Prospech Limited
ABN 24 602 043 265

16 October 2024

KORSNÄS DIAMOND CORE DRILLING
5.1% TREO INTERCEPT

- **Diamond drilling returns high grade REE intercepts in all holes**
- **Drill results confirm mineralised zones discovered in historic drill core**
- **Drilling provides core for metallurgical test work and supports preparation of a Korsnäs project resource estimate**
- **High grade REE mineralisation intersected in all holes, including spectacular results:**
  - **KR-309: 12.0m @ 19,400 ppm TREO[1] from 134.0m (NdPrO[2] 3,567ppm)**
    Including 4.0m @ 51,096 (5.1%) TREO from 139.0m (NdPrO 9,157 ppm)
  - **KR-306[3]: 15.4m @ 18,301 ppm TREO from 164.1m (NdPrO 3,251ppm)**
    Including 8.5m @ 24,731 TREO from 171.0m (NdPrO 4,383 ppm)
- **Assay results from ~700 historic core samples are pending**

Prospech Limited (ASX: PRS, **Prospech** or **the Company**) is pleased to announce assay results from the first modern era drilling completed at the Korsnäs project since the 1970s. This diamond core drilling program has exceeded all of our stated objectives.

Prospech Managing Director Jason Beckon comments;

These results further validate the correlation between the new and historical drill intercepts, confirming the presence of significant concentrations of rare earth elements (REEs) at Korsnäs, provide core for our metallurgical test work and will support the preparation of a Korsnäs project resource estimate.

We are excited to report the 5.1% TREO high grade mineralisation in hole KR-309 and a series of wide, high grade intercepts which repeat the results from our sampling of historic drill core.

In addition to the grade and width of the drill results, the assays also indicate enrichment in high value "magnet" REEs, particularly neodymium and praseodymium (NdPr), which are critical for modern technology applications.

The program for the Korsnäs project has now graduated beyond the geologic characterisation work date to resource estimation and metallurgical test work to assist in process flowsheet design."

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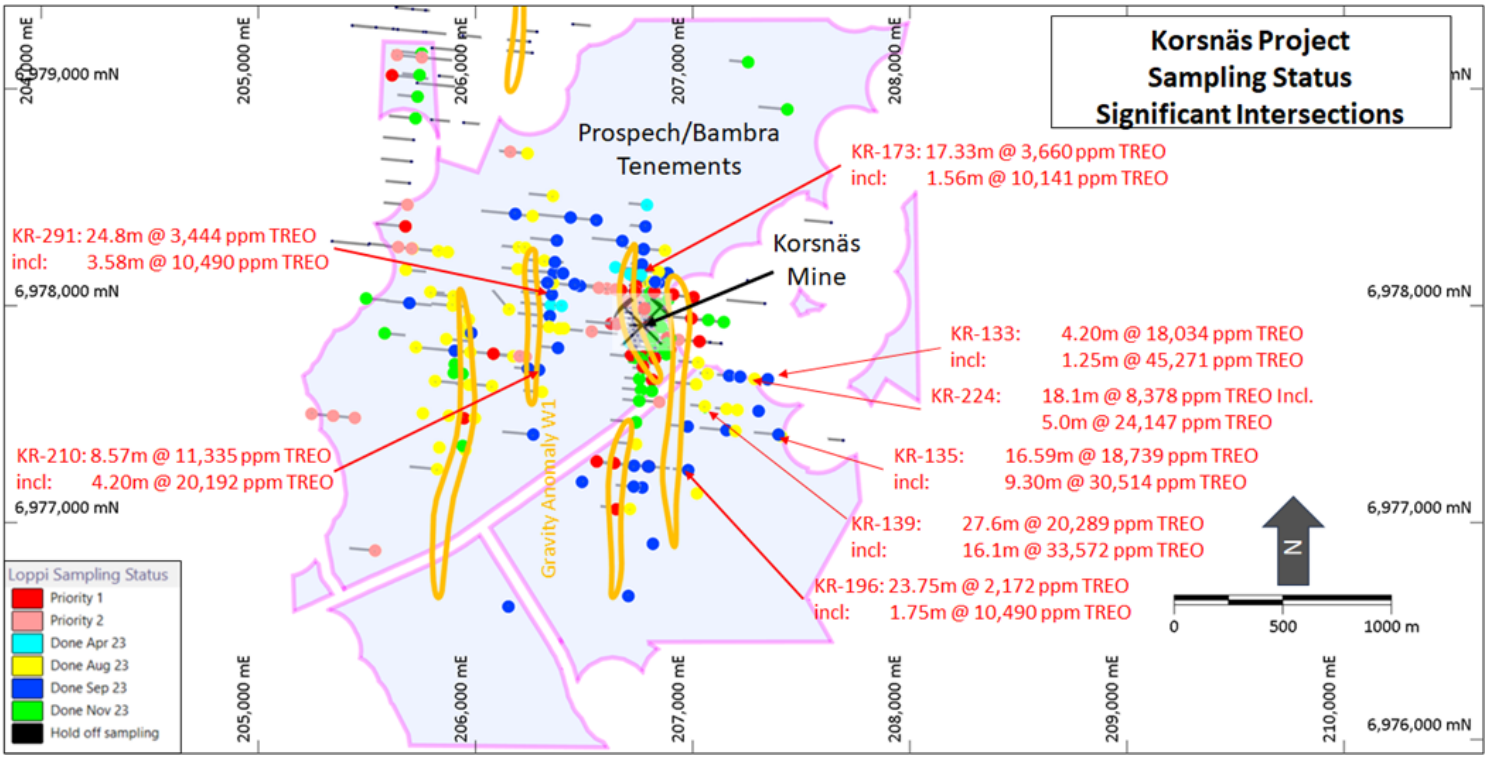
[1] *TREO = Total Rare Earth Oxides which is the sum of La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3 and Y_2O_3.*

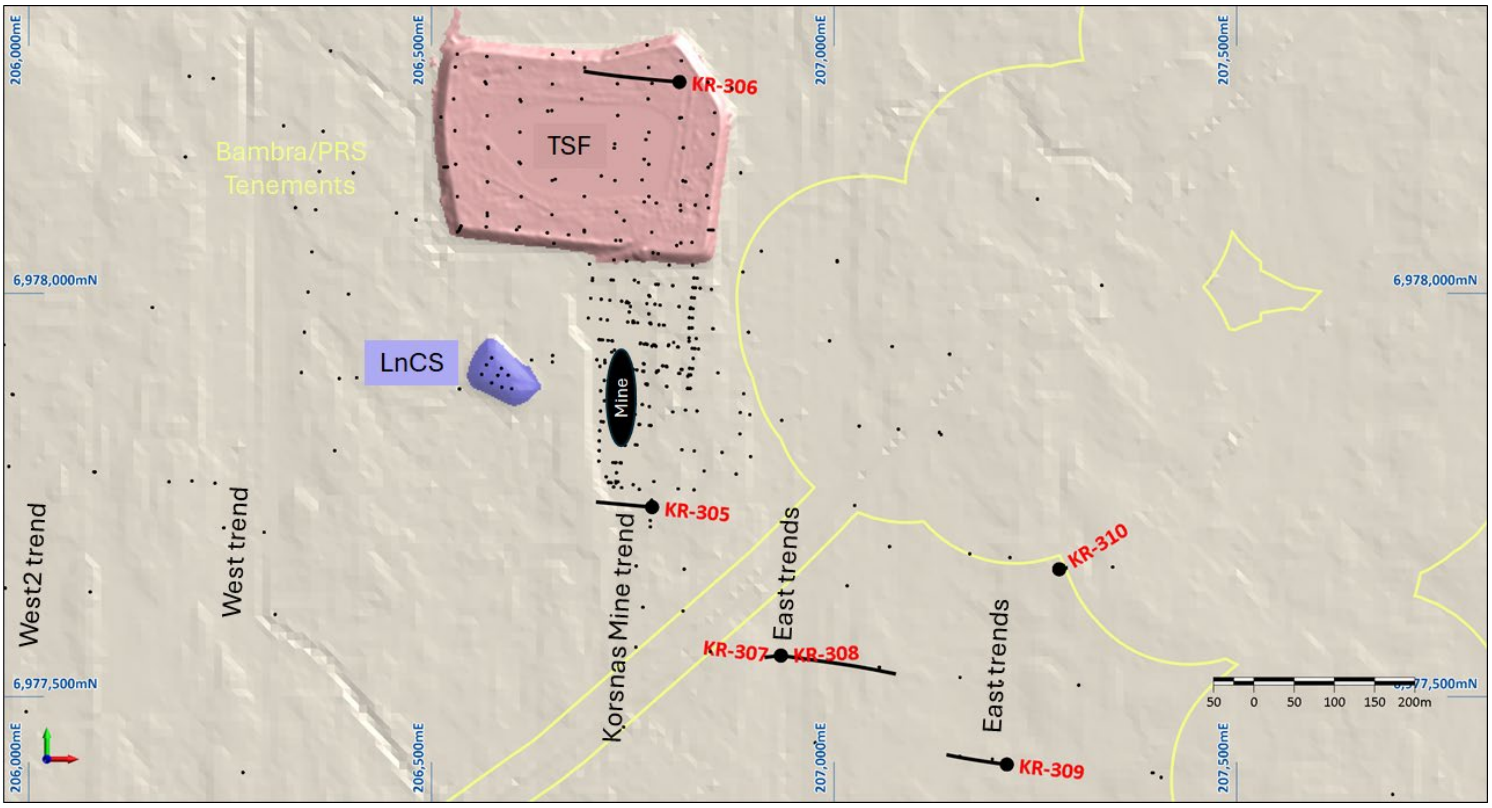
[2] *NdPrO = the sum of Pr_6O_{11}, Nd_2O_3 and NdPr enrichment % = NdPrO / TREO*

[3] *Previously reported – see ASX announcement 30 September 2024 "Korsnäs Diamond Core Drilling - Over 15m @ 1.8% TREO"*

In addition to returning some high grade TREO assay results, the drilling program has confirmed, and improved, the understanding of the geological model of the Korsnäs project.

As previously reported, Korsnäs was developed as a lead mine and has open REE zones along strike and at depth. The Korsnäs project is a series of stacked rare earth hosting carbonatite zones up to 20 metres in horizontal thickness, generally 50 metres to 100 metres apart across strike with zones highlighted by known gravity anomalies (shown in the plan below as orange ellipses). To date, 5 gravity anomalies have been identified with a total strike length exceeding 5 kilometres.





Map showing the locations of the Korsnäs drilling.
New drill holes are shown as red labels and historic drill holes are shown as black dots.

The first modern era drilling completed at the Korsnäs project since the 1970s has returned some impressive assay results:

- **KR-305: 3.0m @ 12,231 ppm TREO from 44.0m (NdPrO 3,595ppm)**
- **KR-306: 15.4m @ 18,301 ppm TREO from 164.1m (NdPrO 3,251ppm)**
  Including 8.5m @ 24,731 TREO from 171.0m (NdPrO 4,383 ppm)
- **KR-307: 13.8m @ 5,654 ppm TREO from 95.0m (NdPrO 1,079 ppm)**
  Including 2.0m @ 21,748 TREO from 100.0m (NdPrO 3,662 ppm)
- **KR-308: 9.0m @ 5,834 ppm TREO from 82.0m (NdPrO 1,493 ppm)**
  Including 2.7m @ 11,780 TREO from 86.0m (NdPrO 3,087 ppm)
- **KR-309: 12.0m @ 19,400 ppm TREO from 134.0m (NdPrO 3,567ppm)**
  Including 4.0m @ 51,096 (5.1%) TREO from 139.0m (NdPrO 9,157 ppm)
- **KR-310: 6.5m @ 3,295 ppm TREO from 98.0m (NdPrO 680 ppm)**
  Including 1.0m @ 10,559 TREO from 99.0m (NdPrO 1,768 ppm)

Drill hole KR-309 is impressive, returning 4.0 metres at 5.1% TREO (or 12.0 metres at 1.9% TREO), however, of importance is the validation of the historic drill hole KR-135 as can be seen in the cross section below.

As previously reported (ASX announcement 12 December 2023 “9.3 Metres at 30,514 ppm TREO from Korsnäs”), assay results from sampling of the preserved drill core from KR-135 by Prospech geologists returned 16.6 metres @ 18,739 ppm TREO (including 9.3 metres @ 30,514 ppm TREO).

Similarly, and as can be seen in the cross section below, KR-307 provides validation for Prospech’s sampling results of the historic drill hole KR-139 which returned 27.6 metres @ 20,289 ppm TREO (including 16.1 metres @ 33,572 ppm TREO and 12.0 metres @ 5,227 ppm TREO to the end of the hole).

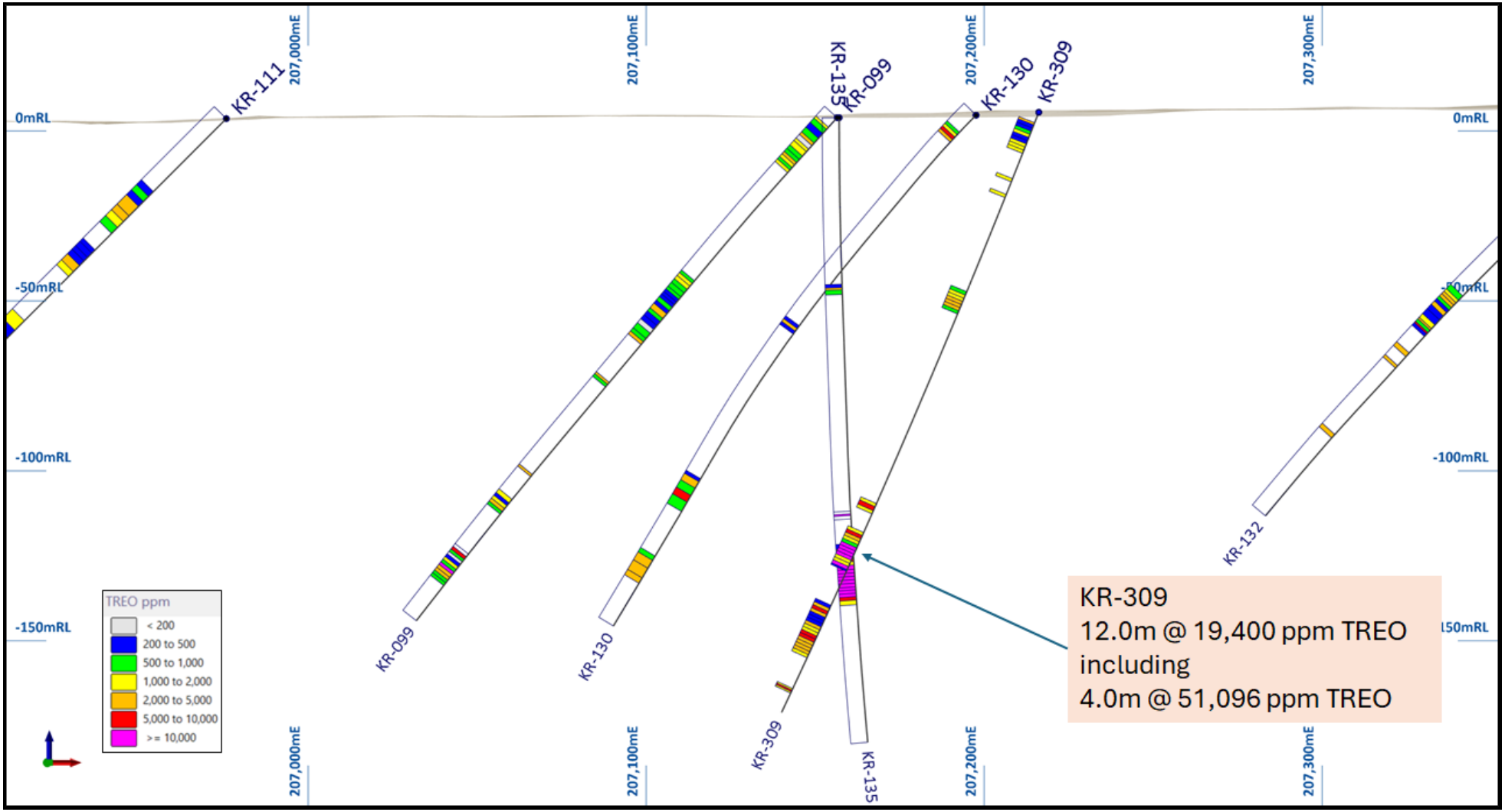
These drill holes are situated approximately 500 metres southeast of the historic Korsnäs lead mine and appear to be linked to a distinct mineralisation system separate from the mine itself.

This target is open along strike to the north and south, as well as at depth.

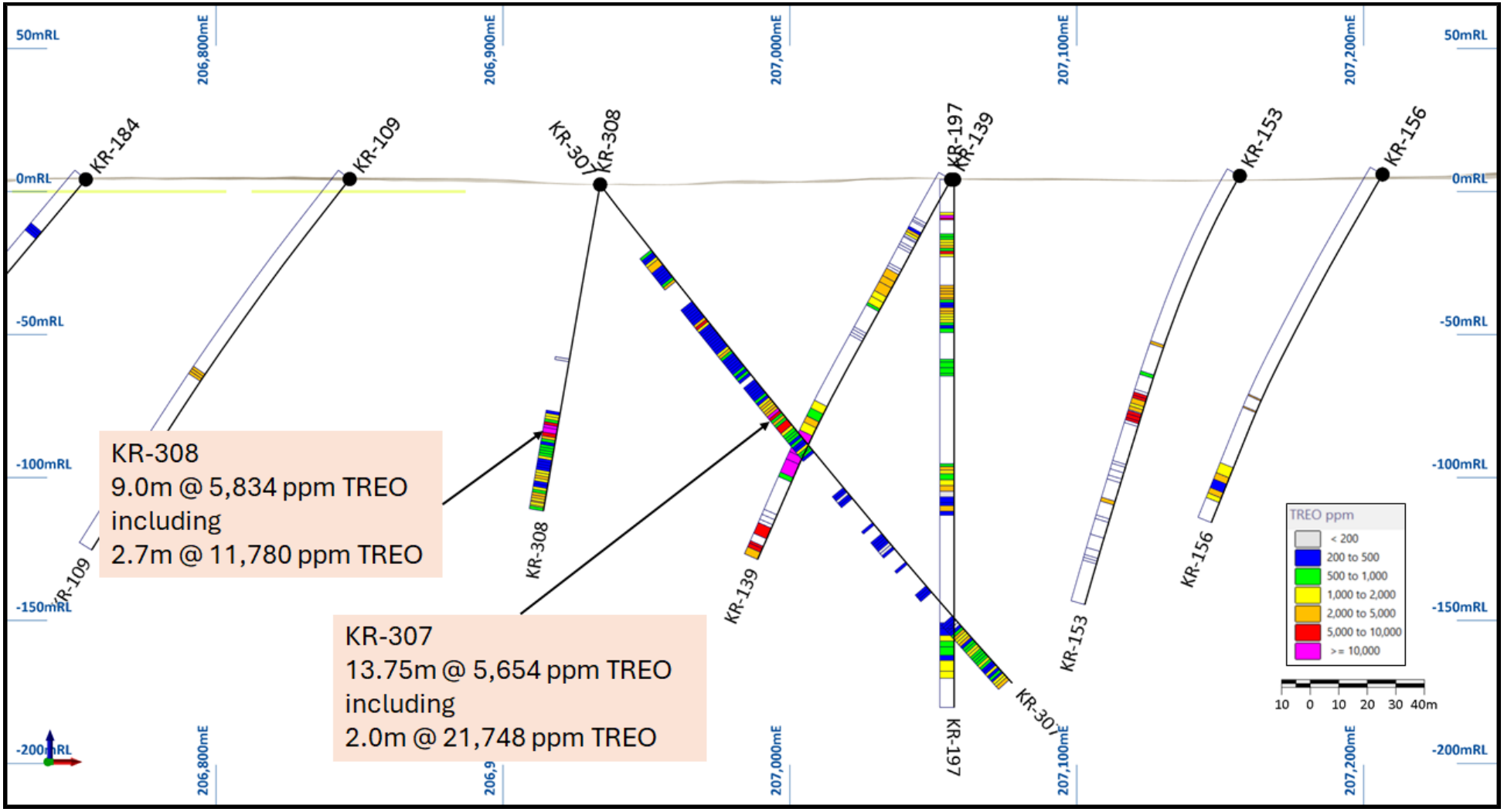
The Korsnäs REE project is now poised to unlock significant potential from both historic tailings and untapped hard rock deposits.

With three promising REE sources – the tailings from a former lead processing plant (the TSF), a stockpile of REE concentrate (the LnCS) and extensive REE bearing host rock, the Company has initiated a robust Stage 1 metallurgical test work program in conjunction with our REMHub consortium partners, which attracts EU funding. This program includes detailed characterisation, mineral liberation analysis and innovative gravity, flotation and magnetic separation test work to produce high quality REE concentrates.

As global demand for critical elements like neodymium and praseodymium soars, Korsnäs is well positioned to deliver the raw materials needed for green energy technologies.



Cross section of KR-309 which intersected >5.1% TREO mineralisation over 4.0 metres.



Cross section of KR-307 and KR-308 - both holes intersected broad zones of REE mineralisation with high grade cores.

The Korsnäs project assay results from the first modern era diamond drilling program conducted by Prospech are as follows:

Table drill intersections (1,000 ppm TREO cut off)

Hole ID	From (m)	To (m)	Thickness (m)	TREO (ppm)	NdPrO (ppm)	NdPrO Enrichment (%)
KR-305	43.0	50.1	7.1	6423	1845	29
KR-305	44.0	47.0	3.0	**12231**	3595	29
KR-305	44.5	45.1	0.6	**27850**	8371	30
KR-306	59.0	60.0	1.0	1084	193	18
KR-306	73.3	74.3	1.0	1014	225	22
KR-306	84.0	85.1	1.1	1007	226	22
KR-306	87.0	104.0	17.0	2130	543	25
KR-306	115.0	119.7	4.7	2526	599	24
KR-306	164.1	179.5	15.4	**18301**	3251	18
KR-306	171.0	179.5	8.5	**24731**	4383	18
KR-306	211.0	216.0	5.0	**10522**	1822	17
KR-306	212.0	213.0	1.0	**32173**	5499	17
KR-306	215.0	216.0	1.0	**15475**	2689	17
KR-306	218.0	222.0	4.0	1110	245	22
KR-306	237.1	238.0	0.9	1291	271	21
KR-307	32.0	35.6	3.6	2258	495	22
KR-307	42.0	43.0	1.0	2726	639	23
KR-307	59.0	62.0	3.0	3986	608	15
KR-307	72.0	74.0	2.0	2432	647	27
KR-307	95.0	108.8	13.8	5654	1079	19
KR-307	100.0	102.0	2.0	**21748**	3662	17
KR-307	116.0	117.0	1.0	1040	160	15
KR-307	201.0	205.0	4.0	2263	573	25
KR-307	208.0	210.0	2.0	1197	264	22
KR-307	214.0	215.0	1.0	1771	466	26
KR-307	218.0	219.0	1.0	1062	261	25
KR-307	221.7	225.0	3.3	2133	540	25
KR-308	82.0	91.0	9.0	5834	1493	26
KR-308	86.0	88.7	2.7	**11780**	3087	26
KR-308	97.0	98.0	1.0	1045	245	23
KR-308	102.0	106.0	4.0	1683	380	23
KR-308	108.0	114.9	6.9	2048	506	25
KR-309	3.3	4.0	0.7	2777	604	27
KR-309	7.0	8.0	1.0	1438	354	25
KR-309	10.0	13.0	3.0	1424	335	24
KR-309	21.0	22.0	1.0	1227	230	19
KR-309	26.0	27.0	1.0	1178	313	27
KR-309	58.0	63.0	5.0	2740	693	25
KR-309	124.7	128.0	3.3	3524	851	24
KR-309	134.0	146.0	12.0	**19400**	3567	18
KR-309	139.0	143.0	4.0	**51096**	9157	18
KR-309	145.0	146.0	1.0	**12260**	2246	18
KR-309	158.5	161.5	3.0	4901	1352	28
KR-309	164.5	174.5	10.0	3206	764	24
KR-309	184.5	186.0	1.5	4269	1140	27
KR-310	95.0	96.0	1.0	1363	274	20
KR-310	98.0	104.5	6.5	3295	680	21
KR-310	99.0	100.0	1.0	**10559**	1768	17
KR-310	110.0	111.0	1.0	1016	210	21
KR-310	114.0	114.5	0.5	3304	912	28

About Prospech Limited

Founded in 2014, the Company engages in mineral exploration in Finland and Slovakia, with the goal of discovering, defining, and developing critical elements such as rare earths, lithium, cobalt, copper, silver, and gold resources.

Prospech is taking steps to be a part of the mobility revolution and energy transition in Europe. The Company has a portfolio of prospective cobalt and precious metals projects in Slovakia and through its acquisition of the Finland Projects has acquired prospective rare earth element (REE) and lithium projects. Eastern and Northern Europe are areas that are highly supportive of mining and have a growing demand for locally sourced rare earths and lithium. With the demand for these minerals increasing, Prospech is positioning itself to be a major player in the European market.

For further information, please contact:

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

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

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 Korsnäs, Finland

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay').* *In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Historic: The Finnish government facility in Loppi houses the historical core from the Korsnäs project. The core is of BQ and AQ sizes. Prospech sampling was conducted consistently within the specified intervals. For cores that were never sampled before, a ½-core sampling method was used, while for cores that had been previously sampled, a ¼-core sampling method was employed. Modern: HQ2 coring. ¼ cored using diamond blade core saw and sampled at nominally 1-m intervals through altered and mineralised zones
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).*	Historic: Small diameter diamond drilling – approximately AQ and BQ size. Modern: HQ2 diamond drilling.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Historic: Core preserved at government GTK facility in Loppi. Modern: Core recoveries determined on a run by run basis. Mineralised core is generally more friable than fresh rock and minor core loss did occur. Overall core recoveries were judged as excellent.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	The complete core was visually logged by the project geologist. RQDs and photos were taken of all core. Core is oriented where ground conditions permit and structural measurements taken.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	½ or ¼ core cut with a thin diamond blade (due to the small diameter of the core). ¼ core field duplicated samples have been collected every 25th sample.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Historic: Samples are stored in the Loppi relogging facility. Core in good condition. Assays will be carried out by ALS, an internationally certified laboratory. Historic assays obtained from paper logs have no record of the analytical methods used nor any record of QAQC procedures. However, where we have modern assays covering the same intervals as the historic assays, the agreement is good. (e,g, historic assay: KR-289: 18.5m @ 11,100 ppm TREO from 51.85m vs. modern assay: 18.3m @ 13,201 ppm TREO from 51.7m). In the coming months there will be many more modern assays available, which will allow a better comparison.

Criteria	JORC Code explanation	Commentary
		Modern: Assays will be carried out by ALS, an internationally certified laboratory. Field duplicates were collected every 25th sample. ½ core retained destined for metallurgical test work. ¼ core retained in the tray. Core trays stored at mine site.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	KR-307, KR-309 and KR-310 twinned historic intersections and confirmed the historic information. KR-308 extended one of the Korsnäs mineralised structures.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Historic: Hole locations determined from historical records and converted to ETRS-TM35FIN projection (EPSG:3067). Modern: All hole collars have been surveyed using a DGPS. A north-seeking gyro instrument was used for down-hole surveys.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	Only visible lead mineralisation was historically assayed. Prospech is targeting broader zones of REE mineralisation.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	No bias is believed to be introduced by the sampling method.
Sample security	*The measures taken to ensure sample security.*	Historic: Samples were collected by GTK personnel, bagged and immediately dispatched to the laboratory by independent courier. Modern: Samples were collected by Prospech personnel, bagged and immediately dispatched to the laboratory by independent courier.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the data management system have been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	Prospech Limited has 100% interest in Bambra Oy ('Bambra'), a company incorporated in Finland. The laws of Finland relating to exploration and mining have various requirements. As the exploration advances specific filings and environmental or other studies may be required. There are ongoing requirements under Finnish mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Prospech's environmental and permit advisors specifically engaged for such purposes. The Company is the manager of operations in accordance with generally accepted mining industry standards and practices. The Korsnäs project's tenure is secured by Exploration Permit Application Number ML2021:0019 Hägg and Reservation Notification VA2023:0040 Hägg 2.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The area of Korsnäs has been mapped, glacial till boulder sampled and drilled by private companies including and Outokumpu Oy.
Geology	*Deposit type, geological setting and style of mineralisation.*	45 degree dipping carbonate veins and anti-skarn selvedges within sub-horizontally foliated metamorphic terrain.

Criteria	JORC Code explanation	Commentary
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Drill Hole Collar Information ETRS-TM35FIN projection (EPSG:3067). Table of collar specifications of new holes reported are: HOLE_ID | EAST | NORTH | COORDSYS | RL | AZIMUTH | DIP | FINAL_DEPTH KR-307 | 206933.2 | 6977551.1 | EPSG3067 | 2.85 | 96.96 | -53.29 | 226.6 KR-308 | 206931.8 | 6977551.2 | EPSG3067 | 2.64 | 265.66 | -80.06 | 116.0 KR-309 | 207216.2 | 6977420.7 | EPSG3067 | 5.54 | 275.30 | -69.00 | 192.3 KR-310 | 207280.0 | 6977662.6 | EPSG3067 | 7.04 | #N/A | -90.00 | 150.2
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.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	A minimum sample length is 1m generally but can be as low as 0.15m is observed in historical sampling. A lower cut off of 1,000 ppm was used to define reportable mineralised zones. No high-grade cutting was done. Total Rare Earth Oxide was reported which is defined: TREO = Total Rare Earth Oxides which is the sum of La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3 and Y_2O_3 Neodymium plus Praseodymium Oxide: NdPrO = the sum of Pr_6O_{11}, Nd_2O_3 NdPr enrichment % = NdPrO / TREO
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	In general, the holes have intersected the mineralised zone nearly normal to the host structure - any exceptions to this are noted individually.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The location and results received for surface samples are displayed in the attached maps and/or tables. Coordinates are ETRS-TM35FIN projection (EPSG:3067).
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Results for all samples collected in the past are displayed on the attached maps and the table in the body of the report.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No metallurgical or bulk density tests were conducted at the project by Prospech.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Prospech may carry out further drilling. Metallurgical test work is planned utilising modern samples