



24 April 2023

## **RIGHTS ISSUE CLOSED**

Prospech Limited (ASX: PRS) ('Prospech' or 'the Company') is pleased to announce that the non-renounceable rights issue announced on 17 March 2023 ('Rights Issue') has closed and raised \$1.1 million (before costs).

The Company received applications from eligible shareholders to subscribe for 28,401,856 new Shares under the Rights Issue and Over Applications for additional Shares in addition to the eligible shareholder entitlements.

The Rights Issue is fully underwritten by BW Equities Pty Ltd (AFSL 389 353) ('Underwriter'). After scaling back the Over Applications, in accordance with the underwriting and sub-underwriting arrangements summarised in section 1.7 of the Prospectus, the Shortfall Shares will be issued to the Underwriter and sub-underwriters on Friday, 28 April 2023 and will commence trading on a normal settlement basis on Monday, 1 May 2023.

In addition and as announced on 17 March 2023, the Company has received firm subscriptions to raise approximately \$1.5 million (before costs), via a placement to professional and sophisticated investors of approximately 75 million new ordinary shares in the Company ('Placement') at an issue price of \$0.02 per share ('Placement Shares'), together with approximately 37.5 million options, being 1 free attaching option exercisable at \$0.04 and expiring two years from the date of issue for every 2 Placement Shares subscribed for and issued ('Placement Options'). The Placement will be completed in two tranches, with:

- Tranche 1 of the Placement Shares to be issued under the Company's existing placement capacity under ASX Listing Rule 7.1; and
- Tranche 1 of the Placement Options, together with Tranche 2 of the Placement Shares and Placement Options to be issued, subject to shareholder approval at the Company's upcoming Annual General Meeting to be held on Wednesday, 26 April 2023.

Following completion of the Rights Issue and Placement, the total amount raised will be approximately \$2.6 million (before costs) enabling the Company to accelerate the exploration and drilling activities at its recently acquired Finland projects, including the high grade rare earth oxides and hafnium Jokikangas project (see ASX announcement dated 11 April 2023) and its Slovakian projects.

The final results from the Rights Issue and the details of the Placement are:

	<b>Funds Raised \$</b>	<b>Shares Number</b>	<b>PRSOA Options* Number</b>
Total funds to be raised and total number of securities offered under the Rights Issue	1,059,583	52,979,156	26,489,578
Total funds raised and total number of securities applied for by eligible shareholders under the Rights Issue	568,037	28,401,856	14,200,928
Total number of securities applied for Shortfall Offer	491,546	24,577,300	12,288,650
Total funds raised and total number of securities to be issued under the Placement:			
- Tranche 1	264,896	13,244,788	6,622,394
- Tranche 2	1,235,104	61,755,212	30,877,606
<b>Total</b>	<b>\$2,559,583</b>	<b>127,979,156</b>	<b>63,989,578</b>

\* The number of PRSOA options (exercisable at \$0.04 and expiring 26 April 2025) issued is subject to rounding. A further 7,678,749 PRSOA options will be issued to BW Equities Pty Ltd (AFSL 389 353) who acted as Underwriter to the Rights Issue and managed the Placement.

The Rights Issue securities are expected to be issued on 28 April 2023 and the Placement Options and Tranche 2 Placement Shares will be issued following shareholder approval at the Company's Annual General Meeting to be held on 26 April 2023.

Prospech's Chairman, Thomas Mann, said:

*"We thank our shareholders and investors for the support they have shown during this capital raising.*

*With increasing European focus on self-dependency for critical minerals, we enthusiastically look forward to accelerating the exploration of the recently acquired suite of lithium and rare earth element projects in Finland and the commencement of drilling the Kolba copper-project in Slovakia.*

*As shown by the high-grade rare earth oxides and hafnium results over 4 kilometres of strike (see ASX announcement dated 11 April 2023), access to rich data bases at the brownfield targets of Jokikangas, Korsnas and Saarenkylä will provide shareholders with cost effective exploration with walk up drill targets and an entry point to the REE and lithium market in the EU."*

**For further information, please contact.**

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This announcement has been authorised for release to the market by the Managing Director.

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