Prospech Limited
ABN 24 602 043 265

16 September 2022

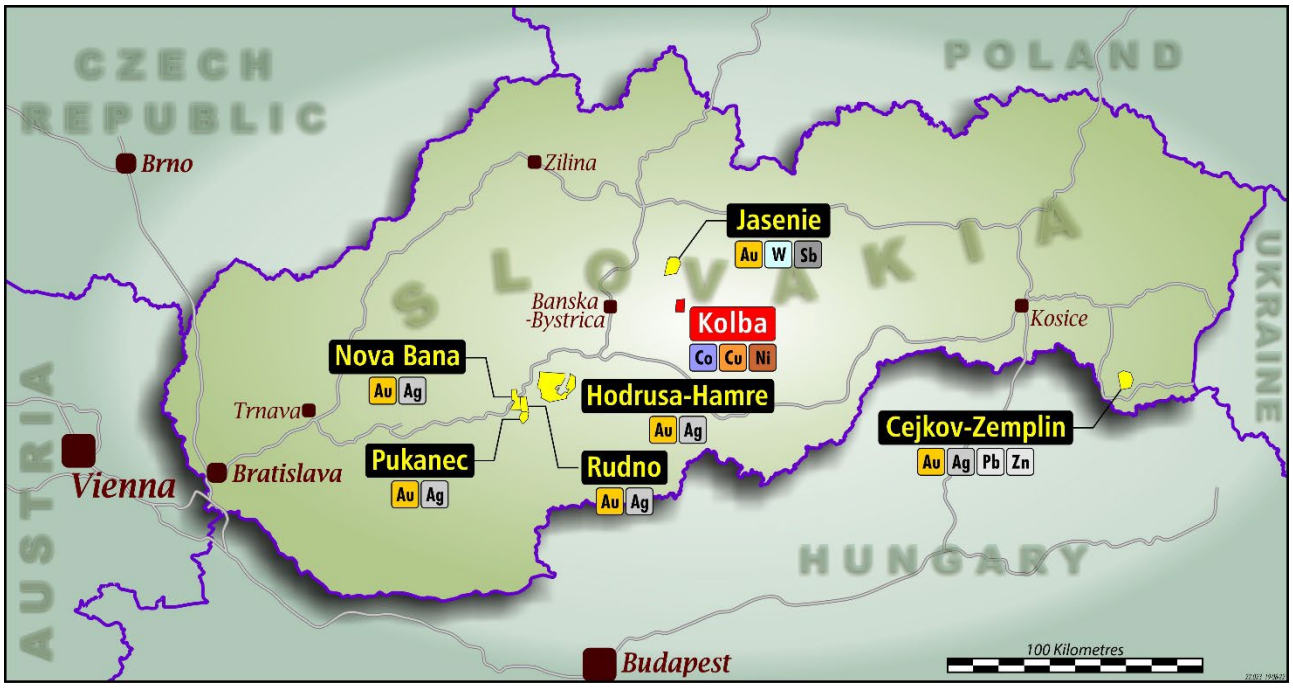
# HIGH GRADE COBALT-COPPER-NICKEL PROJECT GRANTED

- **Kolba exploration licence applied for and granted.**
- **Historical surface sampling results include 0.68% cobalt, 6.75% nickel and 2.04% copper[1]**
- **Historical workings indicate a strike of over 300m for Kolba cobalt prospect and 500m for the Svatodusna cobalt-copper-nickel prospect.**
- **Cobalt is designated as a critical raw material by the European Commission.**
- **Historic production up to the 1850s from Kolba - Svatodusna mines graded up to 17% copper.**

The Directors of Prospech Limited ('Prospech' or 'the Company') (ASX: PRS) are pleased to advise that a new exploration licence has been applied for and granted at minimal cost to the Company.

Kolba is part of the Svatodusna - Podlipa geologic system with mineralisation consisting of cobalt-nickel sulpho-arsenides. The Podlipa Mine, within the Kolba tenement, was worked in the 1800s with copper grades from 2% to 17%.

The Kolba - Svatodusna structure has not been drilled but has been mapped and sampled by the Slovak government geological service in the early 1990s and recent academic studies indicate cobalt-copper-nickel-silver sulphides in primary mineralisation, making it an attractive exploration target.

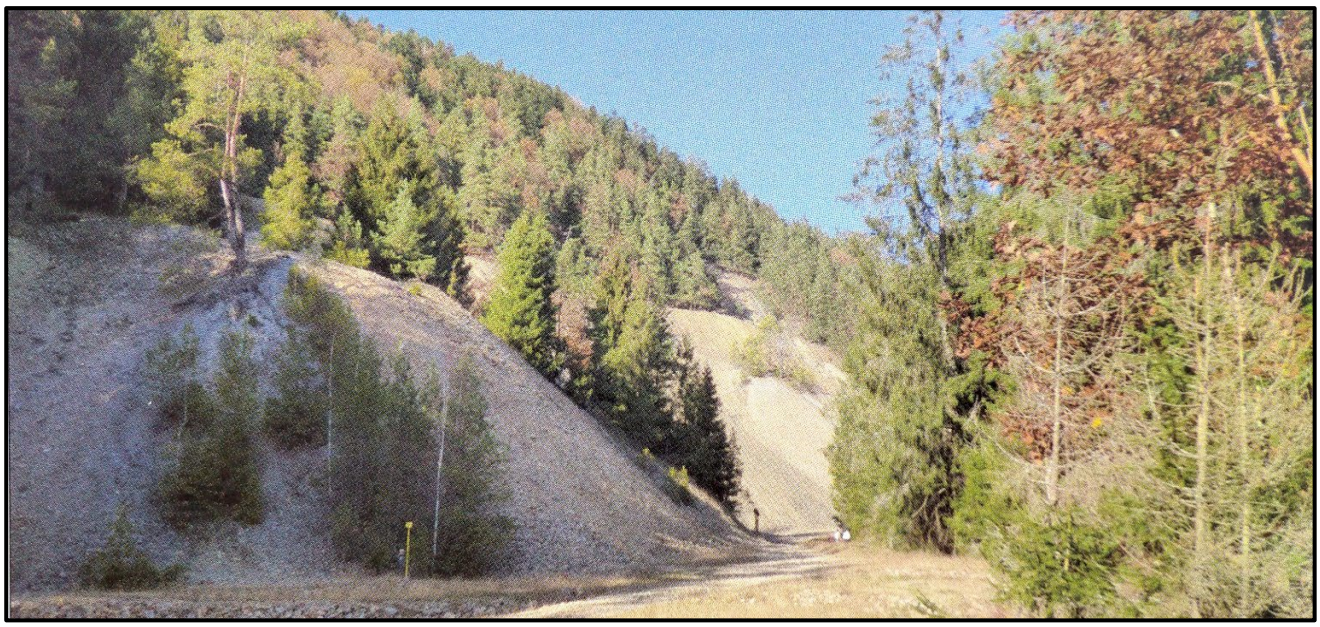



***Kolba is located in Central Slovakia proximate to the Company's existing operations.***

[1] *Refer 25 August 2017 European Cobalt Limited (ASX: EUC) ASX release.*

Level 2, 66 Hunter Street, Sydney NSW 2000 Australia
T: +61 2 9300 3333 F: +61 2 9221 6333
E: info@prospech.com.au

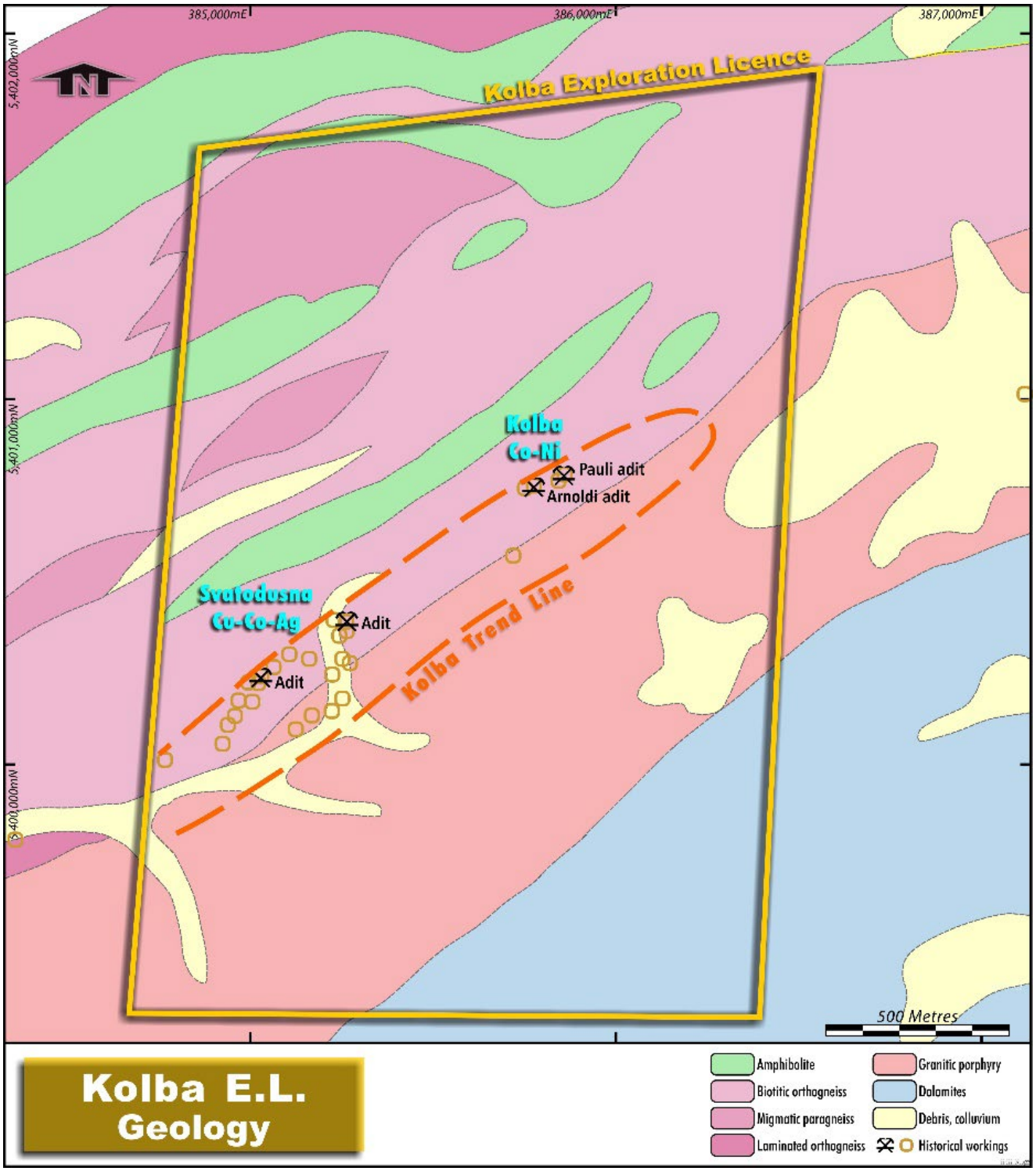
***Executive Director John Levings site inspection adjacent to Arnoldi adit.***



***Historic mine spoil dumps from the Podlipa Mine which was mainly exploited for copper mineralisation up to the 1850s.***

Quartz-carbonate-sulphide veins of Cretaceous (Paleo-Alpine age) are hosted in Permian meta-sandstones and greywackes as well as in the underlying ortho-gneisses. The mineralisation is represented by hydrothermal veins and stockworks, in east–west trending zones.

Mineralised zones are typically several hundred meters long with the most abundant sulphide minerals being chalcopyrite (copper-iron-sulphide mineral) and tetrahedrite (copper-antimony-sulfosalt mineral) with common inclusions of gersdorffite (nickel-arsenic-sulphide mineral) and cobaltite (cobalt-arsenic-sulphide mineral).




***The Kolba - Svatodusna structure is at least 1.5km long and consists of parallel zones of two known adits - Arnoldi and Pavlo and three unnamed adits and various workings.***

| Sample | Easting | Northing | Co % | Ni % | Cu % |
|---|---|---|---|---|---|
| | | | | | |
| 17K001 | 385760 | 5400665 | 0.66 | 3.73 | 2.04 |
| 17K002 | 385759 | 5400664 | 0.51 | 5.02 | 0.44 |
| 17K003 | 385762 | 5400665 | 0.68 | 6.75 | 0.25 |

***Kolba rock chip samples taken in 2017 by European Cobalt Limited (ASX: EUC). (UTM-WGS84-Zone 34N)***

Prospech Managing Director Jason Beckton comments:

*"The grant, at minimal cost to the Company, of an exploration licence covering the Kolba - Svatodusna prospects represents an opportunity to explore historically mined, yet never drilled, critical raw material systems. The first order of business is a revised geologic map of the Kolba and Svatodusna linked zone of cobalt-copper-nicke with additional modern sampling, digitising and precise geo-referencing of government underground mapping from the early 1990s.*

*Data collation of pre-1993 underground sampling and mapping is already underway with the aim to delineate high grade drill targets within our new exploration licence.*

*In the coming weeks, pre-drilling exploration will comprise surface mapping, detailed rock chip sampling and permitting for drilling."*

This announcement has been approved by the Managing Director, Jason Beckton.

**For further information, please contact:**

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

**Competent Person's Statement**

The information in this Report that relates to Exploration Results is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geoscientists. Mr Beckton, who is Managing Director of the Company, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beckton consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

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## JORC Code, 2012 Edition – Table 1 Kolba Project, Kolba Prospect

### Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Rock chip grab samples were collected from outcrops, spoil heaps and accessible surface soil assumed from the internal workings.<br>• Samples were taken to understand the style and tenor of mineralisation prior to more detailed work being undertaken. |
| ***Drilling techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • Kolba prospect has not been drilled. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • Kolba prospect has not been drilled. |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Rock chips were described in hand specimen and photographs taken for reference. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Rock ship sampling only.<br>• All sampling done under supervision of a qualified geologist. |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument* | • Samples are stored in a secure location in Companies storage facilities and transported to the ALS laboratory in Romania for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% < 75µm.<br>• Pulps are analyzed by ALS Romania using method code ME-ICP61, a 33 element determination using a four acid digestion and 30 gram charge fire assay with |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *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.* | AA finish (Au-AA25) for gold. Ore grades are analysed by OG62 – 4 acid digestion method for each element when identified. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Laboratory provides assay certificates, which are stored electronically both in ALS and Company's servers.<br>• Laboratory CSV files are merged with GPS Location data files using unique sample numbers as the key.<br>• No adjustments made to assay data. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Rock chip samples are located using handheld GPS receivers with accuracy from 10-5m.<br>• UTM projection WGS84 Zone 34N<br>• The topographic control, using handheld GPS, was adequate for the survey. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Reconnaissance sampling of available outcrop.<br>• Results will not be used for resource estimation.<br>• No compositing has been applied. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • No bias is believed to be introduced by the sampling method. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Samples were delivered to ALS Minerals laboratory in Romania by European Cobalt in 2017. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • No audits or reviews of the data management system have been carried out. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.* | • Prospech Limited, through subsidiaries and contractual rights, holds 100% rights on the Hodrusa-Hamre - Banska Stiavnica, Nova Bana, Rudno, Pukanec and Jasenie and Kolba (Application) tenements.<br>• Kolba application licence number N7/22 within Slovak Government Geofundo system - http://apl.geology.sk/geofond/pu/ |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • At present the only identified activities conducted across the site has been completed by previous mining operators and European Cobalt Limited (now Aston Minerals Ltd (ASX:ASO)) |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • The Kolba Project is located in the Veporske vrchy Mountains in central Slovakia. Two Mineralisation stages are noted to occur – Carbonate and sulphide, hosted in Permian sedimentary and volcanic packages.<br>• Economic minerals noted to occur at Kolba include Cobaltite, chalcopyrite and cobalt arsenides. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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* | • No drilling to date. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *understanding of the report, the Competent Person should clearly explain why this is the case.* | |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No results have been reported with aggregated intercepts. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • Mineralisation is epithermal vein related. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • The location and results received for both rock chip and drill-core samples are displayed in the attached maps and/or tables. Coordinates are UTM Zone 34N. |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Results for all samples collected in this program are displayed on the attached maps and/or tables. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • No metallurgical or bulk density tests were conducted at the project by Prospech. |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Prospech proposes to carry out additional surface sampling and mapping of the Kolba vein in preparation for diamond drilling early in the 2023 field season. |