



Prospech Limited
ABN 24 602 043 265

4 December 2020

Dear Fellow Shareholder,

It is with great pleasure that I welcome you to Prospech Limited ('Prospech' or 'the Company') following the successful completion of the Initial Public Offering ('IPO') and ASX listing - significant milestones in the Company's history, for both new shareholders and those who have been with us for some time.

Prospech executed the original agreement to earn an interest in the Hodrusa-Hamre and Nova Bana projects in December 2014. Since then, other projects have been added to the Company's portfolio and exploration activities have continued, albeit limited by the Company's financial capacity. Now, funds raised under the IPO will enable the Company to undertake exploration activities on a scale warranted by the prospectivity of the Company's projects.

The Company's exploration portfolio is entirely within Slovakia for good reason. Slovakia, is a member country of the European Union and the Eurozone, has a modern western legislation system, a regimented legal system, low wages, low tax rates and a well-educated labour force. Slovakia is an attractive jurisdiction for foreign investment and, equally importantly, Slovakia has a long, rich history of mining activities and remains a very supportive jurisdiction for exploration and mining activities. Whilst the mining history is long it is important to note that the Company's projects have not been subject to extensive modern mining exploration or exploitation techniques, particularly for gold and silver.

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.

In the lead up to the Company's IPO and before the onset of the European winter, Prospech has been conducting a drilling program at the Bauch prospect within the Hodrusa-Hamre project and upcoming assays results from this program are awaited with anticipation. The Company's geologists believe that the gold deposit being exploited at the nearby, operating Rozalia Mine was controlled by major Detachment Fault (locally known as a Low Angle Normal Fault or LANF). The fact that the surface trace of the LANF falls mainly within Prospech's Hodrusa-Hamre exploration licence is of great significance and provides for a number of exciting exploration and discovery opportunities.

I believe the Company has the Board and management team to successfully build upon exploration success. I particularly welcome John Levings' move to an Executive Director role with the Company.

On behalf of the Board, I thank our many long term shareholders, I welcome our new shareholders and we look forward to rewarding your support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Thomas J. Mann', is written over a light blue horizontal line.

Thomas J. Mann
Chairman

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