result of 2.7m of 0.13 g/t Au and 22.0 g/t Ag.

5.1.4 Banky

One hole was drilled at Banky. BKDD001 tested a series of flat lying veins with similar orientation and stratigraphic position to the Rozalia Gold Mine, some 2 km to the south and within development distance of the Rozalia operations. A historic hole VBR-7 was resampled by Prospect from core held in the government core library and returned 120 g/t Au between 175.5-175.7m. Historic reporting in 1993, records only 1.31 ppm Au from the same interval. VBR-7 hole was drilled vertically from the same position as BKDD001.

The best result in BKDD001 was 1.0m of 3.04 g/t Au and 76 g/t Ag from 75m. A schematic section is shown as **Figure 13**.

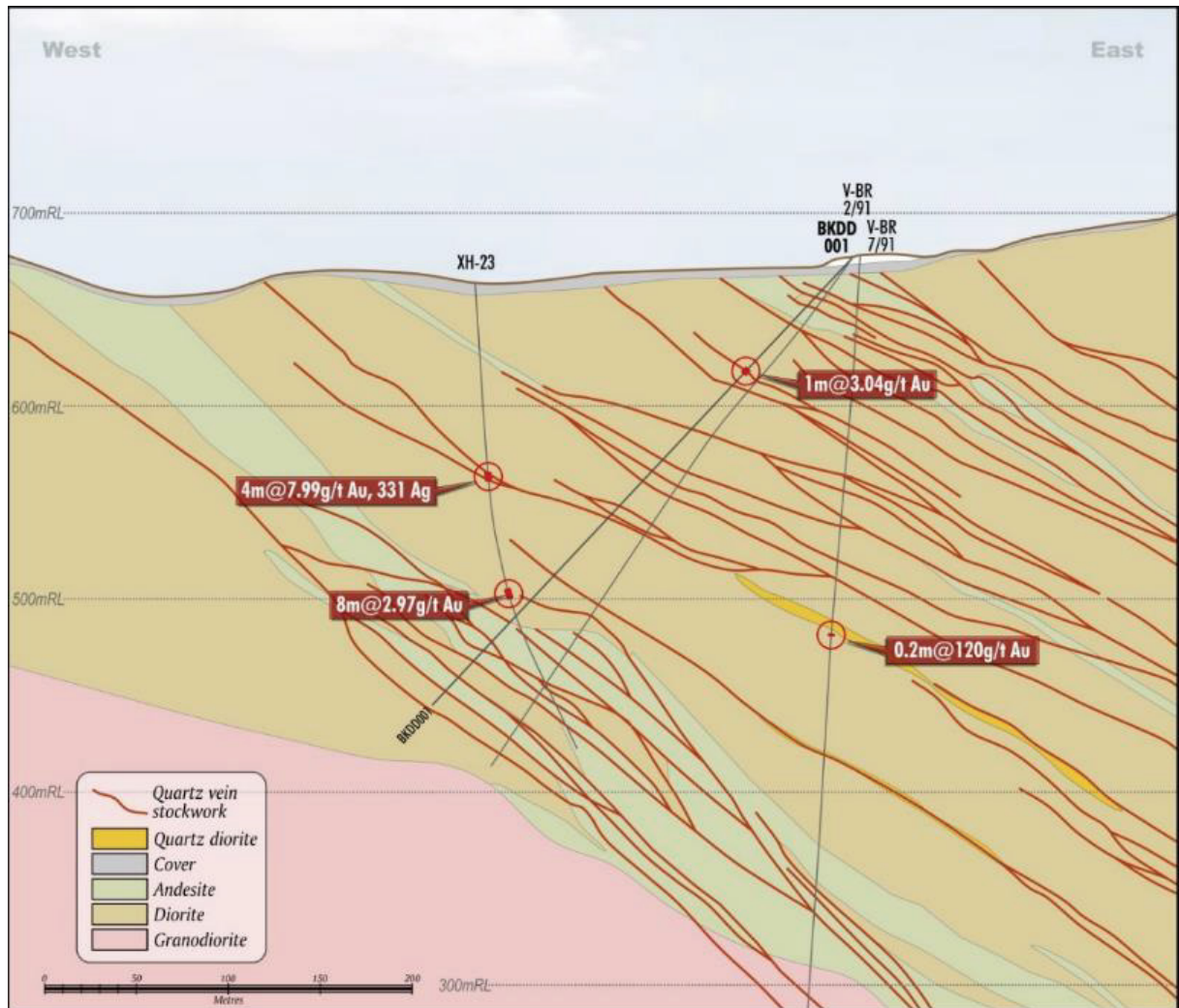


Figure 13. Schematic section of Banky hole BKDD001 and nearby historic holes.

5.1.5 Rozalia West

In December 2015, a memorandum of understanding ('MoU') was entered into with Slovenská Banská s.r.o., the owner of the Rozalia Mine. Whilst the Exploration and Production Co-operation MoU is non-binding, it demonstrates a close co-operation between Prospech and the Rozalia Mine. The currently operating Rozalia Mine processing plant produces a gold and silver concentrate using cyanide free processing with modern Outotec technology. The Rozalia Mine produces approximately 10 to 20,000 ounces of gold a year at head grade of 12.5 g/t Au and total production to date is approximately 400,000 ounces of gold.

Prospech has completed one hole, RW1 to test the continuance of the mine host sequence onto the Prospech tenement. Although the hole confirmed the presence of the mine sequence, sampling through the target zone was hampered due to poor core recovery. Because there are no supporting precious metal values, this potentially downgrades the target for now. It should be stated that the Rozalia Mine has a strong nugget effect with rapid changes of grade over small distances.

5.1.6 Trojkrálova

A single hole TKDD001 targeted a vein within strongly clay altered limestone which was exploited until 1860. Two government drill holes were drilled in 1990 and a report by Onáčila in that year reported the following intersections in those holes.

Drill hole A-1 – 142.2-143.1m @ 7g/t Au; 5g/t Ag and Drill hole A-1a – 203.4-204.2m @ 2.2g/t Au; 13g/t Ag

The Prospech hole TKD001 intersected a 30m zone of quartz carbonate alteration however the results were low grade.

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5.1.7 Jan Benedikti

The Jan Benedikti area has several old workings which exploited steeply dipping veins as well as shallow dipping shear related veins close to the granodiorite contact, which may have similarities to the veins at the Rozalia Gold Mine. This area was targeted by Prospech in October 2016 for Rozalia style mineralisation close to the granodiorite contact

The area has had previous exploration for base metal mineralisation by the Slovakian Geological Survey in 1992. That work involved sampling the historic workings, an exploration adit and drilling. Prospech resampled some of the government core and the best results were 0.4m of 2.56g/t Au and 2.6g/t Ag from 195m in hole JB-4, 1.0m of 2.97g/t Au and 8.1 g/t Ag from 77.0m in hole JMB-1. Prospech also reported a sample with 8.48 g/t Au and 22.7 g/t Ag from the waste rock of the Konciar exploration adit.

Two holes were drilled by Prospech for 362.7m in 2017 as shown in **Figure 14**. Results are listed in **Table 3**. These holes known mineralised zones from previous drilling. The end of JBDD001 intersected and terminated in a broad shear zone with some massive silicified manganese rich dolomite, interpreted as the footwall of Rozalia low angle normal fault, however there were no significant precious or base metals.

Table 3 Jan Benedikti drill results:

	Hole ID	From m	To m	interval	Au g/t	Ag g/t	
Jan Benedikti	JBDD001	73.2	115	41.8	0.42	3	Broad Jan Benedikti Shear Zone
	<i>including</i>	<i>83</i>	<i>86</i>	<i>3</i>	<i>1.26</i>	<i>2</i>	<i>Over 1 g/t and 1m lower cut</i>
		<i>108</i>	<i>109</i>	<i>1</i>	<i>2.27</i>	<i>1</i>	<i>Over 1 g/t and 1m lower cut</i>
		<i>111</i>	<i>112</i>	<i>1</i>	<i>1.12</i>	<i>1</i>	<i>Over 1 g/t and 1m lower cut</i>
	JBDD002	153	154	1	0.72	73	Vein with minor Galena

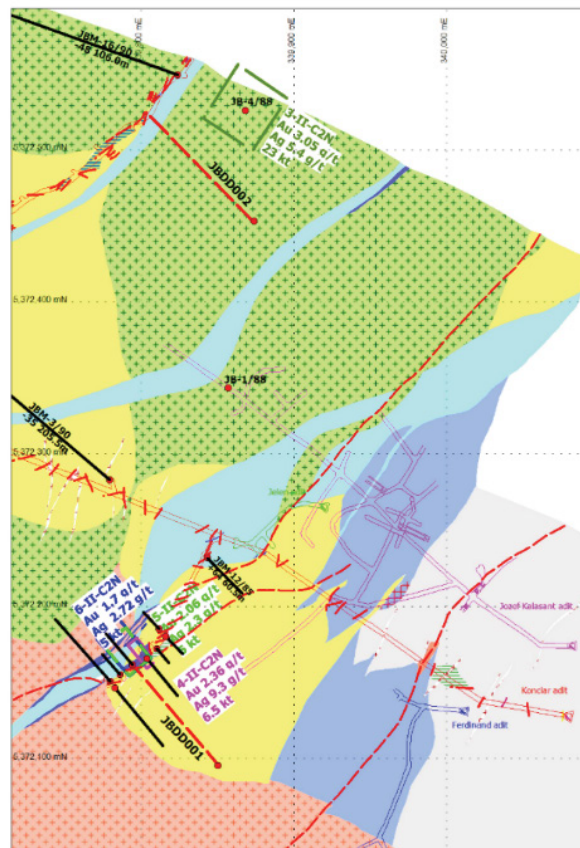


Figure 14. Jan Benedikti drill hole location.

5.1.8 Schopfer

The historic Schopfer mine is a 45 degree, east dipping structure which sits stratigraphically slightly below the interpreted Rozalia Mine structure. This is one of the largest veins in the Prospech tenement with an estimated production of 154 thousand tons at 2.01 g/t Au and 234 g/t silver between 1871 and 1888. It is very likely that total production was much higher than that, however those records are not available. According to a draft report by Tim Callaghan dated August 2019 the mine was developed on 10 levels with the deepest level 140m below the main Voznica heritage drainage drive which is at 240m RL. He states that the mine was intermittently active until the 1950s. The vein has a 2 km strike length and a width of 1 to 7m. Strike extensions for another 4 km to the north, link this structure with the historic Unverzaght and Anton (Svatotrojicna) mines as shown on **Figure 8**.

Prospech has drilled a total of 24 holes for 1053.26m between March 2017 and March 2018, in a small area below the Luisa shoot as shown on **Figure 15**. 4 holes were drilled from surface for 931m. SCDD007 stopped short of the target due to drilling problems. SCDD008 did not fully test the vein as it intersected a drive on the vein, however immediately above the drive it did intersect 0.5m of 1.8 g/t gold and 207 g/t silver which is consistent with historic grade. Holes SCDD005 and 6 returned intersections of 5.5m and 4m respectively with low grade gold and silver of around 1 g/t gold.

20 short holes for 121.76m were drilled underground from existing drives on the 2nd level and a sub level above that. The core holes were drilled with a portable drill. The results of those holes are tabulated below in **Table 4**. It is important to note that the underground holes are not indicative of the whole vein width as they were collared on the western side of the drives. Because the drives were dug along the vein, by definition, some of the vein has been removed and there may also be more of the vein remaining on the Eastern side. These holes were designed to confirm the grade of the vein but they do not represent the whole vein width.

Table 4. Schopfer underground drill hole intersections. NB intersection intervals are down hole lengths and not true width of the vein.

Hole Number	From m	To m	Interval m	Gold g/t	Silver g/t
SCDD001	0.65	3.4	2.75	2.19	151
SCDD002	0.0	0.9	0.9	1.86	188
SCDD003	0.0	3.0	3.0	2.46	233
SCDD004	0.0	1.5	1.5	5.57	258
SCDD009	0.0	1.0	1.0	1.03	7.4
SCDD0010	0.0	9.6	9.6	0.1	5.92
SCDD0011	0.0	8.37	8.37	0.24	11.74
SCDD0012	0.0	5.0	5.0	0.36	25.5
SCDD0013	0.0	1.79	1.79	0.87	63
SCDD0014	0.0	5.0	5.0	0.75	73
SCDD0015	0.0	3.0	3.0	1.01	101
SCDD0016	0.0	4.0	4.0	0.71	30
SCDD0017	0.0	13.0	13.0	0.71	43
SCDD0018	4.0	6.02	2.02	1.2	97
SCDD0019	0.0	2.0	2.0	0.67	66
SCDD0020	0.0	1.0	1.0	2.05	136
SCDD0021	0.0	1.63	1.63	2.7	478
SCDD0022	1.0	1.9	0.9	2.3	236
SCDD0023	1.0	2.91	1.91	1.7	180
SCDD0024	0.0	5.0	5.0	2.93	401

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5.1.9 Schopfer Exploration Target.

Tim Callaghan, an independent resource and exploration geologist, wrote a review of the Schopfer “exploration target” for Prospech in August 2019. The data used by Tim Callaghan to construct the block model on the 2 shoots in the north (shown as coloured blocks on **Figure 15**) was from government sampling in the 1930s. This assay data should be treated as unreliable, however it does show that there is likely to be mineralisation in those areas. None of this data is JORC compliant and drilling will be required in those areas. Like the Prospech underground drilling, the channel samples were taken from drives along the vein so if the vein was wider than the drive, they may not be representative widths.

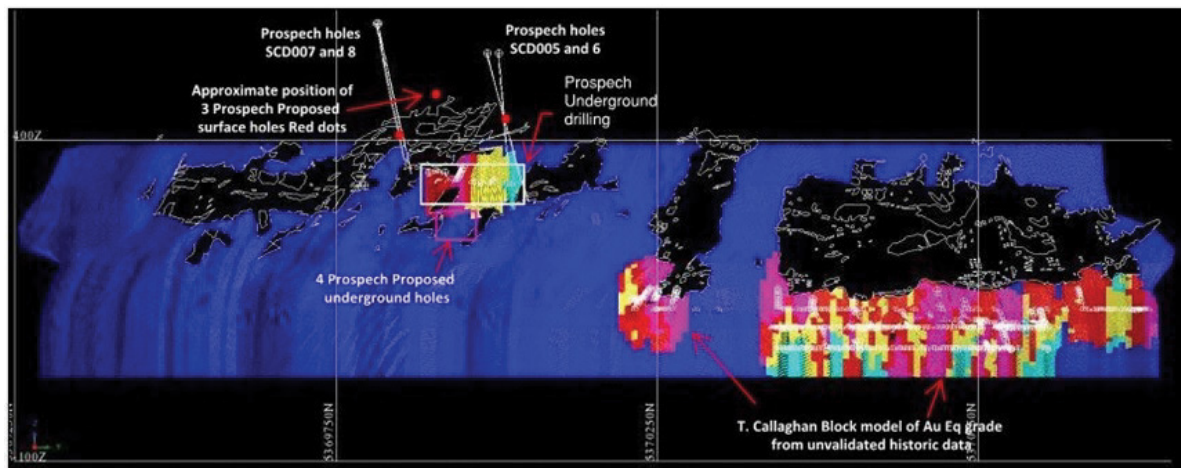


Figure 15. Schopfer long section showing Prospech drill hole areas and proposed areas for further drilling. After Callaghan 2019.

Note that this is a view looking horizontally from east to west. Because the vein has a 45-degree dip to the east, this view apparently shortens the down-dip depth of the vein which would appear larger if viewed perpendicular to it.

In his report, Callaghan concludes there is an insufficient spread of Prospech intersections to construct a meaningful target at this time and a programme of further drilling of 15 to 20,000 metres is required. To test the vein properly, some deep drilling with wedged holes will be required, especially at the deep northern end. Another alternative would be to construct cross cuts with drill cuddies and ventilation to the east of the main Voznica heritage drainage drive which is at the 240m RL. The past and proposed drilling by Prospech only incrementally expands the area of known data but it has confirmed that the width and grade of the shoot is consistent with past production and parameters used by Callaghan to calculate an “Exploration Target” for the Schopfer Vein.

Callaghan has estimated an “Exploration Target” of 1-1.5 million tonnes at 2.5 to 3.5 g/t gold and 300 to 400 g/t silver. An “Exploration Target” is conceptual in nature where there is insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

I have included another long section prepared by Tim Callaghan as **Figure 16** where he has outlined potential areas for his Exploration Target.

I have done a quick calculation to see if the exploration target is realistic and have come up with a similar tonnage as shown in **Table 5**. I have calculated the tonnage of 3 blocks which would appear likely to contain mineralised material 140m down dip from the historically mined areas as shown in **Figure 17**.

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Table 5. Estimate of the exploration target below historic Schopfer stopes. See **Figure 17** for the location of blocks A to C.

Block	Down dip length m	Strike length m	width	Cubic metres	Density SG	Tonnes	Grade Au g/t	Ounces Au	Grade Ag g/t	Ounces Ag
A	140	630	3	264,600	2.5	661,500	3	63,810	350	7,444,534
B	140	100	3	42,000	2.5	105,000	3	10,129	350	1,181,672
C	140	630	3	264,600	2.5	661,500	3	63,810	350	7,444,534
Total*				571,200		1,428,000		138,000		16,100,000

*Totals rounded to 3 significant figures

The figures in **Table 5** are considered possible, in terms of tonnage but are sensitive to both grade and vein width. Upside exists for a larger tonnage if the mineralisation extends above the old workings and or below the blocks shown in **Figure 16**. It is also possible that additional shoots may be discovered along strike. To take an optimistic view, for every extension of 140m either up or down dip from the old workings the total ounces would double but this unknown at this point without any drilling.

Prospech also intend to drill below other historically mined areas along strike from Schopfer approximately 2 and 4km to the north at the Unverzagt and Anton (Svatotrojicna) prospects as shown in **Figures 8 and 18**.

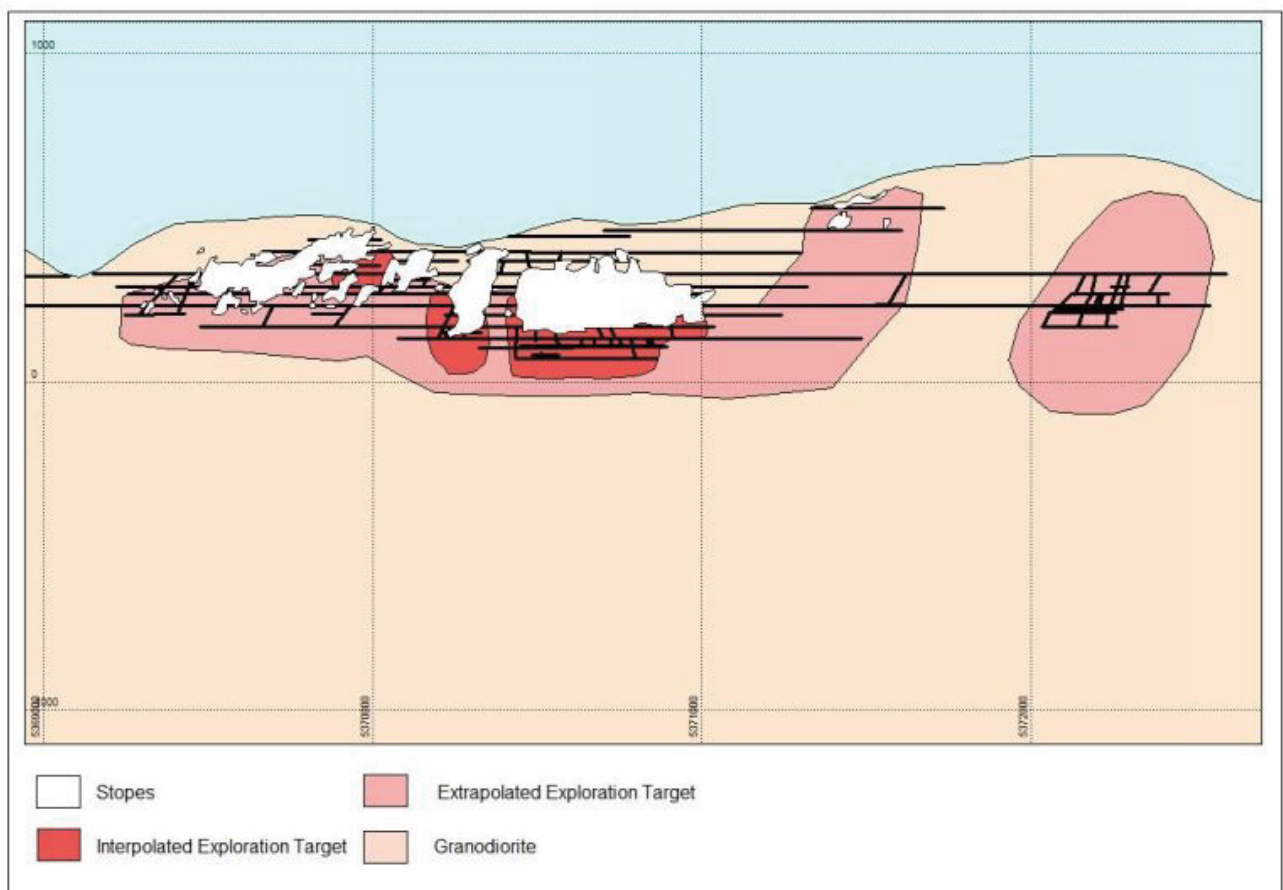
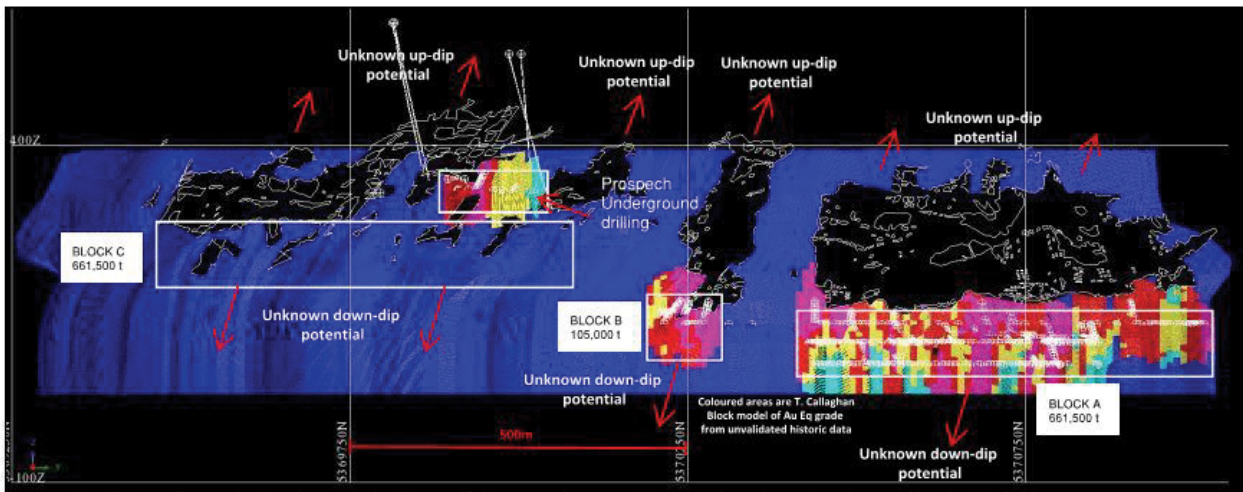


Figure 16. From T Callaghan's report of August 2019. Long section of the Schopfer vein showing the proposed "Exploration Target" area.

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Schopfer vein blockmodel. Most of the vein has no interpolated grade due to the lack of data.

Figure 17. Exploration Target potential based on Table 5.

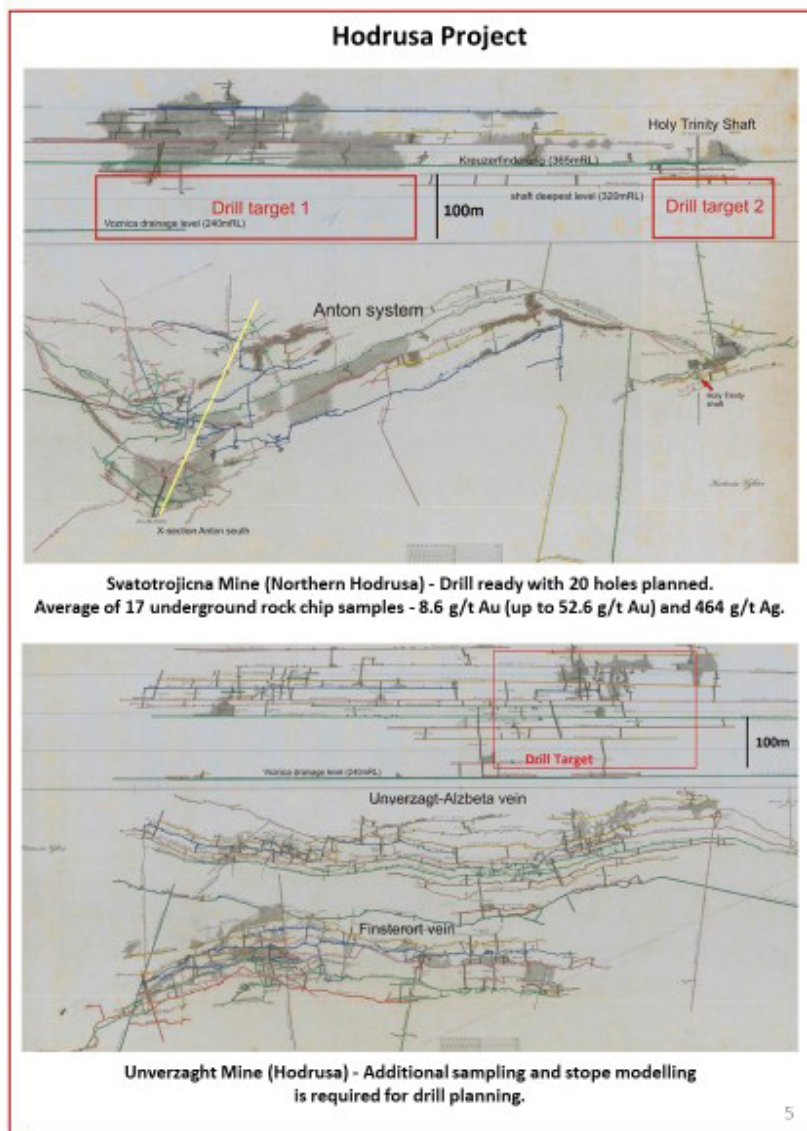


Figure 18. Unverzagt and Anton (Svatotrojicna) targets 2 and 4 km north of Schopfer. See Figure 8 for prospect location.

It should be noted that the Schopfer workings were used to dispose of tailings for approximately 10 years between 1970 and 1980 and it is estimated that some 500kt of tailings from processed Cu bearing material were pumped to the stopes below the 2nd level. At the present time the tailings are dry and barely noticeable on the 2nd level. for two reasons:

- The original business plan of the Slovenska Banska mining company was to develop the Klokoc magnetite skarn for its magnetite content and they re-entered the Schopfer mine and excavated all of the tailings from the 2nd level. Moreover, the tailings from the stopes "disappeared" somewhere at depth below that level, but nobody knows where because levels of CO₂ below Level 2 are high preventing access to deeper levels of the mine at this time.
- The level 5 of the Schopfer Mine is connected to the main historic drainage system in the mining district and this flows out to the Hron river. It is possible that some of the tailings have either gone out to the Hron river or more likely to deeper levels of the mine below level 5 which are definitely flooded with water and tailings. Modern day pumps should not have a problem dewatering these levels and below, however ventilation will have to be re-established if future mining is warranted.

5.1.10 Ignac

Four holes for 920.3m were drilled in this area in 2018. Prospech believe that this vein structure is an up-dip extension of the Rozalia structure and is approximately 400m from the Rozalia mine haulage drive as shown on **Figure 19**. They also believe that Ignac is part of a much longer system on the Rozalia structure extending at least 2km along strike between Ignac, Rabenstein and Bauch as shown on **Figure 8**.

A long section of the workings and hole locations is shown in **Figure 20**. Historic Ignac stope samples average 8 g/t Au and a high proportion of surface rock chip samples from waste dumps have good gold values.

IRD001 intersected veins and vein stockwork between 190.0 and 199.5m which are anomalous in gold, silver, lead and zinc. 5m of 3.2g/t gold and 22 g/t silver was intersected between 190.0 and 195.0m which included 1m of 13.75 g/t gold and 19.6 g/t silver.

IRD002 intersected 0.4m of 15.6 g/t gold and 46.2 g/t silver from 174.0m in a stockwork above the main vein and 0.4m of 8.31 g/t gold and 117 g/t silver from 195.85m in a vein below the main vein. The hole intersected a mined out and backfilled zone interpreted as the main vein between 177.0m and 180.4m.

IRD003 intersected 2 weakly mineralised stockwork veins above the main vein. These results were 1m of 1.11 g/t gold and 34.7 g/t silver from 153.0m and 1m of 1.19 g/t gold and 11.7 g/t silver from 157m. A stope was encountered between 174.75m and 176.9m which was presumably the mined-out portion of the main vein.

IRD004 intersected 1m of 1.28 g/t gold and 34.5 g/t silver from 214.0m which was interpreted as the main vein. No workings were encountered.

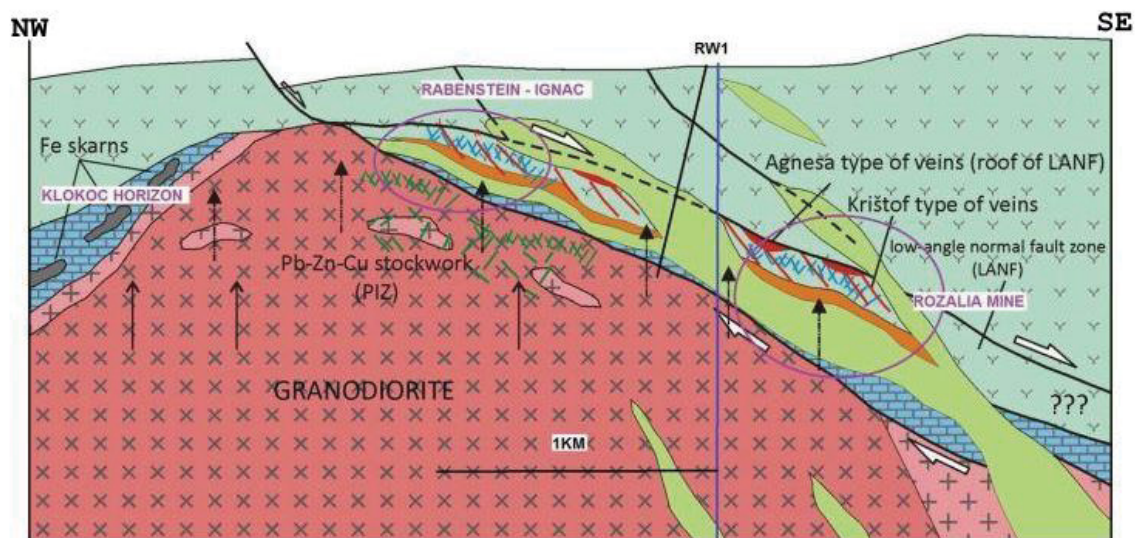


Figure 19. Schematic section Ignac to Rozalia Mine with later horst graben fault offsets removed The Rozalia – Ignac position is known as the Low Angle Normal Fault by local geologists.

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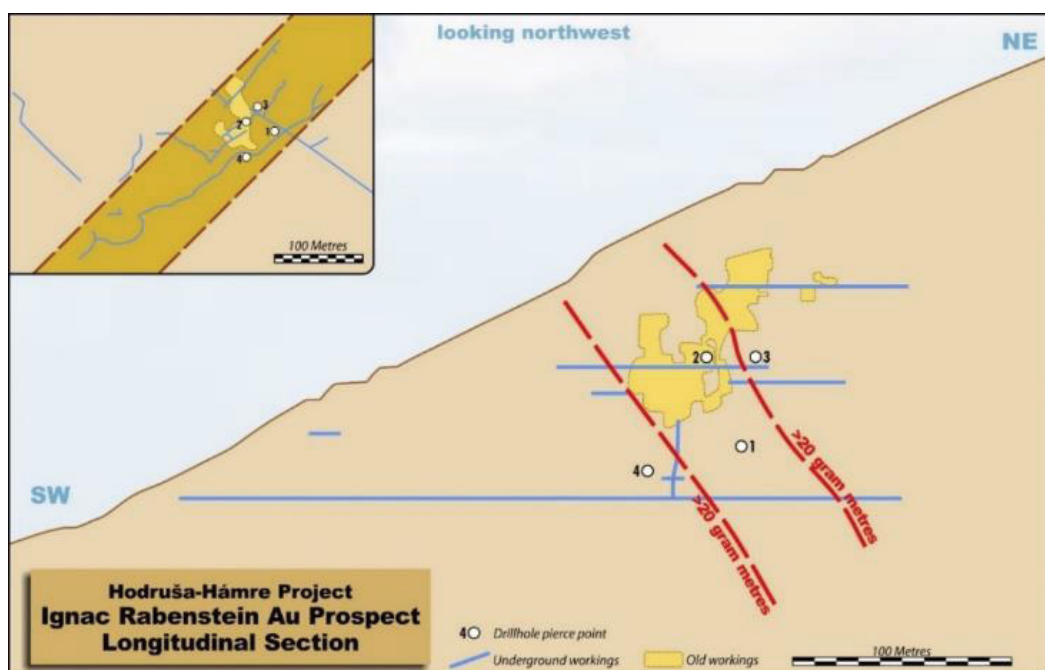


Figure 20. Ignac long section showing historic workings and hole pierce points.

5.1.11 Kopanice

A total of 8 short holes for 60.4m were drilled directly into the outcropping vein using a hand held microdrill near the mouth of the adit and surface workings. These holes were drilled to confirm previous rock chip results and historic grade. Significant results are presented in **Table 6**.

The historical mine site is located approx. 300 m east of Kopanice village at Banište Hill as shown on **Figure 8**. The vein is the surface termination of a large underground stope on the Hlavná vein. The vein is located in strongly altered andesite and quartz-diorite porphyry and is made of massive or porous quartz with altered fragments of the host rocks. Prospech geologists believe that this vein has formed in a low angle normal fault at the top of a granodiorite intrusion and has similarities to the structural setting of The Rozalia Gold Mine.

Table 6 Significant Kopanice drill intersections

Hole ID	from (m)	to (m)	length (m)	Au g/t	Ag g/t
KODD001	0	1.2	1.2	3.12	146
KODD004	0	1	1	12.35	582
KODD007	13.6	14.4	0.8	1.99	91.4

5.2 Prospech Exploration on the Western Flank group of tenements

5.2.1 Nova Bana Gupna Prospect

The Nova Bana area was subject to historic gold and silver mining of an epithermal quartz vein system. Two holes were drilled at Gupna for 920.15m in 2016. Drill hole locations are shown in **Figure 21** and significant intersections are shown in **Table 7**.

In NBDD001 there were no significant results, possibly because the hole did not test the same zones of mineralisation encountered in nearby hole NBDD002.

NBDD002 intersected several veins between 18.5m and 322.7m and a deeper zone of un-mineralised quartz breccias between 531.5m and 624.5m which is interpreted to be a “feeder” to the mineralised historically mined veins above. The upper, potentially mineralised part of the interpreted feeder has not been drilled. A schematic section for NBDD002 is attached as **Figure 22**.

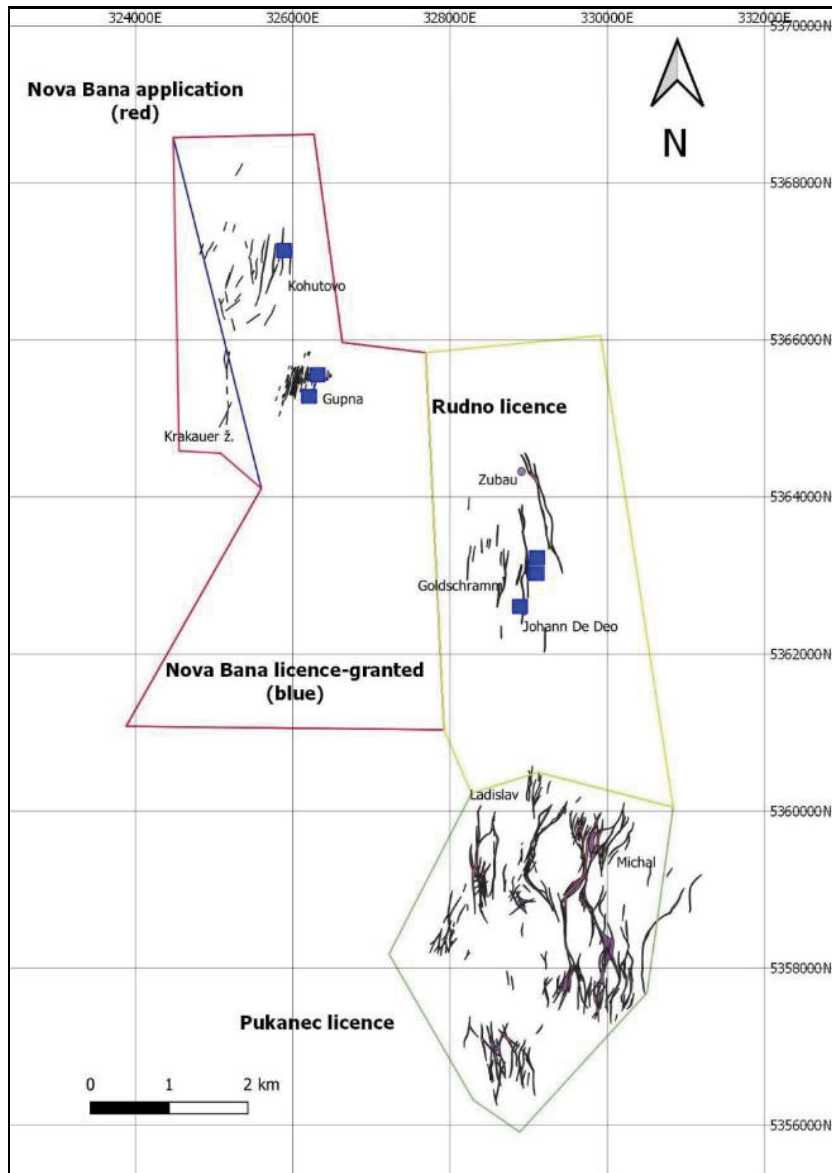


Figure 21 Nova Bana tenements showing drill hole collar locations

Table 7 Gupna drill intersections.

Hole ID	From m	To m	Interval m	Gold g/t	Silver g/t	Comments
NBDD002	18.5	21.5	3	2.21	56.4	
including	19.8	20.5	0.7	5.39	30	
	59.5	60.6	1.1	4.09	59.3	
	75	75.3	0.3	2.28	14	
	317	322.7	5.7	1.05	1.25	
including	317	317.8	0.8	5.82	1.6	Visible gold

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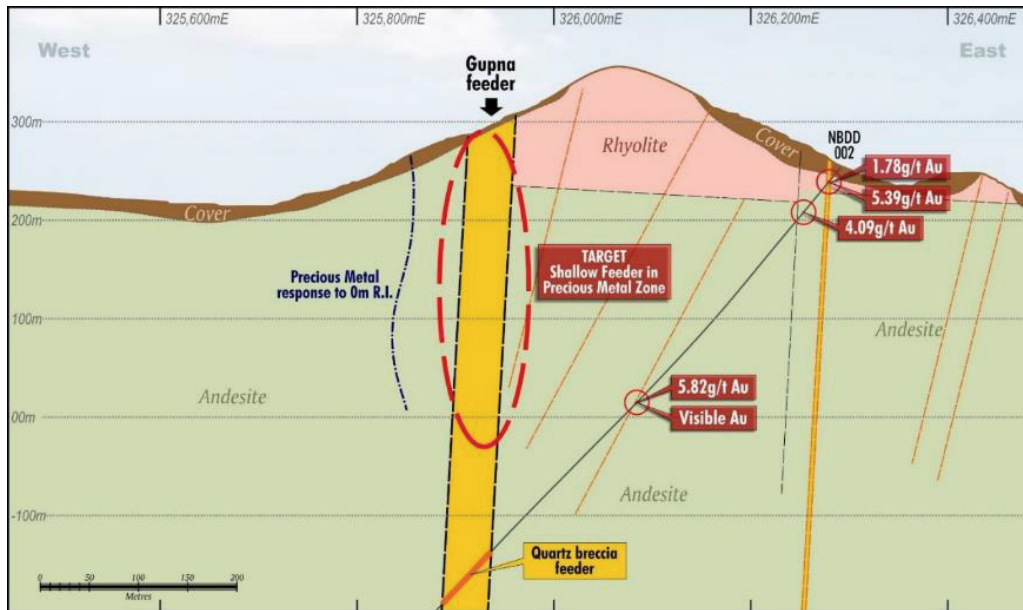


Figure 22. Schematic section NBDD002.

5.2.2 Nova Bana Kohutovo prospect

One hole for 393.9m (NBDD003) was drilled at the Kohutovo target to test an area of extensive underground historic mining. The aim of the hole was to test the intersection of the Laurenc, Jozef and Jakub veins. A 10m zone of low-grade mineralisation was encountered on the contact of the rhyolite and andesite in the interpreted down dip position of the Laurenc vein as shown in **Figure 23** and drill intersections are shown in **Table 8**.

Table 8. Drill intersections NBDD003.

Hole ID	From m	To m	Interval m	Gold g/t	Silver g/t	Comments
NBDD003	155	156.3	1.3	1.83	5.5	Targeting Josef, Jakub and Laurenc
	159	160.5	1.5	3.35	9.4	
	172.3	173	0.7	4.11	9.9	
	216	226	10	1.02	5.1	

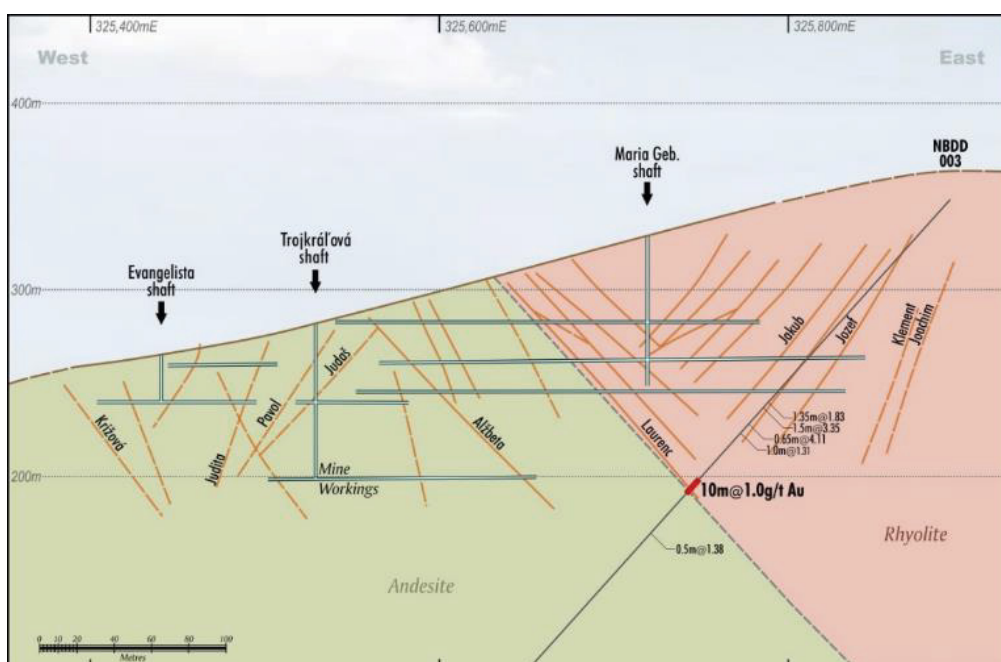


Figure 23. Schematic section NBDD003.

5.2.3 Rudno Tenement.

A total of 5 scout holes for 1076.25m were drilled at Rudno in 2018 as shown on **Figure 24**. This exploration licence was pegged by Prospech, at minimal cost, over open ground and granted in May 2017. Low sulphidation epithermal vein mineralisation occurs in hydrothermally altered pyroxene-amphibole andesite. There are two groups of steeply dipping precious metal veins striking north-south, 1 to 2 metres thick and 1,500 metres long. Only a 200 metre segment has been subject to historic mining.

Epithermal veins occur in 4 separate zones (from E to W) Anna-Zubau, Goldschramm, De Deo and an unnamed vein (De Deo East).

Anna-Zubau was sampled by Prospech at surface as the underground workings are not accessible. It was the most intensively mined zone in the past. The central part of this zone was 40m wide and some very high-grade samples were collected around the Zubau surficial diggings returning up to 35.9 g/t Au (average 11.4 g/t Au, 63 g/t Ag out of 5 samples). Relatively low silver grades might be the reason why this material was not processed. This was tested by Prospech drill hole RDDD001 which returned 10.2m @ 1.08 g/t Au and 34 g/t Ag from 174.5m (The hole stopped in mineralisation due to failure of the drill rods).

A second hole RDDD002 was drilled below the first hole to test the depth potential below. RDDD002 returned 5.0m of 0.36 g/t Au and 2.5 g/t Ag from 205.0m.

In order to access the Goldschramm, and De Deo veins Prospech drained the Johan De Deo heritage adit and sampled 4 mineralised zones mined in the past. All of these zones returned high Au-Ag grades. Goldschramm consists of at least 5 steeply dipping (65-90°) veins up to 1 metre thick. These veins were mined in the past, but probably not deeper than to the Johan De Deo heritage adit level at approximately 450 metres RL. The width of the zone is approx. 85-90 metres (easternmost to westernmost vein). A total of 18 grab samples were collected from this zone from the floor and ceiling of the underground development tunnels. The average grade of all 18 samples is 5.73 g/t Au and 416 g/t Ag. Goldschramm was be tested by RDDD003 and RDDD004 with the following intersections; RDDD003 had 0.6m of 0.86 g/t Au and 38.8 g/t Ag from 178.4m and RDDD004 had 0.5m of 4.59 g/t Au and 173 g/t Ag from 46.6m in the main vein. An additional hole RDDD005 was drilled on the Goldschramm vein further south and returned an intersection from a hanging wall vein of 0.3m of 1.25 g/t Au and 33.9 g/t Ag from 22.4m.

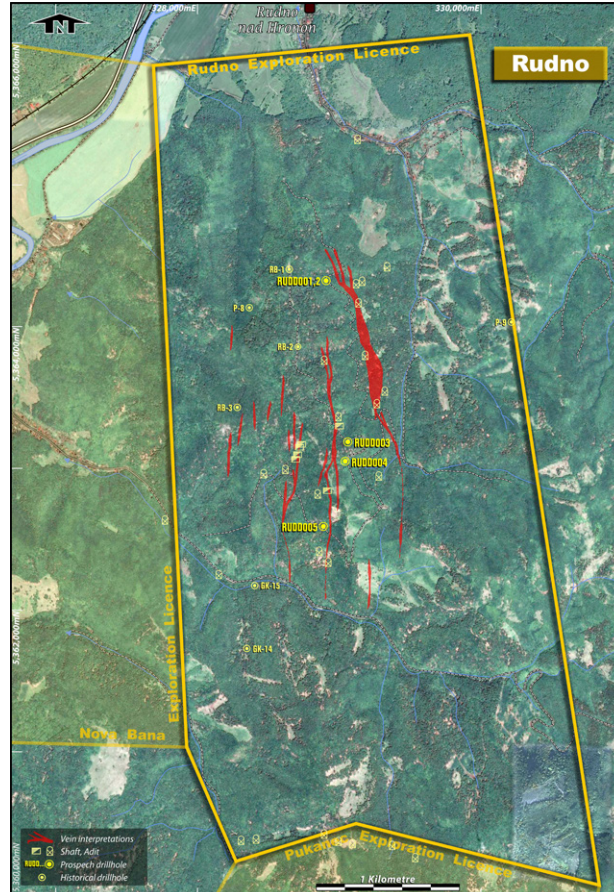


Figure 24. Rudno drill hole locations.

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5.3 Jasenie Project

The Jasenie Gold, Tungsten, Antimony Project is located approximately 60 km north east of Banska Stiavnica in Central Slovakia as shown in **Figure 3**. Jasenie is at an early stage of exploration.

The largest Au-W deposit (Kysla) is located north of Jasenie village on the southern side of the Nízke Tatry Mountains as shown in **Figure 25** and is partly in the Low Tatras (Nízke Tatry) National Park and partly in a National Park buffer zone. The environmental protection levels permit exploration and mining subject to conditions to be imposed by the Environmental Bureau of Slovakia and exclude exploration and extraction of oil and Natural gas.

Gold has been recovered by panning from a river terrace in the village during the Middle Ages. Modern exploration and mining started at the end of the 1950's, when an 18 km long, 400-1000 m wide scheelite-gold anomaly was identified at Kysla. Between 1987 and 1992 the Slovakian government drilled 221 surface and underground drill holes and dug six exploration adits for a total of 13 km. Their main target was Tungsten mineralisation which is considered a strategic metal in the EU. The government estimated a total of 3.63 Mt of stockwork and disseminated mineralised material and 1.4 Mt of vein material at 0.2% tungsten. They also estimated a gold resource of 1,500 kg. This is not JORC compliant.

The deposit is structurally complex with vein and stockwork mineralisation hosted in crystalline migmatite, gneiss and amphibolite basement rocks of the Nízke Tatry Mts. The deposit has an East North East strike length of over 2 km and dips moderately to the South East. The veins have been offset by up to 40m by numerous post mineral faults. Two genetic types have been recognized. Quartz veins, several cm to a maximum of 9 m thick, contain the highest gold concentrations, whereas scheelite occurs predominantly in stockwork and impregnation zones.

Other important occurrences of Gold Antimony mineralisation are located in the Lomnista valley. The small deposits were previously mined for antimony. Previous and recent work has identified seven mineralised targets of 150-250m in length. The individual veins are of 0.1-1.6m wide, striking NE-SW, dipping to SE. Past production contained 4-6% Sb, 0.1-6.3 g/t Au and 8-30 g/t Ag. Gold was present only in low grade Sb material and therefore was not subject of mining in the past.

Prospect work has concentrated on the Kysla area. They have taken 86 surface samples rock chip samples of outcrop, mullock and float and 53 underground samples in adit 4. The sampling was designed to confirm the presence of gold and tungsten in the prospect area and many samples appear to generally confirm the level of mineralisation reported in the government sampling.

In late 2018 Prospect prepared an in-house initial JORC 2012 compliant Inferred Resource estimate of 1.82 million tonnes at 1.22 g/t Au and 0.36% WO₃ for 71 koz Au and 6,612 tonnes WO₃ at the Kysla prospect but further drilling is required to add confidence to and expand the inferred resource estimate. A report of this work is attached as **Appendix 2**.

Prospect has completed 4 holes at Kysla for 761.1m. Those holes were designed to confirm historic grade in the underground workings to add confidence to the in-house inferred resource estimate discussed above. Drill hole locations in relation to the block model for the Inferred Resource estimate are shown in **Figure 26** and significant drill intersections are presented in **Table 9**. Holes JADD002 and 4 intersected significant mineralisation within the two main mineralised areas used in the 2018 JORC Inferred Resource estimation.

Table 9. Jasenie drill hole intersections:

Jasenie	Hole ID	From	Int (m)	Au g/t	WO ₃ %	Comments
Kysla	JADD001	NSR				All HQ
Kysla	JADD002	57.7	10.3	0.67	0.25	
Kysla	<i>including</i>	63	5	1.03	0.35	
Kysla	JADD003	85	7	0.18	0.88	
Kysla	<i>including</i>	89	2	0.24	2.46	
Kysla	JADD003	175	2	1.33	0.18	
Kysla	JADD004	NSR				

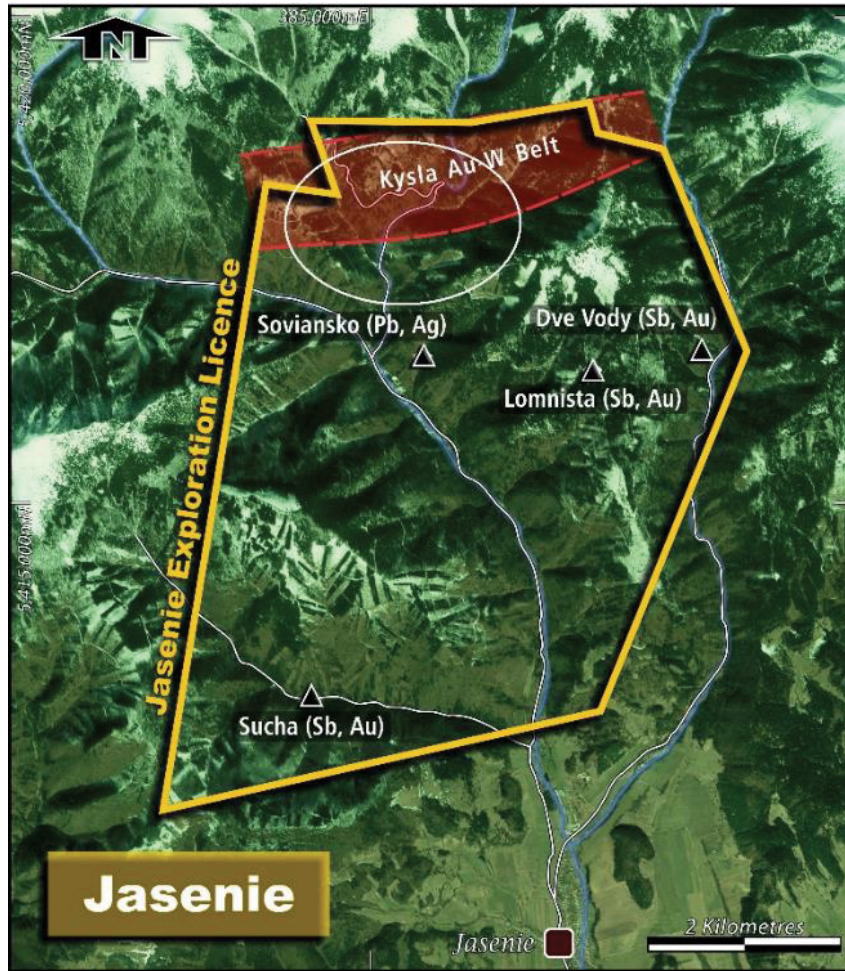


Figure 25. Jasenie exploration Licence showing prospect locations

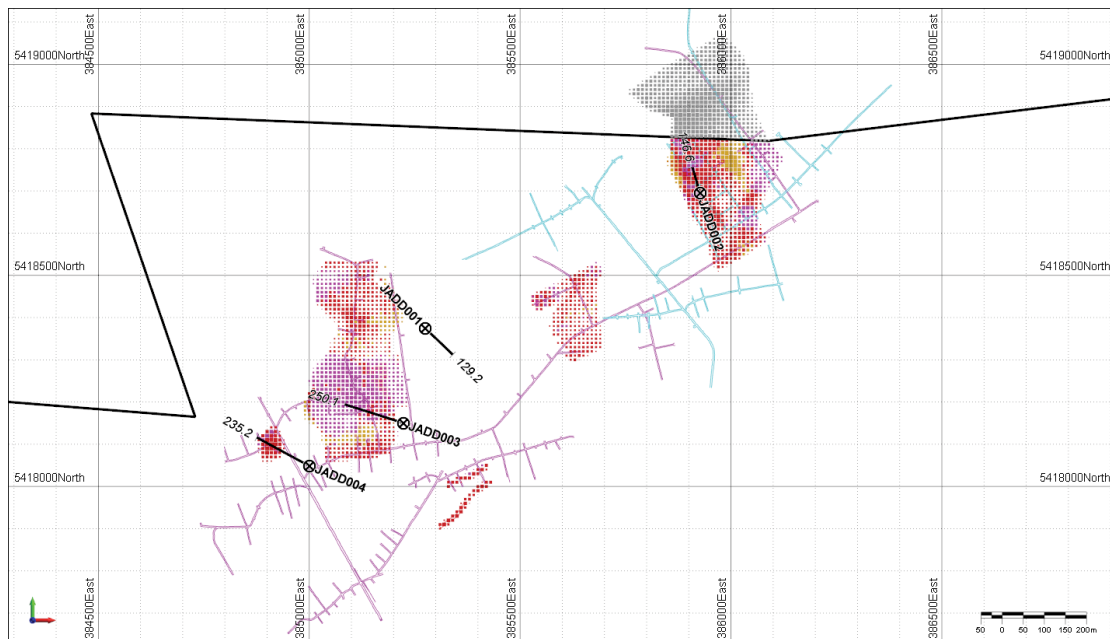


Figure 26. Plan view of the Kysla mineral resource block model showing Prospech drill holes. Coloured Blocks are gold-tungsten mineralised, grey-coloured blocks are located outside the Prospech lease boundary (thick black line) and are not reported in the estimate. Extensive underground exploration tunnels shown in magenta (Level 3) and Cyan (Level 4).

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5.4 Cejkov-Zemplin Project

The Cejkov-Zemplin licence was granted to Prospech Slovakia in late 2018 after historic research revealed significant gold, silver and base metals were noted in previous drilling, which at the time of application was open ground. The mineralisation had been discovered by governmental exploration in 1980-1990 and later was subject to limited prospecting by Rio Tinto Zinc in the early 1990s (geophysics, two diamond drill holes for which the data cannot be located) and St. Stephan Gold Ltd. (subsidiary of Ortac Resources Ltd. – now Arc Minerals Ltd.).

Cejkov-Zemplin is an epithermal Ag-Cu-Pb-Zn-Au system hosted in rhyodacite and quartz-diorite porphyry mostly covered by thin wind-blown sand. The veins are several hundred meters long, striking N-S and up to 3.1 m wide. No historical mining has been carried out here, the epithermal system does not crop out on the surface. Historical drilling by Slovak Geological Survey (up to 200m deep holes) intersected epithermal veins with an intersection in VS-19 of 2.5m of 514 g/t Ag, 8.34 % Zn and 13.37 % Pb from 95m and VS-20 of 2.4m of 182.13 g/t Ag, 16.54% Zn and 15.26% Pb from 145.6m. Generally, the Au content was less than 1 g/t.

The sphalerite is a honey color indicating low temperature deposition as shown in **Figure 27**. From chalcedonic vein textures in limited float samples Prospech believe this to be a fully preserved epithermal system with typical low temp chalcedony in the upper parts of the veins. Precious metals are associated with base metal sulphides (sphalerite, galena).

Prospech has not yet completed any drilling on this tenement however they have completed an ionic leach geochemical survey in late 2019 to better target future drilling and interpretation of that work is ongoing.



Figure 27. High grade base metal mineralisation in historic hole VS-20. 146.2m.

6.0 Proposed 2020-22 Exploration.

Prospech propose to focus on surface drilling the Bauch and Ignac sections of what is thought to be the up-dip position of the Rozalia mine sequence. At Schopfer, surface drilling should provide additional data for mineralised body definition. The previous drilling at the Gupna prospect on the Nova Bana tenement will be followed up with shallow holes targeting the upper portion of a proposed feeder structure in a vertical range which is known, from previous mining to be capable of depositing precious metals.

A small programme of follow up drilling within the Jasenie Project is planned to add additional confidence to the recent Kysla Inferred mineral resource estimate. A single hole is planned at Cejkov-Zemplin which will help confirm grade, width and geometry of the mineralisation. A total of 28 holes for 6,415m are planned. The program is summarised in **Table 10** and a breakdown of forecast exploration expenditure is attached as **Appendix 3**.

The July 2020 to end of September 2022 exploration budget of Au \$3.55 million will be subject to modification on an ongoing basis, depending on the exploration results as they progress. The proposed funds raised by the IPO will be sufficient to cover the exploration budget and licence obligations as set by the Slovakian Government.

Table 10. Proposed drilling. Priority holes:

Tenement	Prospect	Number of holes	Total metres
Hodrusa	Bauch	4	400
Hodrusa	Ignac	7	1525
Hodrusa	Schopfer	9	2700
Nova Bana	Gupna	2	400
Jasenie	Kysla	5	1190
Cejkov-Zemplin	Cejkov-Zemplin	1	200
Totals		28	6415

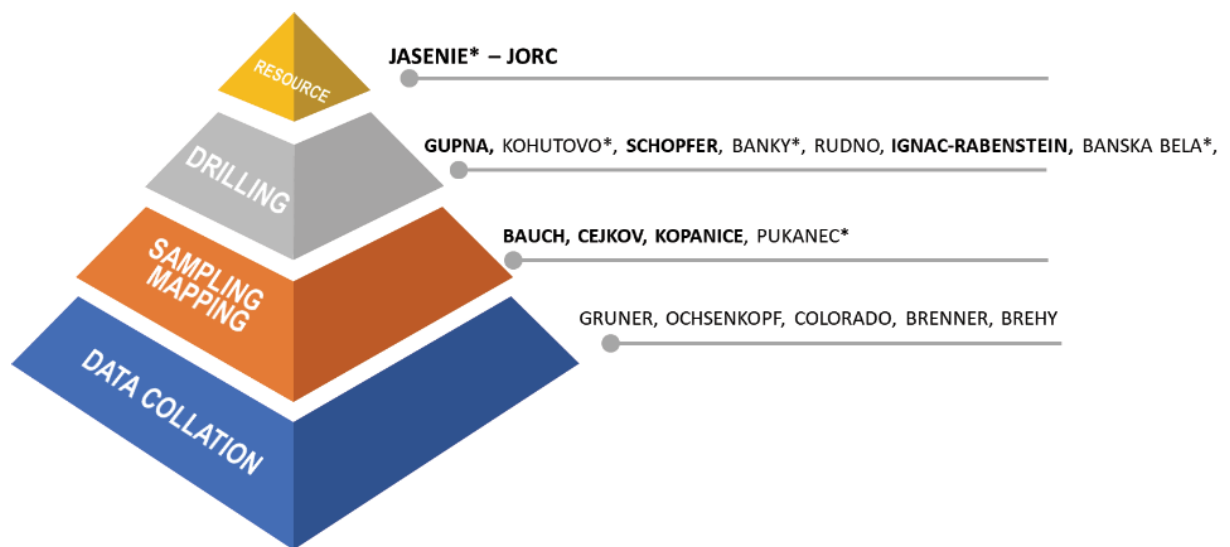
The proposed exploration program and budget appears to be based on sound geologic principals and supported by reliable data.

6.1 Exploration Target.

The proposed 2020 to 2022 exploration program is based on defining and testing Prospech’s first ranked exploration targets. Prospech technical staff have collated extensive historical and more recent exploration data which they consider is evidence to support the proposition that the Company’s exploration licences, which total approximately 204km², may host undiscovered deposits of gold, silver and other potentially commercially exploitable metals.

In order to quantify this potential, Exploration Targets have been estimated based on historic production, drill assays and surface sampling (all known occurrences known over 1.0 g/t gold described in sections 4 and 5). Datasets used to determine the grade and tonnage ranges included historical production records, surface sampling, modern drilling results and, where appropriate, 3D modelling of voids and interpreted solids of interpreted vein zones.

These drill targets will be refined and updated as further data from the Company’s ongoing exploration activities becomes available.



Provisional ranking of Prospech’s Exploration Targets. (Note. Asterisks indicate prospects drilled by 3rd parties prior to the Company’s involvement).

Prospech’s objective is primarily the definition of gold and silver mineral resources. Highlighted prospects are drill-ready and over 60 holes are currently permitted and 105 other holes are planned. The ranking of drill targets takes into account grade and tonnage of the target and perceived ability to progress to Mineral Resource estimations in due course.

7.0 Conclusions

- The tenements are held 100% by Prospech and its Slovakian subsidiaries. All tenements are current and in good standing.
- Although numerous targets have been identified on all four tenements including the Nova Bana group, only 12 have had first pass drilling. The work so far is still at an early exploration stage. The 6,887.7m of drilling done by Prospech is quite low for a large historical field of this size.
- The recognition of the up-dip extension to the Rozalia Gold Mine low angle normal fault in 2016 has been a significant breakthrough in understanding the area and provides several opportunities for future discoveries of high-grade gold mineralisation similar to that currently mined at the Rozalia Mine. In saying this, in detail the Rozalia Mine mineralisation has complex geometry and erratic grade distribution due to nugget effect making this an intricate target especially with only a few holes.
- The Schopfer Vein target has the potential to deliver a growth target in the near future. For every 140m the mineralisation continues below the mined-out shoots there is potential for approximately 130,000 gold and 2,500,000 silver ounces and that could be up to 430,000 gold and 8,000,000 silver ounces if it continues below that and along strike for 4 km to the north. Due to the lack of drilling so far, there is not enough data to construct a JORC standard resource model. Previous unvalidated government sampling below the stopes at the northern end of the system suggest that the mineralisation does continue however more drilling is required to verify grade and vein width. A significant programme of 15 to 20,000m of drilling will be needed to test this target including deep surface holes or alternatively constructing cross-cuts with ventilation to the east of the main drainage adit. A smaller initial programme could help to at least validate the concept.
- The proposed Prospech exploration programme for the remainder of 2020 and early 2021 appears to be valid but requires funding. This programme will not be sufficient to delineate any significant resources but if good results are obtained will help to attract further funding.
- The List of Exploration Targets provided by Prospech are conceptual in nature. Exploration Target estimates reflect corporate objectives based on previous mining and estimates of Slovak and predecessor reports. An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

8.0 References

- Cran, J. 2104. Hodrusa Project Due Diligence. 30-11-2014. Geo Data Pty Ltd report for Prospech.
- Cran, J. 2015 Summary of Previous Work at the Nová Baňa Epithermal Vein Goldfield, Slovakia 26 November 2015. Internal Prospech Ltd report.
- Kodera, Peter, Jaroslav Lexa, Andrew Hugh Rankin, Anthony Edward Fallick. Epithermal gold veins in a caldera setting: Banská Hodrusa, Slovakia. *Mineralium Deposita* (2005) vol 39; pages 921-943. Published 10-Feb-2005.
- Lexa J, Stohl J, Konečný V (1999) Banská Stiaavnica ore district: relationship among metallogenetic processes and the geological evolution of a stratovolcano. *Miner Deposita* 34:639–665.
- Štefan Ferenc, Peter Koděra and Rastislav Demko. Epithermal precious metals mineralization at Nova Bana-Gupna occurrence. (Pohronsky-Inovec Mts., Slovak Republic). Published at the Central European Mineralogical Conference Skalsky Dvur Czech Republic 2014.
- 1990 Onačila, D, 1990 : Exploration and structural-geological research around Povazansky fault. Preliminary report. (in Slovak)
- Callaghan, T. August 2019. Draft Report. Schopfer Epithermal Au Ag Vein. Review of Exploration Target.

10. Independent Geologist Report

Appendix 1

JORC Table including details of all Prospech drill holes and intersections.



Competent Person Statement

The information in this Report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Matthew Houston, who is a Member of the Australian Institute of Geoscientists. Mr Houston, who is an independent geological consultant to 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 Houston consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

10. Independent Geologist Report

JORC CODE, 2012 EDITION – TABLE 1

SLOVAKIAN PROJECTS ALL DRILLING ATRIBUTABLE TO PROSPECH LTD SINCE 2015

JASENIE PROJECT – KYSLA MINERAL RESOURCE – PROSPECH and GSSR (Geologicka Sluzba Slovenskej Republiky)

Section 1: Reporting of Exploration Results

Section 2: Sampling Techniques and Data

Section 3: Estimation and Reporting of Mineral Resources

Section 1 Sampling Techniques and Data – Kysla Resource – 2019 Drilling Results additional to 2018 December Quarter JORC Resource Inputs requested..

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<p>ROCK CHIP SAMPLING – PROSPECH only</p> <ul style="list-style-type: none"> Rock-chip samples were collected from outcrops and accessible both surface and underground workings of sulphide bearing quartz veins, and zones of silicification, within Prospech's tenements under the supervision of a qualified geologist. Sample locations were surveyed with a handheld GPS and marked into sample books. Underground samples were located using available underground maps. <p>CHANNEL and CORE SAMPLING – GSSR 1992</p> <ul style="list-style-type: none"> 1992 Chiseled channel samples were collected systematically over entire length of exploration adits and stockwork zones. Mesh sampling and repetitive channel samples were collected in the mineralised zones inside the Jasenie tenement under the supervision of a qualified geologist. Sample locations were surveyed by licensed surveyor. Representative chiseled samples of 5 kilogram weight were taken along the UG workings and across the strike of the mineralised structures over 1 metre intervals except where noted. Drill core samples were taken from ½ split core in mostly 1m interval samples or shorter when required and properly marked into sample books with depth intervals.

Criteria	JORC Code explanation	Commentary
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Diamond Drilling with PQ3, HQ3 and NQ3 core.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Standard overshot recovery of diamond core in wireline system. No recovery grade relationship.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Chiseled channel samples were geologically logged by a qualified geologist. Diamond core standard geotechnical logging of recoveries and RQD and lithological logging of whole core.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Core photographed and Prospech assumes whole core sampled as no half core remains in storage and no record of disposal (PQ 4-6kg/sample, HQ 3-4kg/sample, NQ 1-2kg/sample). All sampling done under supervision of a qualified geologist.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 	<p>PROSPECH</p> <ul style="list-style-type: none"> Samples are stored in a secure location in Company's 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 analyzed by ALS Chemex (Romania/Ireland) using method code ME-ICP61, a 33 element determination using a four acid digestion and Au-AA25 for gold. Samples are analyzed by OG62 – 4 acid digestion method for each element when identified. Reported tungsten assays is assays were carried out by XRF methods – ME-XRF05 (pressed pellet) or ME-XRF12k (fused bead).

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	<p>GSSR</p> <ul style="list-style-type: none"> Internal controls included 520 W samples and 431 Au samples with satisfactory comparison of duplicates in 94% of cases in the case of W and 88% in the case of Au for assays completed up to 1991 (GSSR Reports 1991 – Jasenie Resource Report). External controls (assays completed in Prague and Brno of then Czechoslovak Republic) included 308 W samples and 298 Au check assays, with 76% passed in terms of criteria set for W and 86% in the case of Au.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<p>PROSPECH</p> <ul style="list-style-type: none"> 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. <p>GSSR</p> <ul style="list-style-type: none"> As per below internal and external checks were completed in a duplicate program in 1991 of up to 480 samples for Au and W repeatability. Additional research of this program is required but in general 90% of samples were deemed to be a geostatistical 'pass' which Prospech assumes to be within 1 Standard Deviation of the Mean.
Location of data points	<ul style="list-style-type: none"> 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. 	<p>PROSPECH</p> <ul style="list-style-type: none"> Rock-chip samples are located using handheld GPS receivers with accuracy from 10-5m. Drill holes are surveyed using differential GPS by licensed surveyor within 10cm accuracy. UTM projection WGS84 Zone 34N and local grid SJTSK03. Conversion between local and UTM grid is run through national certified web portal. The topographic control, using handheld GPS, was adequate for the survey. <p>GSSR</p> <ul style="list-style-type: none"> All drill holes and UG sample locations and were surveyed by licensed surveyor.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<p>PROSPECH</p> <ul style="list-style-type: none"> Reconnaissance sampling of available outcrop. No compositing has been applied. <p>GSSR</p> <ul style="list-style-type: none"> Drill spacing can be down to 5m and chiseled trenches also used in estimate similar minimum spacing.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No bias is believed to be introduced by the sampling method.

Criteria	JORC Code explanation	Commentary
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>PROSPECH</p> <ul style="list-style-type: none"> Samples were delivered to ALS Minerals laboratory in Romania by Prospech trusted contractor and were not left unattended at any time. There were no incident reports from ALS lab on sample receiver cell. <p>GSSR</p> <ul style="list-style-type: none"> Nothing mentioned in the report. VIDS Lab at Kosice is location of all registered Lab reports.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews of the data management system have been carried out

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Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Prospect Limited, through subsidiaries and contractual rights, holds 100% rights on the Hodrusa-Hamre - Banska Stiavnica, Nova Bana, Rudno, Pukanec & Jasenie tenements. The laws of Slovakia 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 Slovakian mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Prospect'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.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Anciently, the target was silver, the currency of the day, and more recently, during the Communist era, the targets were industrial base metals, copper, lead, zinc and others. As a result, much of the country, including the Company's exploration license areas, has not been subject to modern western exploration methodology or exploitation. Slovakia has a known mining history dating to Celtic times and earlier. Tools used by prehistoric miners at Spania Dolina, near Banska Bystrica are dated as early as 2000-1700 BC. Major production of metals (primarily copper and silver) occurred during the medieval period. The second oldest mining institute in the world is located at Banska Stiavnica and the local population is proud of their mining heritage, holding a three day mining festival every year. The mint at nearby Kremnica has operated for over six hundred years and continues to operate today. Communist era base metal and coal production was substantial and smelting of aluminium and nickel (material imported from Hungary and Albania) was carried out. Coal, gold, silver, talc, anhydrite and magnesite (and limestone, dolomite and gravel), bentonite, zeolite and industrial minerals are being mined in Slovakia today. An underground gold mine on a third party mining lease enclosed within the HHBS exploration license, the Rozalia Mine, continues in operation today, trucking a gravity/flotation concentrate to a smelter in Belgium. Communist era gold assays used in Government and private exploration programs have been proven to be unreliable and this must be taken into account when interpreting reports from the Communist era. Prospect holds 100% of two exploration licences covering approximately 115 square kilometres in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield where more than 1,000 years of historical production is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper. The Hodrusa-Hamre/Banska Stiavnica mining district and the Nova Bana goldfield are located approximately 180 kilometres east of Bratislava in Slovakia, a country member of the European Union and Eurozone.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Epithermal veins: The presence of stockwork style veins is targeted including Schopfer vein which has been identified and sampled during due diligence study carried out by Prospect in 2014. Intensive stockwork hosted in granodiorite was sampled close to the entrance to Jan Baptista adit on II level of Schopfer Mine. The sample of amethyst stockwork (EMR_L02921) returned 0.07 g/t Au and 4.4 g/t Ag however, the sample was taken from hanging wall of Schopfer vein exposed in cave-in and the vein

Criteria	JORC Code explanation	Commentary																																																																											
		<p>was not mined in this part of the mine.</p> <ul style="list-style-type: none"> Rozalia style - Ignac prospect: Potential for Rozalia style Au-rich stockwork in detachment fault related to exhumation of granodiorite pluton. Au rich epithermal stockwork was discovered only in 1988 during exploration for additional Cu targets on horst-graben veins (Rozalia and Bakali veins). The stockwork has been mined since 1992 and has yielded more than 12 tonnes (400 koz) Au and 9 tonnes (240 koz) Ag to date approximately 10 g/t Au and 9 g/t Ag grade. Mesothermal Au-W, Au-Sb and Pb-Zn-Ag-barite veins at the Jasenie Project. 																																																																											
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<p>Collar and survey information:</p> <p>Prospect Drilling</p> <table border="1"> <thead> <tr> <th>Area</th> <th>Prospect</th> <th>Number of holes</th> <th>Total metres</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td>HHBS</td> <td>Klokoc</td> <td>1</td> <td>274.8</td> <td>2015</td> </tr> <tr> <td>HHBS</td> <td>Tiergarten</td> <td>2</td> <td>46.2</td> <td>2015</td> </tr> <tr> <td>HHBS</td> <td>Banky</td> <td>1</td> <td>297.5</td> <td>2016</td> </tr> <tr> <td>HHBS</td> <td>Stefan- Stefultov</td> <td>1</td> <td>150</td> <td>2016</td> </tr> <tr> <td>HHBS</td> <td>Rozalia west</td> <td>1</td> <td>298.5</td> <td>2016</td> </tr> <tr> <td>HHBS</td> <td>Trojkrálova</td> <td>1</td> <td>272.5</td> <td>2016</td> </tr> <tr> <td>NB</td> <td>Gupna</td> <td>2</td> <td>920.15</td> <td>2016</td> </tr> <tr> <td>NB</td> <td>Kohutovo</td> <td>1</td> <td>393.9</td> <td>2016</td> </tr> <tr> <td>HHBS</td> <td>Jan Benedikti</td> <td>2</td> <td>362.7</td> <td>2017</td> </tr> <tr> <td>NB</td> <td>Rudno</td> <td>5</td> <td>1076.25</td> <td>2018</td> </tr> <tr> <td>HHBS</td> <td>Schopfer</td> <td>24</td> <td>1053.26</td> <td>2017-18</td> </tr> <tr> <td>HHBS</td> <td>Ignac</td> <td>4</td> <td>920.3</td> <td>2018</td> </tr> <tr> <td>Jasenie</td> <td>Kysla</td> <td>4</td> <td>761.2</td> <td>2019</td> </tr> <tr> <td>HHBS</td> <td>Kopanice</td> <td>8</td> <td>60.4</td> <td>2019</td> </tr> </tbody> </table>	Area	Prospect	Number of holes	Total metres	Year	HHBS	Klokoc	1	274.8	2015	HHBS	Tiergarten	2	46.2	2015	HHBS	Banky	1	297.5	2016	HHBS	Stefan- Stefultov	1	150	2016	HHBS	Rozalia west	1	298.5	2016	HHBS	Trojkrálova	1	272.5	2016	NB	Gupna	2	920.15	2016	NB	Kohutovo	1	393.9	2016	HHBS	Jan Benedikti	2	362.7	2017	NB	Rudno	5	1076.25	2018	HHBS	Schopfer	24	1053.26	2017-18	HHBS	Ignac	4	920.3	2018	Jasenie	Kysla	4	761.2	2019	HHBS	Kopanice	8	60.4	2019
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Criteria	JORC Code explanation	Commentary						
		Prospect Collar Information Drilling 2015 to 2019						
		KKDD001	Klokoc	HHBS	336027	5373154	433	274.8
		TGDD001	Tiergarten	HHBS	336958	5368986	219	33
		TGDD001A	Tiergarten	HHBS	336958	5368986	219	13.2
		BKDD001	Banky	HHBS	342109	5371916	671	297.5
		SSDD001	Stefan-Stefulto	HHBS	344060	5366894	581	150
		TKDD001	Trojkrálova	HHBS	335680	5372596	486	272.5
		RW1	Rozalia West	HHBS	341693	5370136	607	298.5
		NBDD001	Gupna	Nova Bana	326192	5365273	203	274.7
		NBDD002	Gupna	Nova Bana	326283	5365523	263	645.45
		NBDD003	Kohutovo	Nova Bana	325882	5367146	386	393.9
		JBDD001	Jan Benedikti	HHBS	339777	5372097	740	194.5
		JBDD002	Jan Benedikti	HHBS	339805	5372453	760	168.2
		RUDD001	Zubau	Rudno	328910.9	5364325	434	187.3
		RUDD002	Zubau	Rudno	328909.7	5364325	434.4	349.25
		RUDD003	Goldschramm	Rudno	329060	5363185	510.36	199.75
		RUDD004	Goldschramm	Rudno	329042.7	5363050	501.52	230.15
		RUDD005	Goldschramm	Rudno	328890.5	5362591	494.7	112.4
		SCDD001	Schopfer	HHBS	336367	5369910	350	4.4
		SCDD002	Schopfer	HHBS	336373	5369920	350	7.42

Criteria	JORC Code explanation	Commentary						
		SCDD003	Schopfer	HHBS	336367	5369910	350	7.4
		SCDD004	Schopfer	HHBS	336365	5369895	350	7.15
		SCDD005	Schopfer	HHBS	336494	5369991	534	246.85
		SCDD006	Schopfer	HHBS	336481	5370016	534	192.85
		SCDD007	Schopfer	HHBS	336419	5369828	580	235.5
		SCDD008	Schopfer	HHBS	336419	5369333	580	256.3
		SCDD009	Schopfer	HHBS	336442.7	5370013	330	3.02
		SCDD010	Schopfer	HHBS	336449.6	5370023	330	9.6
		SCDD011	Schopfer	HHBS	336434.8	5369992	330	8.37
		SCDD012	Schopfer	HHBS	336428.8	5369978	330	10.14
		SCDD013	Schopfer	HHBS	336413.6	5369962	333	5.01
		SCDD014	Schopfer	HHBS	336419.4	5369968	333	9.17
		SCDD015	Schopfer	HHBS	336423.4	5369977	333	4.76
		SCDD016	Schopfer	HHBS	336410.7	5369980	340	4.85
		SCDD017	Schopfer	HHBS	336410.7	5369780	340	15.9
		SCDD018	Schopfer	HHBS	336399.2	5369925	334	6.02
		SCDD019	Schopfer	HHBS	336388	5369910	334	2.49
		SCDD020	Schopfer	HHBS	336388	5369910	334	3.39
		SCDD021	Schopfer	HHBS	336387.6	5369911	334	1.63
		SCDD022	Schopfer	HHBS	336387.6	5369911	334	1.9
		SCDD023	Schopfer	HHBS	336387.6	5369911	334	2.91

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Criteria	JORC Code explanation	Commentary					
	SCDD024	Schopfer	HHBS	336387	5369912	334	6.23
	IRDD001	Ignac	HHBS	341034.4	5370995	779.61	257.15
	IRDD002	Ignac	HHBS	341034.4	5370995	779.61	227.75
	IRDD003	Ignac	HHBS	341034.4	5370995	779.61	204.15
	IRDD004	Ignac	HHBS	341034	5370992	779.61	231.25
	JADD001	Kysla	Jasenie	385274.9	5418375	1036.54	129.2
	JADD002	Kysla	Jasenie	385926.3	5418695	976.82	146.6
	JADD003	Kysla	Jasenie	385222.6	5418150	924.72	250.1
	JADD004	Kysla	Jasenie	385000.3	5418049	947.58	235.2
	KODD001	Kopanice	HHBS	337708	5366599	711	3
	KODD002	Kopanice	HHBS	337705	5366600	715	10.57
	KODD003	Kopanice	HHBS	337705	5366600	715	5.7
	KODD004	Kopanice	HHBS	337705	5366600	715	5.98
	KODD005	Kopanice	HHBS	337695	5366609	718	5.54
	KODD006	Kopanice	HHBS	337695	5366609	718	6.2
	KODD007	Kopanice	HHBS	337695	5366609	717	16.02
	KODD008	Kopanice	HHBS	337692	5366629	721	7.38

Criteria	JORC Code explanation	Commentary					
		Prospect Survey Information Drilling 2015 to 2019					
		Hole_ID	Depth	DHSurvey_Method	Dip	MAG_Azimuth	UTM_Azimuth
		KKDD001	0	COLL	-77.9	156	162
		KKDD001	75.6	TROPARI	-80	158	164
		KKDD001	105	TROPARI	-80	158	164
		KKDD001	142	TROPARI	-80	155	161
		KKDD001	196.5	TROPARI	-80	178	184
		KKDD001	243.6	TROPARI	-81	164	170
		KKDD001	270.6	TROPARI	-80	147	153
		TGDD001	0	COLL	-10	305.2	311.2
		TGDD001A	0	COLL	-15	305.2	311.2
		BKDD001	0	COLL	-60	290.2	296.2
		BKDD001	55	TROPARI	-58	295	301
		BKDD001	106	TROPARI	-58	293	299
		BKDD001	151	TROPARI	-58	292	298
		BKDD001	198	TROPARI	-73	291	297
		BKDD001	204	TROPARI	-68	294	300
		BKDD001	219.6	TROPARI	-59	295	301
		BKDD001	251.8	TROPARI	-58	301	307
		RW1	0	COLL	-80	309	315
		RW1	52	TROPARI	-77	306	312

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Criteria	JORC Code explanation	Commentary				
	RW1	104	TROPARI	-77	315	321
	RW1	109	TROPARI	-77	305	311
	RW1	149.5	TROPARI	-77	311	317
	RW1	150	TROPARI	-78	317.5	323.5
	RW1	198	TROPARI	-78	315	321
	RW1	209.5	TROPARI	-77	318	324
	RW1	249	TROPARI	-78	317	323
	SSDD001	0	COLL	-60	110	116
	SSDD001	49	TROPARI	-58	103	109
	SSDD001	100	TROPARI	-58	103	109
	SSDD001	148	TROPARI	-52	100	106
	NBDD001	0	COLL	-50	274	280
	NBDD001	52.5	TROPARI	-49	282	288
	NBDD001	106.6	TROPARI	-47	274	280
	NBDD001	151.1	TROPARI	-48	274	280
	NBDD001	197.2	TROPARI	-48	272	278
	NBDD001	266.5	TROPARI	-48	274	280
	NBDD002	0	COLL	-50	268	274
	NBDD002	68	TROPARI	-50	268	274
	NBDD002	101	TROPARI	-51	265	271
	NBDD002	149	TROPARI	-50	264	270

Criteria	JORC Code explanation	Commentary				
	NBDD002	195	TROPARI	-49	260	266
	NBDD002	249	TROPARI	-47	255	261
	NBDD002	300	TROPARI	-46	260	266
	NBDD002	351	TROPARI	-45	261	267
	NBDD002	393	TROPARI	-45	255	261
	NBDD002	500.5	TROPARI	-47	268	274
	NBDD002	450.5	TROPARI	-45	268	274
	NBDD002	626.5	TROPARI	-47	268	274
	NBDD002	550.5	TROPARI	-47	47	53
	NBDD003	0	COLL	-50	270	276
	NBDD003	15.5	TROPARI	-48	265	271
	NBDD003	60.5	TROPARI	-48	261	267
	NBDD003	147	TROPARI	-48	258	264
	NBDD003	206.6	TROPARI	-49	260	266
	NBDD003	258.1	TROPARI	-50	260	266
	NBDD003	303.2	TROPARI	-50	260	266
	NBDD003	349.1	TROPARI	-51	257	263
	NBDD003	391	TROPARI	51	260	266
	TKDD001	0	COLL	-80	119	125
	TKDD001	50	TROPARI	-76	116	122
	TKDD001	100	TROPARI	-77	129	135

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Criteria	JORC Code explanation	Commentary				
	TKDD001	103	TROPARI	-78	132.5	138.5
	TKDD001	148	TROPARI	-77	132.5	138.5
	TKDD001	198	TROPARI	-76	127.5	133.5
	TKDD001	252.3	TROPARI	-78	129	135
	TKDD001	270.35	TROPARI	-78	126	132
	SCDD001	0	COLL	26	130	136
	SCDD002	0	COLL	-40	300	306
	SCDD003	0	COLL	-50	240	246
	SCDD004	0	COLL	-60	300	306
	SCDD005	0	COLL	-74	332	337.8
	SCDD005	49	TROPARI	-74	334	339.8
	SCDD005	244	TROPARI	-71	338	343.8
	SCDD005	102.2	TROPARI	-73	340	345.8
	SCDD005	108.2	TROPARI	-73	332	337.8
	SCDD005	149.2	TROPARI	-74	329.5	335.3
	SCDD005	206.5	TROPARI	-72	337	342.8
	SCDD006	0	COLL	-66	274	279.8
	SCDD006	49.6	TROPARI	-66	276	281.8
	SCDD006	119.4	TROPARI	-65	274	279.8
	SCDD006	155.4	TROPARI	-64	274	279.8
	SCDD006	185.5	TROPARI	-64	277	282.8

Criteria	JORC Code explanation	Commentary				
	SCDD007	0	COLL	-66	291	299.8
	SCDD007	51	TROPARI	-66	287.5	293.3
	SCDD007	54	TROPARI	-65	287.5	293.3
	SCDD007	100	TROPARI	-65	289	294.8
	SCDD007	200	TROPARI	-65	291	296.8
	SCDD007	149.2	TROPARI	-64	293.5	299.3
	SCDD008	0	COLL	-66	291	296.8
	SCDD008	57	TROPARI	-65	291	296.8
	SCDD008	102	TROPARI	-64	292	297.8
	SCDD008	151.5	TROPARI	-64	287.5	293.3
	SCDD008	205.9	TROPARI	-64	293	298.8
	SCDD008	254.5	TROPARI	-63	287.5	293.3
	JBDD001	0	COLL	-45	308	313.8
	JBDD001	49	TROPARI	-44	310	315.8
	JBDD001	98	TROPARI	-43	311	316.8
	JBDD001	149	TROPARI	-45	310	315.8
	JBDD002	0	COLL	-45	309	314.8
	JBDD002	150	TROPARI	-45	315	320.8
	JBDD002	50	TROPARI	-44	305	310.8
	JBDD002	113	TROPARI	-44	313	318.8
	RUDD001	0	COLL	-45	109	115

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Criteria	JORC Code explanation	Commentary					
		RUDD001	50.6	TROPARI	-45	104	110
		RUDD001	113.5	TROPARI	-45	106	112
		RUDD001	150.1	TROPARI	-45	105	111
		RUDD002	0	COLL	-75	109	115
		RUDD002	48.1	TROPARI	-74	113	119
		RUDD002	54.1	TROPARI	-76	113	119
		RUDD002	93.1	TROPARI	-74	109	115
		RUDD002	143.9	TROPARI	-74	109	115
		RUDD002	218.4	TROPARI	-75	116	122
		RUDD002	239.4	TROPARI	-75	116.5	122.5
		RUDD002	266.4	TROPARI	-75	117	123
		RUDD002	305.5	TROPARI	-74	115	121
		RUDD002	347.75	TROPARI	-74	112.5	118.5
		RUDD003	0	COLL	-45	264	270
		RUDD003	55.7	TROPARI	-45	261	267
		RUDD003	119.8	TROPARI	-44	261	267
		RUDD003	149.95	TROPARI	-44	261	267
		RUDD003	198.25	TROPARI	-44	259	265
		RUDD004	0	COLL	-45	311	317
		RUDD004	59.8	TROPARI	-45	311	317
		RUDD004	92.8	TROPARI	-45	310	316

Criteria	JORC Code explanation	Commentary					
		RUDD004	150.3	TROPARI	-45	308	314
		RUDD004	198.5	TROPARI	-44	308	314
		RUDD004	228.65	TROPARI	-43	306	312
		RUDD005	0	COLL	-50	99.2	105.2
		RUDD005	50.9	TROPARI	-49	97	103
		RUDD005	110.9	TROPARI	-48	95.5	101.5
		SCDD001	0	COLL	26	130	136
		SCDD002	0	COLL	-40	300	306
		SCDD003	0	COLL	-50	240	246
		SCDD004	0	COLL	-60	300	306
		SCDD005	0	COLL	-74	332	337.8
		SCDD005	49	TROPARI	-74	334	339.8
		SCDD005	108.2	TROPARI	-73	332	337.8
		SCDD005	149.2	TROPARI	-74	329.5	335.3
		SCDD005	206.5	TROPARI	-72	337	342.8
		SCDD005	244	TROPARI	-71	338	343.8
		SCDD006	0	COLL	-66	274	279.8
		SCDD006	49.6	TROPARI	-66	276	281.8
		SCDD006	119.4	TROPARI	-65	274	279.8
		SCDD006	155.4	TROPARI	-64	274	279.8
		SCDD006	185.5	TROPARI	-64	277	282.8

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Criteria	JORC Code explanation	Commentary				
	SCDD007	0	COLL	-66	291	299.8
	SCDD007	51	TROPARI	-66	287.5	293.3
	SCDD007	54	TROPARI	-65	287.5	293.3
	SCDD007	100	TROPARI	-65	289	294.8
	SCDD007	149.2	TROPARI	-64	293.5	299.3
	SCDD007	200	TROPARI	-65	291	296.8
	SCDD008	0	COLL	-66	291	296.8
	SCDD008	57	TROPARI	-65	291	296.8
	SCDD008	102	TROPARI	-64	292	297.8
	SCDD008	205.9	TROPARI	-64	293	298.8
	SCDD008	254.5	TROPARI	-63	287.5	293.3
	SCDD009	0	COLL	-6.8	295	301
	SCDD010	0	COLL	-2.2	119	125
	SCDD011	0	COLL	-2	107	113
	SCDD012	0	COLL	-1.3	120	126
	SCDD013	0	COLL	-1.5	277	283
	SCDD014	0	COLL	-6.3	103	109
	SCDD015	0	COLL	-10.9	106	112
	SCDD016	0	COLL	-22	190	196
	SCDD017	0	COLL	-5	190	196
	SCDD018	0	COLL	-48.5	132	138

Criteria	JORC Code explanation	Commentary				
	SCDD019	0	COLL	-44.5	150	156
	SCDD020	0	COLL	-34	150	156
	SCDD021	0	COLL	-54	225	231
	SCDD022	0	COLL	-38.4	205	211
	SCDD023	0	COLL	-58.4	210	216
	SCDD024	0	COLL	-4	205	211
	IRDD001	0	COLL	-65	286	292
	IRDD001	9	TROPARI	-66	287	293
	IRDD001	45	TROPARI	-66	286	292
	IRDD001	102	TROPARI	-65	288	294
	IRDD001	138.5	TROPARI	-66	290	296
	IRDD001	192.5	TROPARI	-63	289.5	295.5
	IRDD001	254.1	TROPARI	-64	287.5	293.5
	IRDD002	0	COLL	-50	285.9	291.9
	IRDD002	15	TROPARI	-50	283	289
	IRDD002	51	TROPARI	-51	284.5	290.5
	IRDD002	99	TROPARI	-50	286	292
	IRDD002	150	TROPARI	-50	286	292
	IRDD002	205.5	TROPARI	-49	286.5	292.5
	IRDD002	224.05	TROPARI	-49	288	294
	IRDD003	0	COLL	-50	297	303

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Criteria	JORC Code explanation	Commentary				
	IRDD003	56	TROPARI	-50	297	303
	IRDD003	99.2	TROPARI	-51	298	304
	IRDD003	152	TROPARI	-50	298	304
	IRDD003	173.25	TROPARI	-50	297.5	303.5
	IRDD004	0	COLL	-60	268.9	274.9
	IRDD004	12.2	TROPARI	-61	268	274
	IRDD004	57.2	TROPARI	-60	267	273
	IRDD004	99.2	TROPARI	-60	268	274
	IRDD004	156.2	TROPARI	-61	267	273
	IRDD004	201.2	TROPARI	-60	268	274
	IRDD004	230.2	TROPARI	-60	270.5	276.5
	JADD001	0	COLL	-45	128.7	135
	JADD001	15	TROPARI	-45.5	126.2	132.5
	JADD001	50	TROPARI	-46.1	127.3	133.6
	JADD001	101	TROPARI	-45.6	127.7	134
	JADD001	129	TROPARI	-45.2	127.8	134.1
	JADD002	0	COLL	-65	333.7	340
	JADD002	16	TROPARI	-65.2	337.5	343.8
	JADD002	50	TROPARI	-65	338.7	345
	JADD002	105	TROPARI	-64.2	336.9	343.2
	JADD002	146	TROPARI	-63.75	337.4	343.7

Criteria	JORC Code explanation	Commentary				
	JADD003	0	COLL	-55	283.7	290
	JADD003	15	TROPARI	-55.4	282.1	288.4
	JADD003	50	TROPARI	-55.2	281.8	288.1
	JADD003	100	TROPARI	-54.7	281.7	288
	JADD003	150	TROPARI	-53.8	280.9	287.2
	JADD003	200	TROPARI	-53.6	281.3	287.6
	JADD003	250	TROPARI	-52.9	281.2	287.5
	JADD004	0	COLL	-55	283.7	290
	JADD004	15	TROPARI	-54.74	292.4	298.7
	JADD004	50	TROPARI	-54.3	292	298.3
	JADD004	100	TROPARI	-53.6	292.2	298.5
	JADD004	150	COLL	-52.8	292	298.3
	JADD004	200	TROPARI	-51.9	292.7	299
	JADD004	235	TROPARI	-48.7	293	299.3
	KODD001	0	COLL	-9.5	235	241
	KODD002	0	COLL	-13	100	106
	KODD003	0	COLL	-31	145	151
	KODD004	0	COLL	-17	110	116
	KODD005	0	COLL	-2.2	20	26
	KODD006	0	COLL	0.5	2	8
	KODD007	0	COLL	-16.5	5	11

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Criteria	JORC Code explanation	Commentary					
		KODD008	0	COLL	-12.5	325	331
Prospech summary intercept and general assay information							
Project/Prospect	Hole Id	From	width	Au	Ag	Comments	
			m	g/t	g/t		
Hodrusa	KKDD001	187	4	2.35	8	Mineralised Magnetite Skarn	
Klokoc	and	199	1	1.66	9	Mineralised Magnetite Skarn	
	and	203	1	1.31	6	Mineralised Magnetite Skarn	
	and	213	18	1.37	8	Mineralised Magnetite Skarn	
Hodrusa	TGDD001	NSR				No Evidence of Vein of 500 g/t Ag historic	
Tiergarten							
Hodrusa	BKDD001	75	1	3.04	75.9	Qtz Sulphide Vein	
Banky	and	192	1	1.47	2.3	Qtz Sulphide Vein	
	and	219.6	19	0.34	10	Qtz Sulphide Stockwork	
Hodrusa	SDDD001	108.3	2.7	0.14	24	Clay Fault 50m below 138 g/t Au	
Stefan							
Hodrusa	RW1	NSR				Sulphide Rich host sequence	
Rozalia West							
Hodrusa	TKDD001	NSR				background Au Ag only	
Trojkrálova							

Criteria	JORC Code explanation	Commentary					
Project/Prospect	Hole Id	From	width	Au	Ag	Comments	
			m	g/t	g/t		
Nova Bana	NBDD001	NSR				Strong alteration	
Gupna							
	NBDD002	18.5	3	2.06	44		
	including	19.8	0.7	5.39	30		
	and	59.5	1.2	1.9	34		
	and	75	0.3	2.28	14		
	and	317	5.7	1.08	1		
	including	317	0.8	5.82	1.6	Vs Au	
	and	531.5	8.6	NSR		Main Feeder below Precious Metal Zone	
	and	565.8	11.7	NSR		Main Feeder below Precious Metal Zone	
	and	596.5	5	NSR		Main Feeder below Precious Metal Zone	
	and	623	1.5	NSR		Main Feeder below Precious Metal Zone	
Nova Bana	NBDD003	155	1.35	1.83	5.5	Targeting Josef, Jakub and Laurence vein	
Kuhotuvo	and	159	1.5	3.35	9.4		
	and	172.4	0.65	4.11	9.9		
	and	179	1	1.31	9.7		
	and	216	10	1.01	5		
	and	254.6	0.5	1.38	3		

10. Independent Geologist Report

Criteria	JORC Code explanation	Commentary																																																																																																		
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		Schopfer Underground	SCDD018	4	2.02	1.2	97	
		Schopfer Underground	SCDD019	0	2	0.67	66	
		Schopfer Underground	SCDD020	0	1	2.05	136	Luisa Shoot
		Schopfer Underground	SCDD021	0	1.63	2.7	478	Luisa Shoot
		Schopfer Underground	SCDD022	1	0.9	2.3	236	Luisa Shoot
		Schopfer Underground	SCDD023	1	1.91	1.7	180	Luisa Shoot
		Schopfer Underground	SCDD024	0	5	2.93	401	Luisa Shoot

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		Project/Prospect	Hole Id	From	width	Au	Ag	Comments
					m	g/t	g/t	
		Rudno - Zubau	RUDD001	174.5	10.2	1.08	34	Did not penetrate voids
		Zubau	RUDD002	205	5	0.36	2.5	Tested at depth feeder - Quartz Clay Zone
		Goldschramm	RUDD003	178.4	0.6	0.86	38.8	Qtz vein - Goldschramm
		Goldschramm	RUDD004	19.4	0.4	1.29	19.3	Qtz vein - Goldschramm hangingwall
		and	46.6	0.5	4.59	173	Qtz vein - Goldschramm	
		Goldschramm	RUDD005	22.4	0.3	1.25	33.9	Qtz vein - Goldschramm hangingwall
		Hodrusa	IRDD001	190	9	1.92	20	Main Umbruch vein
		Ignac	<i>including</i>	190	1	13.75	19.6	Visible Gold
		Ignac	IRDD002	174	0.4	15.6	46.2	Hanging wall stockwork
		and	195.9	0.4	8.31	117	Footwall vein	
		Ignac	IRDD003	153	1	1.11	34.7	Hanging wall stockwork
		and	157	1	1.19	11.7	Hanging wall stockwork	
		Ignac	IRDD004	214	1	1.28	34.5	Main Umbruch vein

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Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Mineralisation is epithermal vein related. Also there is flat lying detachment hosted mineralisation which is feed by afore mentioned epithermal feeder zones. Mineralised intervals are between 0.5m and 10m width as is mined in the local area at the Rozalia Mine or previously elsewhere in the field. Low-sulphidation epithermal vein mineralisation is related to presence of large granodiorite intrusion in the footwall of volcanic setting. First stage (Rozalia style) mineralisation occurs in immediate hanging wall of granodiorite, forming generally flat-lying stockwork of 10 to 100m width and 20-50m thickness and discrete veins 0.1-5m thick related to formation of regionally important shear zone. Later stage epithermal veins are generally steep and are related to a horst-graben formation after caldera collapse. Other mineralisation styles (skarns, metasomatic carbonate replacement deposits, porphyries and high-sulphidation epithermal bodies) were recognised within the Hodrusa-Hámre-Banska Stiavnica tenement as well and may become exploration targets in the future.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The location and results received for both rock chip and drill-core samples are displayed in the attached maps and/or tables.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Results for all samples collected in this program are displayed on the attached maps and/or tables.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No metallurgical or bulk density tests were conducted at the project by Prospech, however the third party owned Rozalia Mine is using conventional flotation/gravity methods to treat material resulting in 90-95% recoveries for Au, 80-85% for Ag, Pb and Cu. Use of cyanides in the metallurgical process is banned by law in Slovakia. Concentrates are treated in standard pyrometallurgical smelter in Hoboken, Belgium.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Further work is dependent on management review of the existing data.

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Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database Integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted, by for example, transcription or keying errors, between its initial collection and its use for Mineral Resource Estimation purposes. Data Validation procedures used. 	<ul style="list-style-type: none"> Data used in the Kysla Mineral Resource Estimate was provided in a validated Micromine Database. Standard validation routines were used to ensure validity including 3D graphical review of the database. Validation of the data import included any interval overlaps due to duplicate sampling undertaken by GSSR.
Site Visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. 	<ul style="list-style-type: none"> For the Kysla Resource Estimation, John Levings visited both surface and underground exposures and was involved in all program planning and physical replicate sampling of sawn trench areas. Mr Levings assumes responsibility for the data components and geological modelling. Mr Levings is a Fellow of AusIMM, and is also a director of Prospech Limited.
Geological Interpretation	<ul style="list-style-type: none"> Confidence in (or conversely the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and any assumptions made. The effect, if any, of alternative interpretations on Minerals Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> Sufficient drilling and mapping of underground surfaces (backs) and surface mapping to understand the geology of the deposit. The mineralisation is traceable between numerous drill holes and drill sections. Interpretations of both plan and sections views from GSSR studies have been digitized in and registered in three dimensions to form the geological wireframe of the vein models which in turn control grade distribution. The vein model is not controlled by grade, but by geological interpretation. Alternative interpretations are likely to materially impact on the Kysla Mineral Resource Estimate on a local, but not global basis. Available historical maps and sections have been used to guide the overall interpretation. Mapping of underground development has confirmed and improved the interpretation. Some vein offsets are noted in the previous estimations completed by GSSR but this level of detail is not required for the overall vein estimation. Post mineral structural offsets are noted up to 10m in displacement and these are interpreted on a sectional basis and to be incorporated in future geological modelling.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> There are six panels estimated in the Kysla deposit, with the following dimension for the group of overlapping flat lying six zones. Approximately 1200m strike length in at least three stacked lenses, with 50m between lenses modelled or veins. Mineralised zone has a variable width up to 10m. Maximum depth of lowest horizon is 300m from surface. The Competent Person is satisfied that the dimensions interpreted are appropriate to support Mineral Resource estimation. Scheelite has been commonly observed in deep structural hole VJ-95. The hole terminated in 1250m and scheelite was common in the vein in 1100m and associated stockwork that continued to the final depth.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including the treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of the computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other no-grade 	<ul style="list-style-type: none"> The Mineral Resource estimate was based on surface diamond drilling, underground diamond drilling and underground channel sampling of freshly excavated levels, named levels 3 and 4. A wireframe was constructed based on data from sampled veins zones in the above three datasets. A mean grade was determined of the grades within the wireframe and the tonnage calculated using an SG of 2.65 based on the GSSR dataset. Micromine software was used to generate the wireframes. The Competent Person is satisfied that estimation and modelling techniques are appropriate to support Mineral Resource Estimation. Intensive exploration carried out in 1980s (surface and underground drilling, 6 exploration adits - currently only Adit 3 accessible) focused on tungsten as a strategic military metal. Gold has been identified in the system. The recent ALS Prospech assays are indicating that Au content in the deposit is most likely underestimated. Not Applicable.

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	<ul style="list-style-type: none"> variables of economic significance (e.g. Sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion for basis for using or not using grade cutting for capping. The process of validation, the checking process used, the comparison of model data to drill hole data, the use of reconciliation data if available. 	<ul style="list-style-type: none"> No assumptions were made for selective mining unit, apart from the assumption that the deposit is likely to be mined by underground techniques. Correlation between high grade Au and W is strong but no assumptions were made for modelling purposes. A vein interpretation was used to control grade, so this is a purely geologically controlled estimate. Only vein sections were sampled by GSSR in the case of all surface and underground drilling and chiseled channel samples. It was decided no top or bottom cutting would be applied in this first estimate and all grades within the geological domains would be included, this is likely to results in a higher grade in future estimates when a lower cut is applied. Visual validation of each wireframe was carried out in both section and plan view and compared with the drill and underground channel sampling and the original GSSR geological interpretation.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with normal moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> The tonnages were estimated on an in-situ dry bulk density basis which includes natural moisture. Moisture content was not estimated.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for the eventual economic extraction to consider potential mining methods, but these assumptions may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> Underground development of over 5km in cumulative length over the bulk of the target has already been completed which should result in lower development costs to reserves if they should be defined within the current resource in the future. No optimization has been completed on Mineral Resource at report date but this will be completed post a selective drill program drilling from surface.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered, this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> The Kysla deposit was subjected to various metallurgical studies, albeit with a focus on W recovery. All types of mineralised rocks with a focus on scheelite/Wolframite mineralogy was completed for the blocks and debris within the mine area of the Spiglova Valley. The target zones are broken down into vein – stockwork, impregnation and disseminated. Previous Slovak studies defined at least five separate scheelite-gold mineralised zones and four gold-quartz zones. Other minerals described from here are pyrite, arsenopyrite, stibnite, chalcopyrite, tetradymite (tellurium) bismuth and sulphosalts). Bobok 1991 wrote reports on concentrate testwork, suggesting an Au-W combined gravity/flotation concentrate is the probable processing path. Testwork was completed in 1990 at Labs ATNS Kosice, VIMS Moscow and UVR Prague. Metallurgical test work on the Jasenie Project suggested a standard flotation circuit with a concentrate of 65% WO₃ can be produced and recovery of a gold and possibly silver, antimony by-product. Cyanide is not allowed in Slovakia and Xanthate use in floatation circuits is standard. No elements are considered deleterious in terms of probable concentrate sales. Antimony is in high grades up to % levels in nearby prospects such as Lomnista which may or may not be deleterious, but not in immediate of the JORC Kysla Mineral Resource estimate. A test program was run on a 25% concentrate product (industry standard) compared to a 40% concentrate product. Recoveries of 61.4 to 71.4% were achieved for W and 82 to 89% for Au based on

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Criteria	JORC Code explanation	Commentary
		raw feed material of grade ranges of 0.18 to 0.2 W and 1.6 to 2.9 g/t Au.
Environmental factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, the assumptions of which may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> The Kysla Mineral Resource within the Jasenie Project is with an uninhabited state forest with a low ranking of environmental status. It is not covered by the Natura 2000 legislation of the EU. Previous development of underground drives and rise network discovered no highly sulphidic material so the risk of acid mine drainage is thought to be low, albeit further studies are required. Prior to any additional mining activities a full EIA (Environmental Impact Assessment) will need to be completed.
Bulk Density	<ul style="list-style-type: none"> Whether Assumed or determined. If assumed, the basis of the assumptions. If determined, the method used, whether wet or dry, the frequency of measurements, the nature size and representativeness of the samples. 	<ul style="list-style-type: none"> SG assumed from various GSSR studies. For example, bulk densities were determined in core every 2m in mineralized material and every 5m in waste. On average the sample for bulk density determination weighed 2kg and was representative of the described mineralisation or rock type.
Bulk Density	<ul style="list-style-type: none"> The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss the assumptions made for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> Bulk density determinations adopted the weight in air/weight in water method using a suspended or hanging scale. The bulk density is calculated by the formulae $BD = \frac{M_d}{M_d - M_w}$, where M_d = weight in air and M_w = weight in water. There are two separate reports dealing about bulk density measurements – Vybiral 1987 and Vybiral 1990. All material modelled was quartz-scheelite-sulphide veins, so no variation noted at this stage of evaluation.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> Resource classification was based on confidence in the QAQC data analysis, geological interpretation, drill spacing, geostatistical measures, a visual evaluation of cross sections and drill density, and the manual interpretation of resource categories. The interpreted boundaries between categories were wireframed. Inferred category was assigned to all wireframes. The areas with reasonable continuity of mineralised lodes based on a 20m x 20m x 20m underground tunnels and underground and surface exploration drilling would normally be a Measured or Indicated Mineral Resource classification for this style of continuous vein mineralization, but in view of the 1992 period of the bulk of the data collection it is currently categorized at Inferred Mineral Resource. The classification has taken into account all available geological and sampling information, and the classification level is considered appropriate for the current stage of the project. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	<ul style="list-style-type: none"> The results of audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> The current model has not been audited by an independent third party but has been subjected to internal peer review process of Slovakia Country Manager, Exploration Manager and Non-Executive Director.
Discussion of relative accuracy / confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource with stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global 	<ul style="list-style-type: none"> The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource to an Inferred classification as per the guidelines of the 2012 JORC Code. The statement refers to a global estimation of grade and tonnes. No production data is available.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> or local estimates, and, if local, state the relative tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	

Appendix 2

Jasenie (Kysla) mineral resource estimate 2018/2019.

Competent Person Statement

The information in this Report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr John Levings, who is a Fellow of the Australian Institute of Geoscientists. Mr Levings, who is a director and geological consultant to 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 Levings consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

JASENIE MINERAL RESOURCE ESTIMATE 2018/2019

The Jasenie (Kysla) mineral resource was estimated using digitized hardcopy records from detailed exploration work carried out in the 1980s by Geological Exploration Service, state enterprise.

Available Data

The digitized data consisted of the following:

Level plans (Level 3 and 4)

- Channel samples with gold and tungsten assay values

- Interpreted Geology

- Geological structure (dips and strikes)

Cross sections at various intervals and orientations

- Mineralized veins

Drillhole records

- Start and End Coordinates of each hole

- Collar Coordinates and orientation

- Downhole assay data and lithology

Surface

- Surface Geology

- Structure

The following information was not available for the resource estimate

- Downhole survey information

- Details of sampling and assay methodology

All spatial information was converted into UTM WGS 84 coordinates using published coordinate conversion protocols.

Geology and Geological Interpretation

The deposit is structurally complex with vein and stockwork mineralisation hosted in crystalline migmatite, gneiss and amphibolite basement rocks of the Nízke Tatry Mts. The deposit has an East North East strike length of over 2 km and dips moderately to the South East. The veins have been offset by up to 40m by numerous post mineral faults. Two genetic types have been recognized. Quartz veins, several cm to a maximum of 9 m thick, contain the highest gold concentrations, whereas scheelite occurs predominantly in stockwork and impregnation zones.

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Sampling and Sub-Sampling Techniques

1,992 chiselled channel samples were collected systematically over entire length of exploration adits and stockwork zones. Mesh sampling and repetitive channel samples were collected in the mineralised zones inside the Jasenie tenement under the supervision of a qualified geologist.

Sample locations were surveyed by licensed surveyor.

Representative chiselled samples of 5 kilogram weight were taken along the underground workings and across the strike of the mineralised structures over 1 metre intervals except where noted.

Drill core samples were taken from ½ split core in mostly 1m interval samples or shorter when required and properly marked into sample books with depth intervals

Drilling Techniques

All drillholes, both surface and underground were diamond cored using PQ3, HQ3 or NQ3 sizes. Core was photographed and the whole core sampled. No half core remains in storage. All sampling was done under supervision of a qualified geologist.

Mineral Resource Classification

The Jasenie Kysla deposit is well explored in 3 dimensions by extensive underground openings, underground and surface drilling.

Due to the lack of first-hand information on sampling/assay methods and lack of downhole drillhole surveys it was determined that the mineral resource estimate must be classified as JORC Inferred. Otherwise, aside from this lack, the density of 3D information and a robust 3D geological model should support a higher JORC classification.

Estimation Methodology

Interpretation of the mineralized was guided by the historical geological model in section and plan (Fig 1) and a sectional 3D wireframe model was created using Micromine geological software.

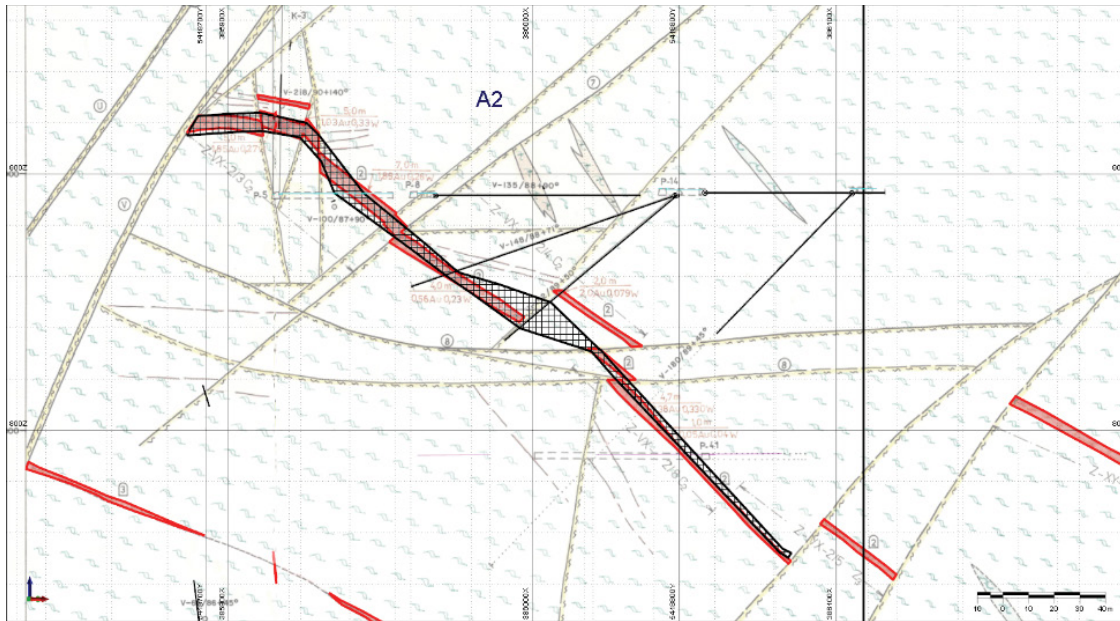


Figure 1: Section through Jasenie mineralized lode (A2). Interpreted wireframe used in the estimate (black cross-hatch) was guided by the historical geological model and mineralized lodes (red outlines)

Structure was simplified in keeping with the requirements and objective of an Inferred resource estimate.

Only assays that fell with the wireframe shapes were used in the estimate.

Sample intervals were not composited due to that fact that the channel sampling on level 3 was not continuous but often consisted of a series of disconnected shorter intervals across the mineralised lodes. For this reason also, the samples were not length-weighted in the estimate.

A block model using 10m x 10m x 10m sized parent blocks was created to encompass all mineralized structures.

For mineralized lodes, search ellipsoids were created which adhered to the average strike and dip of each lode.

An Inverse-distance-squared algorithm was used to interpolate gold and tungsten grades into the block model. Resource wireframes were used to constrain the block model for reporting purposes. A block factor was estimated in the software to allow for blocks that partially lie within the resource wireframes.

A global bulk density of 2.65 t/m³ was obtained from the historical reports and used in the estimate.

Prospech's exploration licence truncates the resource model to the north (Fig 2). Blocks that are outside of the tenement are situated within "protected deposit boundaries" but outside of the tenure because the Low Tatras National Park boundary is basically copying the northern lease boundary. This boundary truncation reduces the global mineral resource estimate by approximately 25%. In the future it may be possible to mine underground within protected deposit boundaries as there are precedents for underground mining in environmentally sensitive areas in the EU.

This resource estimate reports only the blocks within the Prospech lease (Figure 2).

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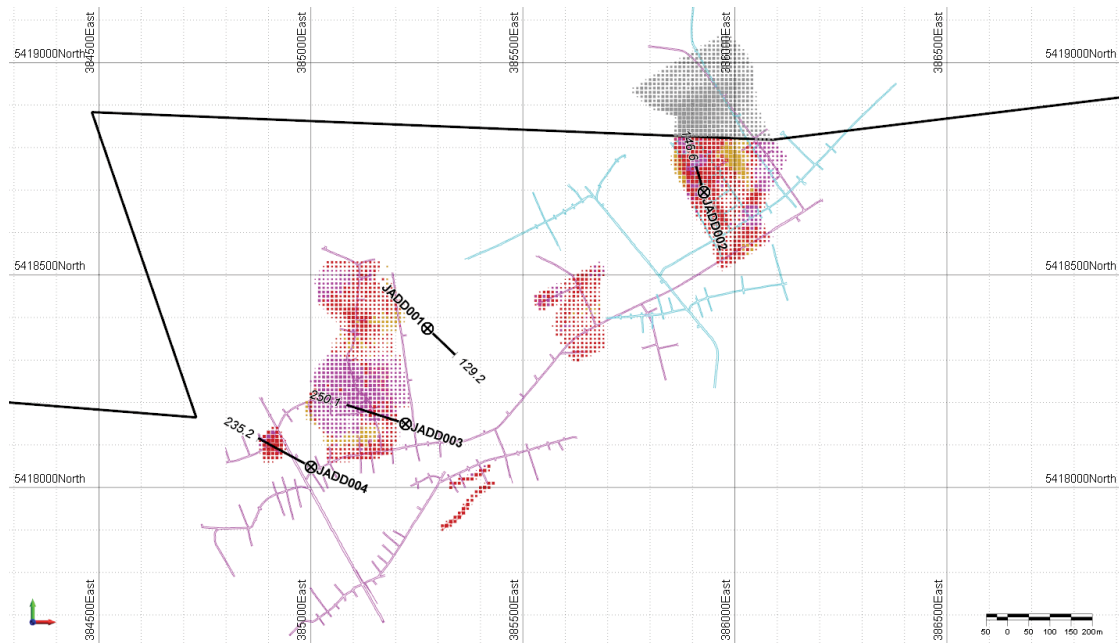


Figure 2: Plan view of the Kysla mineral resource block model showing Prospech drill holes. Coloured Blocks are gold-tungsten mineralised, grey-coloured blocks are located outside the Prospech lease boundary (thick black line) and are not reported in the estimate. Extensive underground exploration tunnels shown in magenta (Level 3) and Cyan (Level 4)

Mineral Resource Statement

The mineral resource estimate is reported to JORC (2012) standard and is classified as Inferred:

Mass (million tonnes)	Au (g/t)	Au (oz)	WO ₃ (%)	WO ₃ (kg)
1.82	1.22	71,000	0.36	6,612,000

Appendix 3

Estimated Exploration Expenditure July 2020 to end of September 2022

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Category	Code	Item	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Salaries	A1	Salaries	€25,600	€35,600	€25,600	€25,600	€35,600	€25,600
Travel	B1	Travel Prospech Directors	€2,000		€2,000		€2,000	
Rent	C1	Office	€330	€330	€330	€330	€330	€330
	C2	Core Shed	€900	€900	€900	€900	€900	€900
	C3	Apartment	€600	€600	€600	€600	€600	€600
Services / Statuto	D1	Legal Costs Slovakia	€2,000	€2,000	€12,000	€2,000	€2,000	€2,000
	D2	Accounting Costs Slovakia	€250	€250	€250	€250	€250	€250
	D3	Tenement Rentals		€24,900	€1,100		€7,000	
Capital	E1	Core Saw and blades	€1,000					
	E2	Computer Hardware Plotter, 2 Monitors, 2 Lap tops			€1,500		€3,000	
	E3	Computer Software	€2,000				€10,000	
Field	F1	Assaying	€0	€3,000	€3,000	€3,000	€3,000	€3,000
	F2	Sample Freight	€0	€1,000	€1,000	€1,000	€1,000	€1,000
	F3	Earth Moving - Site preparation, rehabilitation	€0	€200	€200	€200	€200	€200
	F4	Drill Rig Mobilisation / Demobilisation	€0	€0	€0	€0	€0	€0
	F5	Drilling (Diamond or RC)	€0	€0	€40,000	€40,000	€40,000	€0
	F6	PIMA pXRF / Rock Chip Programs	€10,000	€0	€20,000	€0	€0	€0
	F7	Surveying	€0	€0	€0	€0	€0	€0
	F8	Field Equipment, sample bags, ticket books etc.	€200	€200	€200	€200	€200	€200
	F9	Drill Permitting Landowner Compensation	€300	€300	€300	€300	€300	€300
	F10	Vehicle Running, Fuel, Parking, Tyres, Registration, Insurance	€400	€400	€400	€400	€400	€400
F11	Resource/Scoping studies/Development Spending							
Other	G1	Office Stationary, Phones, Internet, electricity, postage	€300	€300	€300	€300	€300	€300
	G2	Miscellaneous	€200	€200	€200	€200	€200	€200
		TOTAL	€46,080	€70,180	€109,880	€75,280	€107,280	€35,280
		CUMULATIVE TOTAL EURO	€46,080	€116,260	€226,140	€301,420	€408,700	€443,980
		Exchange Rate Month Average AUD/EURO	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273
		TOTAL AUD	\$74,988	\$114,207	\$178,812	\$122,506	\$174,581	\$57,413
		CUMULATIVE TOTAL AUD	\$74,988	\$189,194	\$368,007	\$490,513	\$665,094	\$722,506

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Category	Code	Item	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Salaries	A1	Salaries	€25,600	€25,600	€25,600	€25,600	€25,600	€25,600	€25,600	€35,600	€25,600	€25,600	€35,600	€25,600
Travel	B1	Travel/Prospect Directors	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€35,600	€2,000	€2,000	€35,600	€25,600
Rent	C1	Office	€330	€330	€330	€330	€330	€330	€330	€330	€330	€330	€330	€330
	C2	Core Shed	€900	€900	€900	€900	€900	€900	€900	€900	€900	€900	€900	€900
	C3	Apartment	€600	€600	€600	€600	€600	€600	€600	€600	€600	€600	€600	€600
Services / Statuto	D1	Legal Costs Slovakia	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000
	D2	Accounting Costs Slovakia	€250	€250	€250	€250	€250	€250	€250	€250	€250	€250	€250	€250
	D3	Tenement Rentals								€24,900	€1,100		€7,000	
Capital	E1	Core Saw and blades	€1,000						€1,000					
	E2	Computer Hardware Plotter, 2 Monitors, 2 Lap tops												
	E3	Computer Software							€2,000					
Field	F1	Assaying	€0	€0	€3,000	€3,000	€3,000	€3,000	€0	€3,000	€3,000	€3,000	€3,000	€3,000
	F2	Sample Freight	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€0	€1,000	€1,000	€1,000	€1,000	€1,000
	F3	Earth Moving - Site preparation, rehabilitation	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200
	F4	Drill Rig Mobilisation / Demobilisation	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
	F5	Drilling (Diamond or RC)	€0	€0	€50,000	€40,000	€40,000	€40,000	€40,000	€40,000	€40,000	€40,000	€40,000	€40,000
	F6	PIMA pXRF / Rock Chip Programs	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
	F7	Surveying	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
	F8	Field Equipment, sample bags, ticket books etc.	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200
	F9	Drill Permitting Landowner Compensation	€300	€300	€300	€300	€300	€300	€300	€300	€300	€300	€300	€300
	F10	Vehicle Running, Fuel, Parking, Tyres, Registration, Insurance	€400	€400	€400	€400	€400	€400	€400	€400	€400	€400	€400	€400
	F11	Resource/Scoping studies/Development Spending	€50,000											
Other	G1	Office Stationary, Phones, Internet,electricity, postage	€300	€300	€300	€300	€300	€300	€300	€300	€300	€300	€300	€300
	G2	Miscellaneous	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200
		TOTAL	€85,280	€32,280	€97,280	€75,280	€77,280	€71,280	€76,280	€110,180	€78,380	€95,280	€114,280	€35,280
		CUMULATIVE TOTAL EURO	€529,260	€561,540	€658,820	€734,100	€811,380	€882,660	€958,940	€1,069,120	€1,147,500	€1,242,780	€1,357,060	€1,392,340
		Exchange Rate Month Average AUD/EURO	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273
		TOTAL AUD	\$138,779	\$52,531	\$158,308	\$122,506	\$125,761	\$115,997	\$124,133	\$179,300	\$127,551	\$155,053	\$185,972	\$57,413
		CUMULATIVE TOTAL AUD	\$861,286	\$913,816	\$1,072,124	\$1,194,630	\$1,320,391	\$1,436,387	\$1,560,521	\$1,739,821	\$1,867,372	\$2,022,425	\$2,208,397	\$2,265,810

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Category	Code	Item	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	27 MONTH TOTAL	Subtotals
Salaries	A1	Salaries	€25,600	€25,600	€35,600	€25,600	€2,000	€25,600	€25,600	€25,600	€25,600	€751,200	€26,000
Travel	B1	Travel/Prospect Directors	€2,000	€330	€330	€330	€330	€330	€330	€330	€330	€8,910	€24,300
Rent	C1	Office	€330	€900	€900	€900	€600	€600	€600	€600	€600	€16,200	€49,410
	C2	Core Shed	€600	€600	€600	€600	€2,000	€2,000	€2,000	€2,000	€2,000	€6,750	€92,000
	C3	Apartment	€600	€600	€600	€600	€250	€250	€250	€250	€250	€1,100	€4,000
Services / Statuto	D1	Legal Costs Slovakia	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€14,000	€54,000
	D2	Accounting Costs Slovakia	€250	€250	€250	€250	€250	€250	€250	€250	€250	€2,000	€22,000
	D3	Tenement Rentals	€1,000									€4,500	€14,000
Capital	E1	Core Saw and blades										€3,000	€3,000
	E2	Computer Hardware Plotter, 2 Monitors, 2 Lap tops										€1,000	€1,000
	E3	Computer Software										€200	€200
Field	F1	Assaying	€0	€0	€3,000	€3,000	€3,000	€0	€3,000	€3,000	€0	€22,000	€4,800
	F2	Sample Freight	€1,000	€1,000	€1,000	€1,000	€1,000	€0	€1,000	€1,000	€0	€4,800	€0
	F3	Earth Moving - Site preparation, rehabilitation	€200	€200	€200	€200	€200	€0	€200	€200	€0	€930,000	€30,000
	F4	Drill Rig Mobilisation / Demobilisation	€0	€0	€0	€0	€0	€0	€0	€0	€0	€40,000	€40,000
	F5	Drilling (Diamond or RC)	€0	€0	€40,000	€80,000	€80,000	€80,000	€80,000	€40,000	€40,000	€30,000	€30,000
	F6	PIMA pXRF / Rock Chip Programs	€0	€0	€0	€0	€0	€0	€0	€0	€0	€40,000	€40,000
	F7	Surveying	€0	€0	€0	€0	€0	€0	€0	€0	€0	€5,400	€5,400
	F8	Field Equipment, sample bags, ticket books etc.	€200	€200	€200	€200	€200	€200	€200	€200	€200	€8,100	€8,100
	F9	Drill Permitting Landowner Compensation	€300	€300	€300	€300	€300	€300	€300	€300	€300	€10,800	€10,800
	F10	Vehicle Running, Fuel, Parking, Tyres, Registration, Insur	€400	€400	€400	€400	€400	€400	€400	€400	€400	€50,000	€50,000
	F11	Resource/Scoping studies/Development Spending										€8,100	€8,100
Other	G1	Office Stationary, Phones, Internet,electricity, postage	€300	€300	€300	€300	€300	€300	€300	€300	€300	€5,400	€5,400
	G2	Miscellaneous	€200	€200	€200	€200	€200	€200	€200	€200	€200	€2,180,460	€2,180,460
		TOTAL	€35,280	€32,280	€87,280	€115,280	€117,280	€111,080	€115,280	€102,180	€72,180	€2,180,460	€2,180,460
		CUMULATIVE TOTAL EURO	€1,427,620	€1,459,900	€1,547,180	€1,662,460	€1,779,740	€1,890,820	€2,006,100	€2,108,280	€2,180,460	€117,461	€117,461
		Exchange Rate Month Average AUD/EURO	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273	1.6273
		TOTAL AUD	\$57,413	\$52,531	\$142,034	\$187,600	\$190,854	\$180,765	\$187,600	\$166,282	\$117,461	\$3,548,348	\$3,548,348
		CUMULATIVE TOTAL AUD	\$2,323,222	\$2,375,753	\$2,517,787	\$2,705,386	\$2,896,241	\$3,077,006	\$3,264,605	\$3,430,887	\$3,548,348	\$3,548,348	\$3,548,348

Appendix 4. Glossary of Terms.

Term	Description
adit	A horizontal passage or tunnel leading into a mine or prospect for the purposes of access or drainage.
Ag	Silver a precious metal.
alteration	Rock that has been subject to hot fluids mainly water in which the minerals have changed from their original compositions to new minerals which were more stable under those conditions.
Andesite	A volcanic rock, of intermediate composition, between basalt and dacite, and ranges from 57 to 63% silicon dioxide (SiO ₂).
anomaly	Metal composition in rock or soil that is higher than what is standard, normal, or expected.
assays	The test results of a geologic sample to determine its elemental composition and quality.
Au	Gold a precious metal.
auriferous	Containing gold.
background	The metal composition in rock or soil that is considered standard, normal, or expected.
base metal	A base metal is a common and inexpensive metal, as opposed to a precious metal such as gold or silver.
basement metamorphic rocks	Older rocks below a sequence of prospective younger rocks which have undergone changes caused by heat and pressure prior to the deposition of the younger rocks.
blind structures	Veins or fault structures which cannot be seen at surface.
Boiling zone model	The theory that gold and silver mineralisation is deposited when the hot water they are carried in solution begins to boil.
breccia	A rock consisting of angular rock fragments cemented together with finer grained material.
cadastral	A map or survey plan showing varying features including ownership of land.
caldera	A large cauldron-like depression that forms following the evacuation of a magma chamber/reservoir when large volumes of magma are erupted over a short time period and the structural support for the crust above the magma chamber is lost.
carbonate	A mineral containing the carbonate ion CO ₃ . Commonly Calcite.
Carpathian	A mountain range system formed by volcanic activity in an arc roughly 1,500 km long across Central and Eastern Europe.
Clay fault	A long planar fracture formed by geologic pressure in which clay has been deposited.
coal	A flammable black sedimentary rock used as a solid fossil fuel.
Copper	A non-precious ductile, coloured metal that has very high thermal and electrical conductivity.
core holes	A drill hole from which a continuous cylindrical core sample of rock is taken.
Core recovery	The amount of drill core that is recovered from a core hole over a given interval expressed as a percentage.
cover	Younger sediment or volcanic material which sits above an older prospective rock sequence.
Cyanide	A chemical used to dissolve gold.
database	A structured set of data held in a computer.
Diamond drilling	A drilling technique utilising diamonds set in a drill bit to grind away a circular portion of rock on the outside of the hole to recover a core sample from the centre.
diamond gopher rig	A small man portable diamond drill that recovers a core sample.
Diorite	An intrusive igneous rock composed principally of the silicate minerals plagioclase feldspar (typically andesine), biotite, hornblende, and/or pyroxene.
Drainage adit	A very gently sloping tunnel designed to drain water from an underground mine.
drill pads	A prepared area designed to accommodate a drill rig.
Epithermal gold system	Gold mineralisation deposited from warm waters at rather shallow depth under conditions in the lower ranges of temperature and pressure.
Epithermal quartz vein	A quartz vein deposited from warm waters at rather shallow depth under conditions in the lower ranges of temperature and pressure.
Epithermal vein	A vein of any composition but usually quartz deposited from warm waters at rather shallow depth under conditions in the lower ranges of temperature and pressure.

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Exploration adit	A horizontal passage or tunnel leading into a prospective mineralised area underground for the purposes of exploring the mineralisation.
Extrusive	Volcanic material which has reached the earth's surface.
Fault zone	A long planar fracture formed by geologic pressure.
feeder	The geological conduit through which mineralising fluids can pass to deposit minerals elsewhere.
flat lying veins	Quartz or other vein types that have an angle to the horizontal of less than 45 degrees.
fluid inclusion	Small sealed cavities containing fluid and possibly gas and mineral phases which are used to determine the temperature and pressure conditions of the fluid at the time of deposition.
g/t	Grams per tonne.
geochemical	The chemical composition of geological materials.
geophysical	The physical properties of geological materials.
Gold	A yellow precious metal.
gold and silver concentrate	An industrial concentration of minerals, usually sulphides which contain economic quantities of gold and silver and generally requiring further refinement.
grade	The richness of an element of interest in a specified amount of material.
granite	A common type of crystalline, igneous rock consisting mainly of quartz, mica, and feldspar with an average silica content of 72%.
Granodiorite	A common type of crystalline, igneous rock consisting mainly of quartz, mica, and feldspar and is distinguished from granite by its having more plagioclase feldspar than orthoclase feldspar.
gravity/flotation concentrate	An industrial concentration of minerals, usually sulphides which contain economic quantities of gold and silver and generally requiring further refinement.
head grade	The average grade of feedstock from a mine before it is processed.
Hydrothermally altered	Rock that has been subject to hot fluids mainly water in which the minerals have changed from their original compositions to new minerals which were more stable under those conditions.
Intermediate sulphidation	A type of Epithermal vein deposit in which the sulphidation state of the hydrothermal fluid is capable of depositing moderate amounts of sulphides including pyrite and chalcopyrite but not bornite or pyrrhotite.
intersection	An interval of mineralisation of economic interest in a drill hole or continuous number of samples.
Intrusive	Magmatic rock which has not reached the earth's surface.
Iron	Iron is a metallic chemical element with symbol Fe with atomic number 26.
lead	Lead is a metallic chemical element with atomic number 82 and symbol Pb.
limestone	A sedimentary rock with a high carbonate content.
lithology intervals	The intervals of different rock types in a drill hole.
Low sulphidation	A type of Epithermal vein deposit in which the sulphidation state of the hydrothermal fluid is capable of depositing small amounts of sulphides.
magnetite skarn	A type of contact metamorphic alteration of limestone in which magnetite replaces the limestone.
Micromine project	A geologic software program where data can be analysed in 3 dimensions.
mid Miocene	A geologic period 16.2 to 10.5 million year old.
mine host sequence	The rocks hosting mineralisation within a mine.
mineralisation	The presence of economically important minerals in either economic or un-economic concentrations.
Neogene	A geologic period that spans 20.45 million years from the end of the Paleogene Period 23.03 million years ago (Mya) to the beginning of the present Quaternary Period 2.58 Mya. The Neogene is sub-divided into two epochs, the earlier Miocene and the later Pliocene.
nugget effect	The uneven distribution of high concentrations of gold over small areas which results in very erratic assay results.
oblique section	A drawing of a slice through the earth's crust that is not in an east west or north south direction.
orebodies	A number of economically viable deposits of minerals.
outcrop	A body of rock which can be seen at the surface of the earth.
Outotec technology	The corporate name of various industrial techniques used in minerals recovery processing which has been rated by the EU as Best Available Techniques (BAT) thanks to their energy-efficiency and low emissions.

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pillars	Blocks of material left in a mine to support and provide stability to the mine walls.
porphyry copper	A type of mineralisation consisting a number of small veins and fractures containing copper minerals in an intrusive rock.
Precious metal	Metals that are considered to be rare and or have a high economic value including gold and silver.
Precipitation	The deposition of a solid phase from a liquid.
Quartz diorite	An intrusive igneous rock composed principally of the silicate mineral plagioclase and the presence of greater than 5% quartz.
Quartz vein	A planar tabular body composed principally of the mineral quartz.
Resurgent Horst	An uplifted portion of a solidified magma chamber in the central part of a caldera.
Reverse Circulation Percussion drilling	A drilling technique in which the rock is pulverised by the drill bit and carried to the sample collection area at the surface inside the drill rods, thereby reducing contamination.
Rhyolite	An igneous, volcanic rock, of felsic (silica-rich) composition (typically > 69% SiO ₂).
rock chip sample	A sample of one or more rock samples from a single location combined into one bag for mineral analysis.
sandstone	A sedimentary rock composed of sand sized grains.
scheelite	A common mineral of Tungsten with the composition CaWO ₄ .
Sericite-adularia	A type of hydrothermal alteration associated with epithermal vein deposits.
shaft	A vertical tunnel used to gain access to a mine.
shale	A fine grained finely stratified sedimentary rock that formed from consolidated mud or clay.
silver	A precious metal. Silver is a metallic element with symbol Ag and atomic number 47.
smelter	An industrial installation or factory for smelting and refining a metal from its mineralised material.
Stockworks	A network of many small veins with different orientations.
Strata-bound	A mineral deposit confined to a single stratigraphic unit.
stratigraphic	The subdivision of a sequence of rock strata into mappable units, determining the time relationships that are involved.
stratovolcano	A large, steep volcano built up of alternating layers of lava and ash or cinders.
strike	The direction of the line formed by the intersection of a rock surface with a horizontal plane.
sulphide replaced	The replacement of pre-existing minerals by sulphide minerals such as pyrite.
surface holes	Drill holes which are drilled from the earth's surface.
target zone	The area in a drill hole or mine where there is a reasonable expectation of encountering mineralisation in either economic or uneconomic concentrations.
traditional prospecting	The technique of following up small fragments of mineralisation up stream or uphill from where they are found to locate their source. Once the source is found samples of rock are usually crushed and panned to look for visible signs of potentially valuable minerals.
Tungsten	A chemical element with symbol W and atomic number 74.
underground holes	Drill holes which are drilled from below the earth's surface such as a mine or tunnel.
unmineralised	Without any significant content of economic minerals.
Vein system	A number of planar tabular bodies composed of the mineral quartz.
visible gold	Grains of gold in a rock or drill core sample which can be seen by the naked eye.
Volcanic arc	A curved chain of volcanoes in the overriding tectonic plate of a subduction zone. Volcanic arcs form as the result of rising magma formed by the melting of the down going plate.
volcano	A mountain or hill, typically conical, having a crater or vent through which lava, rock fragments, hot vapour, and gas are or have been erupted from the earth's crust.
Zinc	A metallic chemical element with the symbol Zn and atomic number 30.

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Advokátska kancelária JUDr. Martin Kováčik, s.r.o.

Tajovského 3, 974 01 Banská Bystrica, Slovakia

ID number: 47 236 876

Company registered in the Commercial registry of the District court Banská Bystrica, section: Sro, No.: 21292/S

e-mail: mkovacik@vilajusticia.sk, telephone number: 048/286 10 12

TO:

PROSPECH LIMITED

Level 2, 66 Hunter Street

Sydney, NSW 2000, Australia

In Banská Bystrica, September 17, 2020

REPORT ON PROSPECH LIMITED IN CONNECTION WITH CAPITAL RAISING

Introduction

We have prepared the following report for inclusion in a Prospectus to be issued by PROSPECH LIMITED (ABN 24 602 043 265) (*the Company*) to raise capital by way of an offer of shares by a Prospectus to be issued under the Corporations Act 2001 (Cth) (*Corporations Act*) as in force in Australia (*the Offer*).

1. Scope of report

We have been asked to:

- a) provide a summary overview of the legislative regime governing exploration and mining in Slovakia;
- b) advise on the status of Slovakian Minerals Exploration Licence interests held by the Company's subsidiaries Slovenské Kovy s.r.o. (*SLOK*) and Prospech Slovakia, s.r.o. (*PS*) in Slovakia;
- c) advise on any access rights, licences or permits that the Company or its subsidiaries require to undertake its current exploration activities.

2. Materials considered

2.1 For the purposes of this report we have reviewed and considered the following materials:

- a) the information publicly available in the register of exploration licences maintained by Slovakian State Geological Institute of Dionýz Štúr (*SGIDS*), an organization supervised by Ministry of Environment of the Slovak Republic (*MOE*), as at 01.07.2020 including a copy of the Hodruša-Hámre – Banská Štiavnica exploration licence, issued by a MOE certificate no. 4546/2015-7.3 effective on 15 May 2015 as amended by the certificate of the MOE no. 3272/2019-5.3 effective on 5 August 2019, a copy of the Nová Baňa exploration licence, issued by a MOE certificate no. 7537/2015-7.3 effective on 30 November 2015 as amended by the certificate of the MOE no. 10422/2019-5.3 effective on 26 November 2019, a copy of the Rudno exploration licence, issued by a MOE certificate no. 3711/2017-7.3 effective on 9 May 2017, a copy of the Jasenie exploration licence, issued by a MOE certificate no. 4127/2017-5.3 effective on 24 May 2017, a copy of the Pukanec exploration licence, issued by a MOE certificate no. 6983/2017-5.3 effective

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on 7 September 2017 and a copy of the Cejkov exploration licence, issued by a MOE certificate no. 8581/2018-5.3 effective on 21 November 2018.¹

The publicly available register we reviewed (as at 01.07.2020 including) is the most up to date publicly available list of Exploration licenses provided by MOE at official government website and that can be used as the legally binding source of reference. There is another source of confirmation which we also reviewed - SGIDS map server with update dated to 24.9.2020 where all exploration licenses held by SLOK and PS are shown as valid including Nova Bana extension application. (however this is not legally binding source of information, but has been used as another source of confirmation in addition to the publicly available register).

- b) the information publicly available in the commercial register and also the confirmation of the district court of Banska Bystrica, that SLOK and PS are validly registered in accordance with the legal regulations of the Slovak Republic and as of the date of issue of the confirmation are in good condition and there are no liquidations, execution or liquidation orders against SLOK or PS.

2.2 According to the current status as at 17 September 2020 registered in the Commercial Register of the District court Banska Bystrica and the register of SLOK and PS partners we confirm that:

- a) the Company has a 100 % interest in both Company's subsidiaries, SLOK and PS. After completion of the transfer procedural requirements in January 2018, Company currently owns 100 % share in all exploration licences in accordance with Schedule 1.²

3. Matters not considered or dealt with in this report

We have not reviewed, and this report does not comment or advise on:

- a) the Offer and any obligations in respect of the Offer including under the Corporations Act;³
- b) the requirements under the Mining Act, the Geological Act, Environmental Act or any other legislation to be satisfied before mining activities may be carried out in relation to any minerals that may be delineated within the areas of the exploration licences.

4. Confirmation

Exploration Licences

Based solely on our review of the material referred to in section 2(a) of this report, we confirm that as at 17 September 2020, the details and ownership of the exploration Licences as set out in Schedule 1 to this report are current and accurate.

Valid incorporation and good standing

Based on the confirmations and extracts of the Banská Bystrica district court dated 17.09.2020, SLOK and PS are validly registered in accordance with the legal regulations of the Slovak Republic, are in good condition and there are no liquidations, execution or liquidation orders against SLOK or PS.

¹ In addition to the information publicly available in the register of survey licenses maintained by SGIDS (www.geology.sk), there is also a public list of survey areas together with the holder of the survey area maintained by the Ministry of the Environment of the Slovak Republic effective as of 01.07.2020. (<https://www.minzp.sk/files/sekcia-geologie-prirodných-zdrojov/zoznam-prieskumnych-uzemi-k-01.07.2020.pdf>)

² Attached to this report are extracts from the company's commercial register and confirmation that the SLOK and PS are in good condition and there are no liquidation, execution or liquidation orders against SLOK or PS.

³ Provided that there is no change in the ownership structure, business name or registered office of the SLOK and PS, the offer will not trigger any consents or approvals under Slovak law or under the terms of the exploration licenses as the offer concerns an Australian company and not SLOK and PS

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Overview of legislative regime governing exploration and mining in Slovakia as of 17.09.2020

Administration of Geology and Mining in Slovakia

Slovakia has a mining history dating back to at least Celtic times and substantial production of metals (primarily copper, gold and silver) occurred during the medieval period. Base metal and coal production was substantial during the Soviet era with coal, gold, silver, magnesite, limestone, dolomite and gravel being mined today. The oldest mining institute in the world is located at Banská Štiavnica and the population is proud of their mining heritage.

Geological exploration in Slovakia is administered and supervised by the MOE and its Division of Geology and Natural Resources.

Mining is administered by the Ministry of Economy and its supervisory body, the Central Mining Bureau with its 5 regional offices. The mining administration is currently being reformed, which is not effective on the date of this report. This reform is not intended to change the Mining Code, but only to reduce the number of regional mining offices, and is therefore not significant or affects the Company's operations. As of the date of the report, we have no details and timing of the proposed reform.

Foreign investment legislation

The Commercial Code states that any foreigner may undertake business activities on the territory of Slovakia under equal conditions and with equal scope as Slovak nationals. Any individuals or legal entities residing abroad deemed to be foreign persons and having the right to do business abroad, are deemed entrepreneurs by the Commercial Code and qualify to do business by employing a domestic partner resident in Slovakia.

According to the provisions of § 24 par. 1 of the Commercial Code, a foreign person may, in accordance with the provisions of this Act, participate in the establishment of a Slovak legal entity for business purposes or participate as a partner or member in a Slovak legal entity already established. It may also establish a Slovak legal entity itself or become the sole shareholder of a Slovak legal entity.

Geological and Mining legislation

Mining legislation in Slovakia is almost as old as the mining industry. Regional mining rights named after major mining districts (Kremnica, Banská Štiavnica) were effective before the year 1570. Maximilian mining rights of the Austro-Hungarian Monarchy were in effect during next 280 years. A new General Mining Code of the Austro-Hungarian Monarchy was published in 1854. This mining code survived the downfall of the monarchy in 1918 and was used without significant changes in Czechoslovakia up to 1948, when it was changed due to nationalization of the mining industry that effectively abolished all previous mineral ownership legacies.

At present, all geological and mining activities in Slovakia are regulated by three acts that define the essential rights and obligations of legal entities and individuals carrying out exploration and mining operations.

Geological Act 569/2007 Coll., empowers the Ministry of Environment to issue licences to undertake geological work and govern the following:

- Conditions for the issue of licences to undertake geological work and certificates of professional competence;
- Rules governing the granting and transfer of exploration licences;
- Role, position and activities of the state administration in geology - Division of Geology and Natural Resources of the Ministry of Environment.; and
- Role and duties of the State Geological Survey.

The Act of the Slovak National Council No. 44/1988 on the protection and exploitation of mineral resources (Mining Code), as amended by later regulations and on change and amendment of certain acts determines the:

- Ownership and administration of mineral resources;
- Principles of protection and rational exploitation of mineral wealth;
- Conditions for mining and mining licences; and
- Compensation for damage due to mining activities.

The Act of the Slovak National Council No. 51/1988 Coll. amended by later regulations and on change and amendment of certain acts determine the:

- Conditions under which mining activity can be carried out, in particular safety regulations, environmental protection, and rational exploitation of mineral deposits;
- Condition for the use of explosives; and
- State mining administration.

Exploration for minerals, which are the property of the State, may only be carried out in exploration areas granted by the MOE. The size of one exploration area is limited to 250 km².

An exclusive exploration area for a specified mineral commodity may be granted for up to 4 years and is renewable for another 4 years and an additional 2 years. If the 10-year period is not sufficient, the licence holder can apply for the extension to a date inevitable for completing the exploration works.

The fee per km² is 100 Euros per year during the first 4-year period, 200 Euros per year during the second 4-year period, 350 Euros per year during the last 2-year period and 700 Euros per year for the additional period.

The first application registered for a given exploration area has priority.

Exploration areas are transferable.

The right to mine a mineral deposit is given by granting a mining lease and by permission to perform mining activity. Both are issued by regional mining offices of the Ministry of Economy. The holder of an exploration licence has priority to apply for a mining lease within 1 year from the approval of the mineral reserves by the State Commission for Classification of Reserves, at the Ministry of Environment, and the issue of a certificate on a protected mineral deposit. Mining has to start within three years from granting of the mining lease for surface mining and 5 years for underground mining. An annual fee for the mining lease is 664 Euro per km² per year.

A system of royalties related to production is also used. The royalty rate is calculated taking into account base rate for the commodity (gold 5%, silver 5%) and this base rate is discounted by operating and capital costs required for the production of the commodity. Foreign companies have the same rights and obligations as domestic companies.

Cyanide leaching of ore is banned by Article 30, Mining Law Act. No 44/1988 Coll.

In order to harmonise the Slovak legislation in the field of environmental impact assessment with the legislation of the European Union, the Act No. 391/2000 Coll. amending the Act No. 127/1994 Coll. of the National Council of the Slovak Republic on environmental impact assessment was adopted in 2000.

Act No. 24/2006 Coll. amended by later regulations and on change and amendment of certain acts on environmental impact assessment and on amendments to certain was adopted in 2006. It regulates the environmental impact assessment, strategic documents assessment and impact assessment of constructions, installations and other activities on the environment. The Decree No. 113/2006 Coll. of the Ministry of Environment regulates the details of the professional qualification for the purposes of environmental impact assessment.

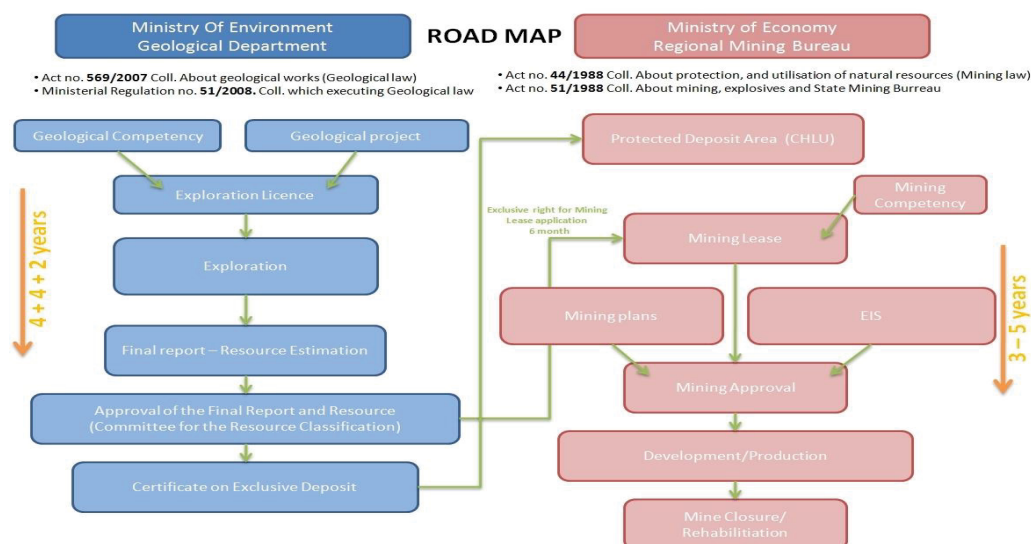
Act No. 543/2002 Coll. amended by later regulations and on change and amendment of certain acts covers protection of the environment and the country. This defines the basic terms and establishes the

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basic principles of environmental protection and the obligations of legal entities and individuals in protecting and improving the environmental situation when exploiting natural resources. Its aim is to support the measures taken to preserve variety and forms of biodiversity, to create conditions for maintaining, regeneration and rational use of the natural resources, to protect natural heritage and characteristic scenery of the country and to attain and maintain ecological stability. Five levels of environmental protection are in effect. The degree of restriction increases with the increasing level of protection. Level One is a general protection measure applicable to the whole territory of Slovakia. Level Two through to Level Five apply to various protected areas and protected zones. The exploration licences held by PS and SLOK are generally located in Level One and Level Two environmental protection levels, however some small areas within the licences are covered by higher levels of environmental protection. These areas are restricted from exploration and mining activities as defined by the conditions imposed by Ministry of Environment in the decision on licence allocation. Level One and Level Two allow exploration and mining activities, however these activities in Level Two are subject to consent (or must be consulted with) of Regional Environmental Office.

Law 514/2008 Coll. amended by later regulations and on change and amendment of certain acts regulates the disposal of mine waste.

A simplified road map from exploration stage to mine closure is shown below:



SCHEDULE 1

Status of minerals exploration licences held by SLOK and PS in Slovakia as of 17 September 2020

Exploration Licence	Area (km ²)	MOE Certificate Number	Period	Annual Tenement fee (EUR)	Environmental Protection Level	Licence Holder	Comments
Hodruša-Hámre – Banská Štiavnica	101.92	4546/2015-7.3 3272/2019-5.3	2 nd 4-year term to 15 May 2023	€20 400	Level Two *	SLOK	
Nová Baňa	18.14	7537/2015-7.3 10422/2019-5.3	2 nd 4-year term to 30 November 2023	€3 800	Level One **	PS	Application for extension to 20.11sqkm Extension documents have been submitted to MOE in August 2020 and are subject to approval by the MOE.
Rudno	14.26	3711/2017-7.3	1 st 4-year term to 9 May 2021	€1 500	Level Two ***	PS	
Jasenie	29.41	4127/2017-5.3	1 st 4-year term to 24 May 2021	€3 000	Level Two ****	PS	
Pukanec	10.71	6983/2017-5.3	1 st 4-year term to 7 September 2021	€1 100	Level Two	PS	
Cejkov	29.23	8581/2018-5.3	1 st 4-year term to 21 November 2022	€3 000	Level One*****	PS	

* Hodruša-Hámre – Banská Štiavnica exploration licence is located in the Protected Nature Area of Banská Štiavnica Hills and the entire licence is in a Level Two protection area. However within the licence, there are several small areas which are subject to Level Five protection where all exploration and mining activities are banned. Consent requirements for 2nd level is that all technical works have to be consulted with Local Environmental Office and seeking Environmental approval prior activity. Small areas in 5th level of protection are NPR Kasivarova and PR Kamenny jarok, and one area in 3rd level Arboretum Kysihybel.

** Nová Baňa exploration licence is located mostly in a Level One protection area with a small portion located in the Level 2 environmental protection applied for Stiavnické Vrchy Mts. and a small part, "Putikov vrsok", in a Level 5 protection area. As per environmental statement, Northern part sits in 1st level of protection, Southern part in 2nd level and there is one small area of 5th Level – Putikov vrsok. 2nd level of protection requires approval of Environmental Office prior technical works.

*** Rudno exploration licence is located in the Level 2 environmental protection applied for Stiavnické Vrchy Mts. As per above, 2nd level protection requires Environmental permit prior technical works.

**** Jasenie application is located within buffer zone of a Low Tatras National Park, a Level Two protection area. As per above, 2nd level protection requires Environmental permit prior technical works.

***** Cejkov exploration license is situated in 1st level of protection with some areas of higher level of protection. Based on clients information these areas minor and not material for exploration activities.

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Annual reporting – all requirements fulfilled to date

The holder of exploration licences has an obligation to file an Annual Report on exploration activities with the summary of geological works conducted in previous calendar year and receipts of financial expenditures on the geological exploration works within six weeks after the calendar year for which the report is filed. These requirements for the exploration licences held by SLOK and PS as set out above have been fulfilled.

Third party interests or claims in respect of the exploration licences or any minerals in the land

Based on publicly available information (including the Ministry of Environment list of exploration licenses dated to 1.7.2020) and information provided by SLOK and PS, as at the date of this report there are no known third party interests or claims in respect of the exploration licences set out in this Schedule 1 or any minerals in the land the subject of those exploration licences.¹

In 2018, Slovenská banká, s.r.o. (the owner of the Rozalia Mine) challenged the granting of the Hodruša-Hámre exploration licence at the Ministry of Environment (MOE) and a subsequent renewal application by SLOK of that licence. This challenge related to a disputed area within that licence comprising approximately 1% of the exploration licence which is adjacent to the Rozalia Mine.

On 7 March 2019 SLOK's renewal application for the Hodruša-Hámre exploration licence was initially rejected by the MOE due to such challenge by Slovenská banká, s.r.o, however this decision was overturned by the MOE Special Committee on 24 April 2019 and sent back to the MOE for a new decision to be made. The Company received a decision from the MOE in its favour regarding the renewal of the Hodruša-Hámre exploration licence on 15 May 2019 (valid until 15 May 2023) (**First Instance Decision**).

The First Instance Decision confirmed SLOK's title to this licence (including the renewal of the licence in 2019 as part of the First Instance Decision) and is still in force. Slovenská banká, s.r.o made an initial appeal of the First Instance Decision and this appeal was rejected by the Minister of Environment on 30 July 2019 (**Final Decision**),

The Company was subsequently notified that the Final Decision (and the First Instance Decision) was challenged by Slovenská banká, s.r.o.at the Regional Court in Bratislava (**Proceedings**). The Proceedings by Slovenská banká, s.r.o. relates to the same disputed area comprising approximately 1% of the Hodruša-Hámre exploration licence.

Notwithstanding this third party challenge of the Final Decision and the First Instance Decision), the validity of the Hodruša-Hámre – Banská Štiavnica licence held by SLOK remains unchanged and as of 17 September 2020 SLOK has 100 % of the exploration rights granted in respect of the Hodruša-Hámre – Banská Štiavnica licence and is in the position of executing the exploration programme according to the original plan for that licence. As this challenge is still current, the final outcome will depend on the decision of the court.

If Slovenská banká, s.r.o. is successful, assessment of the case will be returned to the Ministry of Environment for proceedings and and for the Ministry to make a new decision. If the court annuls only the Final Decision of the Ministry, the new administrative proceeding (including only appeal proceedings before the minister) should be resolved within 30 days after the court 's decision is delivered to the Ministry, noting that this time period could vary.

If the court annuls the Final Decision of the Ministry and also the First Instance Decision of the Ministry, we estimate the new proceeding (including first instance proceeding and appeal proceeding) should be resolved within 4 months after the court 's decision is delivered to the Ministry, noting that this time period could vary.

If Slovenská banká, s.r.o. is successful in challenging either of the Final Decision and/or the First Instance Decision, Prospech would need to cease exploration activities in the entire exploration area (not just the area in dispute) and wait for the new decision of the MOE. The Ministry would have to decide on

the whole exploration area after the annulment of the Final Decision and/or the First Instance Decision, however, this could only result in a partial reduction of the exploration area (up to the extent being disputed by Slovenská banská, s.r.o, which is approximately 1% of the total licence area).

Consent

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully,

Advokátska kancelária
JUDr. Martin Kováčik, s.r.o.
Tajovského 3
974 01 Banská Bystrica
IČO: 47 236 876

Advokátska kancelária JUDr. Martin Kováčik, s.r.o.,
acting by JUDr. Martin Kováčik, advocate and company representative

12. Additional information

12.1 Incorporation

The Company was incorporated under the Corporations Act and registered in New South Wales as a public company limited by shares on 26 September 2014.

12.2 Balance Date

The accounts for the Company will be made up to 31 December annually.

12.3 Rights attaching to shares

The shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company.

The rights attaching to Shares are:

- (a) set out in the Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, Listing Rules, ASX Settlement Operating Rules and the general law.

A summary of the significant rights attaching to the Shares on Offer pursuant to the Prospectus and a description of other material provisions of the Constitution is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

Voting at a general meeting

Subject to any rights or restrictions for the time being attached to any class or classes of shares in the Company (at present, there is only one class of shares), whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held, or a fraction of a vote for a share on which payment remains owing.

Meetings of members

A general meeting may be called by a directors' resolution or as otherwise provided in the Corporations Act. Notice of a general meeting must be given to the shareholders, directors and auditor in accordance with the Corporations Act and Listing Rules.

Dividends

The Board may pay any dividends to Shareholders that, in their judgment, the financial position of the Company justifies.

Transfer of Shares

Subject to the Constitution and to any restrictions attached to a member's Shares, Shares may be transferred by a proper ASTC Transfer (as that term is defined in the *Corporations Regulations 2001* (Cth)) or by a written instrument of transfer in a form that is approved by the directors.

Issue of further Shares

Subject to the Constitution, the Corporations Act and Listing Rules, the Board may issue Shares or options to acquire Shares to any person on the terms, with the rights, and at the times that the Board decides.

Winding up

If the Company is wound up, then subject to any rights or restrictions attached to a class of Shares, any surplus assets of the Company remaining after payments of debts must be divided amongst Shareholders in proportion to the number of Shares held by them.

Unmarketable parcels

The Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (b) by a special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Directors – appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum number is ten.

Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding any managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. Alternatively, if the Board appoint a casual vacancy, that Director may not hold office without re-election beyond the next general meeting.

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors entitled to vote on the resolution. In the case of an equality of votes on a resolution, the chairman of the meeting does not have a second or casting vote and the matter is decided in the negative.

Directors – remuneration

The Constitution provides that Non-Executive Directors are entitled to such remuneration for their services the total amount which must not exceed \$250,000. Any increase in this amount must be approved by Shareholders in accordance with the Listing Rules.

Variation of the Constitution

The Constitution can only be amended by special resolution passed by at least 75% of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company. The Company must give at least 28 days' written notice of a general meeting of the Company's members.

12.4 Rights attaching to the Lead Manager Options

The Company will issue 5,000,000 Options to the Lead Manager (or its nominee) on Completion (Lead Manager Options) The terms of issue of the Lead Manager Options are:

- (a) the Lead Manager Options are issued for nil consideration;
- (b) the Lead Manager Options will be fully vested on their date of issue;
- (c) Lead Manager Option entitles the holder to be issued one Share for each Lead Manager Option;
- (d) each Lead Manager Option has an exercise price of \$0.30;
- (e) the expiry date of the Lead Manager Options is three years from the date of issue;
- (f) the Company will provide to the Lead Manager Option holder a notice that is to be completed and delivered to the Company on exercise of the Lead Manager Options. The Lead Manager Options may be exercised by the Lead Manager in whole or in part by completing and delivering the notice of exercise to the Company prior to the expiry date. The notice of exercise must be accompanied by payment in full for the relevant number of Shares being subscribed for on exercise of the Lead Manager Options;
- (g) all Shares issued on exercise of the Lead Manager Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Lead Manager Options;
- (h) the Lead Manager Options have no participating rights or entitlements and the holders will not be entitled to participate in new issues, pro rata issues or bonus issues of capital to Shareholders during the term of the Lead Manager Options unless the holder has first exercised the Lead Manager Options and is registered as a holder of Shares; and
- (i) the rights of the Lead Manager Option holder in respect of any reconstruction of capital of the Company (including consolidation, subdivision, reduction or return of capital) will be adjusted in accordance with requirements of the ASX Listing Rules.

12. Additional information

12.5 Rights attaching to the Existing Options

The terms of issue of the Existing Options are:

- (a) the Existing Options were issued for nil consideration;
- (b) the Existing Options were issued as fully vested on 30 September 2020;
- (c) each Existing Option has an exercise price of \$0.30;
- (d) each Existing Option entitles the holder to be issued one Share for each Existing Option; and
- (e) the expiry date of the Existing Options is the earlier of 30 September 2023 and the date which is 2 months after the date of ceasing to be employed by the Company (other than due to the occurrence of a special circumstance, being total and permanent disablement, death or other circumstance as determined by the Board of Directors).

All Existing Options have been granted under the Company's Incentive Option Plan which is summarised in 12.7.

12.6 Escrow arrangements

The Shares issued under this Prospectus will not be subject to escrow restrictions and will be transferable from the date of their issue.

Existing securities classified by ASX as 'restricted securities' will be required to be held in escrow for a period determined by ASX and will not be able to be sold, mortgaged, assigned or transferred for the escrow period without the consent of the ASX.

The Company expects that, if it is admitted to the Official List of the ASX, the following Securities will be required to be held in escrow for the period of time as set out below:

Period of Restriction	Shares	Options
12 months from admission to the Official List	19,800,004	-
24 months from admission to the Official List	14,985,559	17,031,250

Shareholders subject to an escrow period of 12 months from admission to the Official List have entered into a Voluntary Restriction Deed with the Company, in which they have agreed to a holding lock being placed on the Shares subject to the deed for the 12 month escrow period.

12.7 Incentive Option Plan

The summary below outlines the key terms of the Company's Incentive Option Plan (**Plan**). Copies of the Plan's terms and condition (**Rules**) are available on request to the Company. Capitalised terms in the following summary are as defined in the Rules. The 12,031,250 Existing Options detailed in section 12.5 were issued under the Plan.

a) Background

The Company has adopted the Plan to assist in the reward, retention and motivation of the following individuals:

- (i) full-time or part-time employees of any body corporate in the Group who are declared by the Plan Committee to be eligible to receive grants of Options under the Plan;
- (ii) directors of any body corporate in the Group who hold salaried employment or office in a body corporate in the Group;
- (iii) an individual who provides services to a body corporate in the Group who the Plan Committee determines to be eligible to participate in the Plan
- (iv) an individual whose associate provides services to a body corporate in the Group who the Plan Committee determines to be eligible to participate in the Plan; and
- (v) any other person providing services to a body corporate in the Group whom the Plan Committee determines to be eligible to participate in the Plan, (each an **Eligible Employee**).

b) Consideration for Options

Options will be issued for consideration comprising the services that are expected to be provided by an Eligible Employee to or for the benefit of the Group, but no further monetary or other consideration will be payable in respect of the issue of an Option under the Plan.

c) Plan Limit

Options must not be granted under the Plan if the total number of outstanding Options issued under the Plan exceed 20% of the Company's total number of issued Shares at that time.

d) Offer of Options

Subject to the Rules, the Plan Committee may from time to time make an Offer to an Eligible Employee, which must include all of the information required by the Rules.

e) Exercise Period

The Exercise Period commences on the First Exercise Date and ends on the Last Exercise Date.

The First Exercise Date will be the earlier of a) the vesting date; or b) the date on which a Special Circumstances (being total and permanent disability, redundancy, death, or any other circumstances as the Plan Committee may determine) arises in respect of a Participant

Unless otherwise specified in an offer under the Plan, as determined by the Plan Committee, the vesting dates applicable to Options issued under the Plan are as follows:

- a) one third of the Options – the date that is the first anniversary of the Date of Grant of the Options
- b) one third of the Options – the date that is the second anniversary of the Date of Grant of the Options; and
- c) one third of the Options – the date that is the third anniversary of the Date of Grant of the Options.

The Last Exercise Date with respect to an Option means no later than a) the date 5 years after the Date of Grant; or b) if a Special Circumstance arises in respect of a Participant during those 5 years, then the date 12 months (or longer period as may be determined by the Plan Committee) after the Special Circumstance arises.

f) Exercise Price

The exercise price in respect of an Option will be as determined by the Plan Committee.

g) Acceptance of Offer

An Eligible Employee may accept an offer under the Plan by giving to the Company an application form within the period specified in the offer. An offer not accepted in accordance with the Rules will lapse unless the Board determines otherwise.

h) Shares

Subject to the Rules, each Option confers on its holder the entitlement to subscribe for and be issued one fully paid Share in the Company at the Exercise Price.

Subject to the Rules and, if applicable, the ASX Listing Rules, the Company must issue a Share on the exercise of an Option. Shares issued on the exercise of Options will rank equally with all existing Shares in the Company (on and from the date of issue) in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

i) Transfer of Options

Under the Rules, options held by a Participant are personal to him or her and may not be exercised by any other person. Options may only be transferred in certain circumstances, as set out in the Rules.

12. Additional information

j) Lapse of Options

Generally, an Option lapses on the earlier of:

- (i) the Last Exercise Date;
- (ii) a determination by the Plan Committee that the Option should lapse because the Participant, in the Plan Committee's opinion:
 - (A) has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the Participant without notice;
 - (B) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence); or
 - (C) has done an act which brings the Group or any body corporate in the Group into disrepute; and
- (iii) unless otherwise determined by the Plan Committee, the date which is 2 months after the date of termination of employment of the Participant within the Group (other than due to the occurrence of a Special Circumstance).

If a Participant fails to exercise all the Options registered in the Participant's name before the occurrence of a circumstance set out above, those Options lapse and all rights of a Participant under the Plan in respect of those Options cease.

12.8 Related party interests

The Company's policy in respect of related party arrangements is:

- a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into the following agreements with related parties of the Company:

- a) Appointment Agreements between the Company and each Director and the Company Secretary, Richard Edwards;
- b) a services agreement between the Company and MIS Corporate Services Pty Limited, a company associated with Peter Nightingale; and
- c) consultancy agreements between the Company and companies associated with Mr Beckton, Mr Levings and Mr Nightingale.

Agreements with Directors and officers are summarised in section 7.3.

Other than the agreements outlined above, there are no related party transactions in respect of the Company or its business.

12.9 Taxation implications of investing under the Offer

The taxation obligations and the effects of participating in an Offer can vary depending on the circumstances of each individual investor. Investors who are in doubt as to their taxation position should seek professional advice. It is sole responsibility of potential Applicants to inform themselves of their taxation position resulting from participation in an Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants.

To the maximum extent permitted by law, the Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences of acquiring or disposing of Shares in the Company.

12.10 Interests of experts and advisors

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- (a) has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- (b) has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Peloton Capital Pty Ltd has acted as the Lead Manager to the Company in respect of the Offer. The Company has paid or agreed to pay to the Lead Manager a capital raising fee of 6% of the funds raised under the Offer, as well as a success option fee of 5,000,000 Lead Manager Options in accordance with the terms set out in sections 2.2 and 12.4.

RSM Corporate Australia Pty Ltd has acted as the Investigating Accountant to the Company and provided the Investigating Accountant's Report under the heading "Investigating Accountant's Report" in section 9. The Company has paid or agreed to pay an amount of approximately \$13,500 in respect of these services.

M.J. Houston and Associates Pty Ltd has acted as the independent geologist to the Company and provided the Independent Geologist Report in section 10. The Company has paid or agreed to pay an amount of approximately \$7,500 in respect of these services.

DLA Piper Australia has acted as the Australian legal advisor to the Offer, performing work in relation to due diligence enquiries on Australian legal matters. The Company has paid or agreed to pay an amount of approximately \$60,000 (plus disbursements) in respect of these services. Further amounts may be paid to DLA Piper Australia in accordance with time-based charges.

Advokátska kancelária JUDr. Martin Kováčik, s.r.o. has acted as Slovakian legal counsel to the Company and has provided the Solicitor's Report on Tenements in section 11. The Company has paid or agreed to pay an amount of approximately €5,000 in respect of these services.

12.11 Offer expenses

The Company will pay all of the costs associated with the Offer.

The table below outlines the expenses of the Offer.

Estimated cost (exclusive of GST)	
Capital raising costs ¹	\$300,000
ASX and ASIC Fees ²	\$90,000
Accounting, legal and other advisor fees	\$90,000
Printing, design and miscellaneous	\$20,000
Total	\$500,000

Notes:

1. Capital raising fees are payable to the Lead Manager and calculated by reference to the amount of capital raised under the IPO.
2. ASX fees are based on the issue price of the shares and the anticipated issued share capital of the Company after allotment of the Shares.

12. Additional information

12.12 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below has not caused the issue of this Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

Name of entity	Named as	Reports or statements
Peloton Capital Pty Ltd	Lead Manager	No
RSM Corporate Australia Pty Ltd	Investigating Accountant	Investigating Accountant's Report on Historical and Pro forma Financial Information in section 9
KPMG	Auditor of the Company	No
DLA Piper Australia	Australian legal advisor to the Offer	No
Advokátska kancelária JUDr. Martin Kováčik, s.r.o.	Slovakian legal counsel	Solicitor's Report on Tenements in section 11
M.J. Houston and Associates Pty Ltd	Independent Geologist	Independent Expert Geologist, Technical Assessment Report in section 10
Computershare Investor Services	Share Registry for the Company	No
Resource and Exploration Geology	Independent geologic review of Schopfer prospect	No

12.13 Litigation

Apart from the dispute described below, the Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

Third party dispute in respect of Hodruša-Hámre exploration licence

In 2018, Slovenská banká, s.r.o. (the owner of the Rozalia Mine) challenged the granting of the Hodruša-Hámre exploration licence at the Ministry of Environment (**MOE**) and a subsequent renewal application by SLOK of that licence. This challenge related to a disputed area within that licence comprising approximately 1% of the exploration licence which is adjacent to the Rozalia Mine.

On 7 March 2019 SLOK's renewal application for the Hodruša-Hámre exploration licence was initially rejected by the MOE due to such challenge by Slovenská banká, s.r.o. however this decision was overturned by the MOE Special Committee on 24 April 2019 and sent back to the MOE for a new decision to be made. The Company received a decision from the MOE in its favour regarding the renewal of the Hodruša-Hámre exploration licence on 15 May 2019 (valid until 15 May 2023) (**First Instance Decision**).

The First Instance Decision confirmed SLOK's title to this licence (including the renewal of the licence in 2019 as part of the First Instance Decision) and is still in force. Slovenská banká, s.r.o. made an initial appeal of the First Instance Decision and this appeal was rejected by the Minister of Environment on 30 July 2019 (**Final Decision**).

The Company was subsequently notified that the Final Decision (and the First Instance Decision) was challenged by Slovenská banká, s.r.o. at the Regional Court in Bratislava (Proceedings). The Proceedings by Slovenská banká, s.r.o. relates to the same disputed area comprising approximately 1% of the Hodruša-Hámre exploration licence.

The Company does not agree with Slovenská banká, s.r.o.'s latest and continuing challenge over this area, but notes that the disputed area is immaterial (approximately 1% of total exploration licence area) and is not required by the Company for any of its current exploration activities or plans (nor has any mineralisation identified by the Company in its exploration activities to date been identified in this disputed area). The Proceedings are still in their initial stages and the court has requested statements to be submitted which will be proceeded by a hearing. The Company has been advised by its legal representative in Slovakia that they expect the court decision for the Proceedings to be issued in the first half of the year 2021.

Notwithstanding these Proceedings, SLOK still retains 100% of the exploration rights granted in respect of the Hodruša-Hámre exploration licence. However, the Proceedings are still current and has not been finally determined by the Court. If Slovenská banská, s.r.o.'s action in the Proceedings is successful, the Court may annul either or both of the First Instance Decision and Final Decision and the matter will be returned to the MOE for further proceedings and for the MOE to make a new decision.

After the annulment of the relevant decision(s) by the court, the Company would need to cease exploration activities in the entire exploration area (not just the area in dispute) and wait for the new decision of the MOE. The MOE would have to decide on the whole exploration area again after the annulment of the relevant decision(s), however, this could only result in a partial reduction of the exploration area (up to the extent being disputed by Slovenská banská, s.r.o).

If the court finds in favour of Slovenská banská, s.r.o and annuls only the Final Decision, the Company has been advised by its legal representative in Slovakia that the new administrative proceeding (including only appeal proceeding before the Minister) should be resolved within 30 days after the court 's decision is delivered to the MOE, although this time frame may vary.

If the court finds in favour of Slovenská banská, s.r.o and annuls both the Final Decision and the First Instance Decision, the Company has been advised by its legal representative in Slovakia that the new proceeding (including first instance proceeding and appeal proceeding) should be resolved within 4 months after the court 's decision is delivered to the MOE, although this time frame may vary.

12.14 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company on +61 2 9300 3333, Monday to Friday, between 8:30am and 5:00pm Sydney time and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

12.15 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

12.16 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company by:



Thomas J. Mann
Chairman

Glossary

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires:

\$	Australian dollar.
€	The euro, the official currency of the eurozone.
A\$	The lawful currency of Australia.
Allotment Date	The date on which Shares are allotted under the Offer.
Applicant	Person who submits a valid Application Form pursuant to this Prospectus.
Application	A valid application to subscribe for Shares under the Offer pursuant to this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus for investors.
Application Monies	Money submitted by applicants under the Offer in respect of their applications for Shares.
Appointment Agreements	Agreements with each Director and the Company Secretary setting out details of each officer's appointment, term, duties, responsibilities and remuneration.
ASIC	The Australian Securities and Investments Commission.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	The settlement rules of the settlement facility provided by ASX Settlement.
ASX	ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.
ASX CGC Principles and Recommendations	The ASX Corporate Governance Principles and Recommendations (3rd Edition) of the ASX Corporate Governance Council as at the date of this Prospectus.
Board	The board of Directors of the Company.
Chairman	The chairman of the Board, Thomas Mann.
CHESS	The Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement.
Closing Date	The date the Offer closes.
Company	Prospech Limited ACN 602 043 265.
Completion	means completion of the allotment of Shares under the Offer and the successful listing of the Company on the ASX.
Constitution	the constitution of the Company
Corporations Act	The Corporations Act 2001 (Cth).
Directors	Directors of the Company as at the date of this Prospectus.
Executive Director	A Director appointed as an executive director of the Company.
Existing Shareholders	Those persons or entities who are holders of securities of the Company as at the date of this Prospectus.
Existing Option	means an Option on issue as at the date of this Prospectus and issued in accordance with the terms summarised in section 12.5.
Exploration Target	has the meaning given in the JORC Code.
Exposure Period	The seven day period after the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of up to seven days.

Group	The Company and all its subsidiaries.
g/t	grams per tonne
GST	Goods and services tax, being a tax charged on the sale of most goods and services in Australia.
Incentive Option Plan	the Company's incentive option plan as summarised in section 12.7.
Inferred Resource	has the meaning given in the JORC Code.
IPO	the Company's initial public offering of its Shares.
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
Lead Manager	Peloton Capital Pty Ltd.
Lead Manager Options	means the 5,000,000 Options to be issued on Completion to the Lead Manager in accordance with the terms summarised in section 12.4.
Listing Rules	The official Listing Rules of the ASX as amended from time to time.
Mineral Resource and Mineral Resource Estimates	have the meaning given to those terms in the JORC Code
Non-Executive Director	A Director appointed as a non-executive director of the Company.
Offer	The invitation in this Prospectus to subscribe for new Shares at \$0.20 per Share to raise a total of \$5,000,000.
Offer Information Line	The offer information line operated by the Company on +61 2 9300 3333, Monday to Friday, between 8:30am and 5:00pm Sydney time.
Offer Period	The period during which investors may subscribe for Shares under the Offer.
Offer Price	\$0.20 per Share.
Opening Date	The date the Offer opens.
Option	An option to acquire a Share.
Ore Reserve	has the meaning given in the JORC Code.
Prospech SK	Prospech Slovakia s.r.o, a wholly owned subsidiary of the Company incorporated in Slovakia
Prospectus	This Prospectus, dated 16 October 2020 for the issue of 25,000,000 Shares.
Related Body Corporate	Has the meaning ascribed to that term in the Corporations Act.
Shareholder	A holder of Shares.
Shares	Fully paid ordinary shares in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited of Level 4, 60 Carrington Street, Sydney NSW 2000 Australia.
SLOK	Slovenské Kovy, s.r.o, a wholly owned subsidiary of the Company incorporated in Slovakia.
Solicitor's Report on Tenements	The report set out in section 11.
Subscription Amount	The subscription amount being sought by the Company under the Offer, being \$5,000,000.

For an explanation of technical and industry terminology used in this Prospectus please refer to the glossary at the end of section 10 (Independent Geologist's Report).

How to complete this Public Offer Application Form

A Number of Shares applied for
Enter the number of Shares for which you wish to apply. The Application must be for a minimum of 10,000 Shares (A\$2,000.00) and thereafter in multiples of 1,000 Shares (A\$200.00)

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the Issue Price of A\$0.20.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Prospech Limited reserves the right to reject Application Forms using the incorrect naming convention. The Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address shown on the Application Form. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F CHES
Prospech Limited participates in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares issued to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Prospech Limited and allocated a Securityholder Reference Number (SRN).

G Payment BPAY
If you wish to pay your Application Monies via BPAY, this is available via a link at the Company's website www.prospech.com.au and follow the instructions on the online Application Form.

Cheque
Make your cheque, bank draft or money order payable in Australian dollars to 'Prospech Limited' and cross it 'Not Negotiable'. Cash will not be accepted. The total payment amount must agree with the amount shown in Step B. Complete the cheque details in the boxes provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the Application Form. Receipts will not be forwarded. Funds cannot be directly debited from your bank account.

Before completing the Application Form you should read the Prospectus to which this Application Form relates. By lodging the Application Form, you agree that this Application for Shares in Prospech Limited is subject to the terms of the Prospectus and the Constitution of Prospech Limited, and agree to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus. It is not necessary to sign the Application Form.

Lodgement of Application

Electronic BPAY Payment Instructions:

Applicants who would like to make an electronic BPAY payment in Australian dollars may apply online which is available via a link at the Company's website www.prospech.com.au and follow the instructions on the online Application Form.

Cheque Payment Instructions:

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5.00pm (Sydney Time) on the Closing Date. You should allow sufficient time for this to occur. Return the Application Form with payment attached to:

Prospech Limited
c/- Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001 Australia

Neither CIS nor Prospech Limited accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **Issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Issuer for whom we maintain securities registers or to third parties upon direction by the Issuer where related to the Issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Issuer. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Company

Prospech Limited
ACN 602 043 265
Level 2, 66 Hunter Street
Sydney NSW 2000 Australia

Board of Directors

Name	Position
Thomas Mann	Non-Executive Chairman
Jason Beckton	Managing Director
Peter Nightingale	Executive Director, CFO
John Levings	Executive Director

Company Secretary

Richard Edwards

Proposed ASX Code

PRS

Lead Manager

Peloton Capital Pty Ltd
Level 8, 2 Bligh Street
Sydney NSW 2000 Australia

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000 Australia

Auditor

KPMG
Level 16, Riparian Plaza
71 Eagle Street,
Brisbane QLD 4000 Australia

Australian legal advisor

DLA Piper Australia
1 Martin Place
Sydney NSW 2000 Australia

Slovakian legal counsel

Advokátska kancelária JUDr. Martin Kováčik, s.r.o.,
Tajovského 3, 974 01
Banská Bystrica, Slovakia

Share Registry

Computershare Investor Services Pty Limited
Level 43, 60 Carrington Street
Sydney NSW 2000 Australia

Independent Geologist

M.J. Houston and Associates Pty Ltd
PO Box 91
Eumundi QLD 4562 Australia

Website

www.prospech.com.au



Prospech Limited
ABN 24 602 043 265

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