



Date: 26 July 2021

ASX: PRS

Shares on issue: 88,298,593

Market capitalisation: A\$9.7M
(@ A\$0.11)

Board of Directors

Non-Executive Chairman
Thomas Mann

Managing Director
Jason Beckton

Executive Director
John Levings

Executive Director and CFO
Peter Nightingale

Non-Executive Director
Steve Gemell

Company Secretary
Richard Edwards

Substantial Shareholders

Robust Resources	10.1%
Peter Nightingale	8.7%
Lonway Pty Limited	6.2%
Thomas Mann	5.0%

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QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 June 2021

Highlights

DRILLING – CEJKOV-ZEMPLIN AND KRAKAUER

Nova Bana – Krakauer – Gold and Silver

- Drilling underway. High grade **discovery** made in 2020.
- Rock chip samples assayed up to **283 g/t Au and 1,700 g/t Ag**.
- **6 holes planned for ~1,100 metres**.

Two holes are reported below, four additional holes currently being drilled with more results to follow.

- KVDD001: 4.5m @ 2.01 g/t Au and 29 g/t Ag from 162.8m including 0.5m @ 6.95 g/t Au and 84 g/t Ag from 163.7m
- KVDD002: 9.0m @ 1.58 g/t Au and 10 g/t Ag from 170.5m including 0.5m @ 3.34 g/t Au and 7 g/t Ag from 170.5m and 3.0m @ 2.19 g/t Au and 4 g/t Ag from 176.5m

Mineralisation is typical of low-sulfidation epithermal, banded veins (ginguro). Early bands consist of milky-white quartz and black bands with abundant acantite and native gold, +/- pyrite and this was most likely subject of limited historical mining.

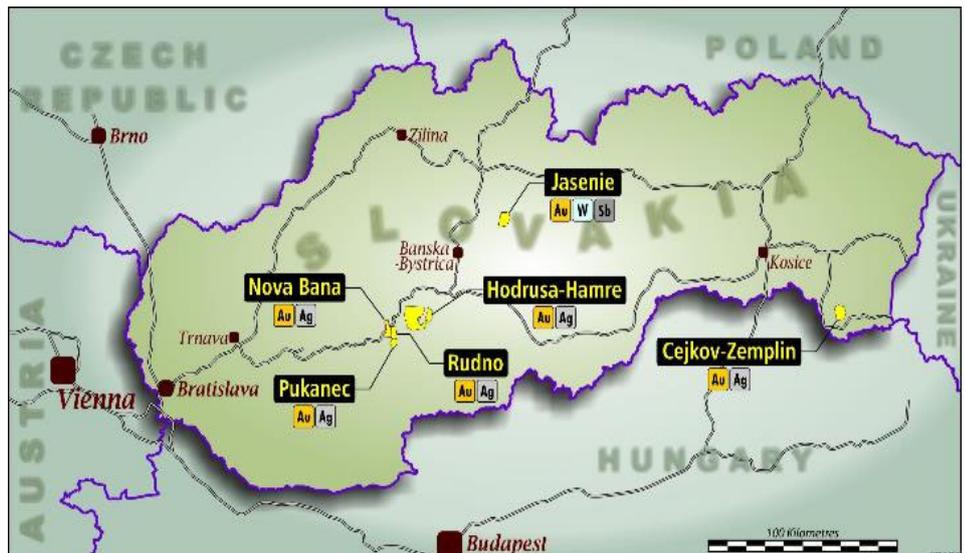
Zemplin Prospect – Silver and Base Metals Targets

The 2021 field season commenced with drilling at Zemplin, a **silver rich epithermal vein discovery**, made by the Slovak Government and Rio Tinto in the early 1990s but not followed up until this program which includes the following results:

- CZDD001: 3.0m @ 136 g/t Ag from 59.0m and 4.5m @ 147 g/t Ag from 85.3m including 2.3m @ 240 g/t Ag from 87.5m
- CZDD002: 6.0m @ 30 g/t Ag from 111.0m
- CZDD003: 6.0m @ 117 g/t Ag from 94.0m including 1.8m @ 291 g/t Ag from 97.2m
- CZDD004: 4.4m @ 34 g/t Ag, from 49.6m and 4.3m @ 201 g/t Ag from 92.5m including 0.5m @ 1,220 g/t Ag from 92.5m

Historical results include:

- VS-19: 2.5m at 514 g/t Ag, 8.3% Zn and 13.3% Pb from 95.0m
- VS-20: 3.7m at 127 g/t Ag, 11.6% Zn and 10.2% Pb from 145.1m.



The Directors are pleased to present the June 2021 Quarterly Activities Report for Prospech Limited ('Prospech' or 'the Company') and its controlled entities ('the Group').

Operations

Cejkov-Zemplin Exploration Licence (100% Prospech)

Drilling program at Zemplin

Final assay results from the four-hole (794.5 metres) drilling program were received. The Zemplin prospect is part of the 29.23 km², 100%-owned Cejkov-Zemplin licence, located in eastern Slovakia. Zemplin is prospective for epithermal precious metals and base metals vein-style mineralisation.

In total, the new holes intersected over 40 epithermal veins, hosted within zones of hydrothermally altered rhyodacitic and andesitic volcanics. Silver in CZDD001 85.3m to 89.8m (4.5m) and CZDD003 97.1m to 99.0m (1.9m) occurs as visible Ag-sulphides in quartz veins near the rhyolite/andesite contact.

Prospech interprets the main silver zone trending further west of north than interpreted by previous work, which remains a continuously mineralised silver zone.

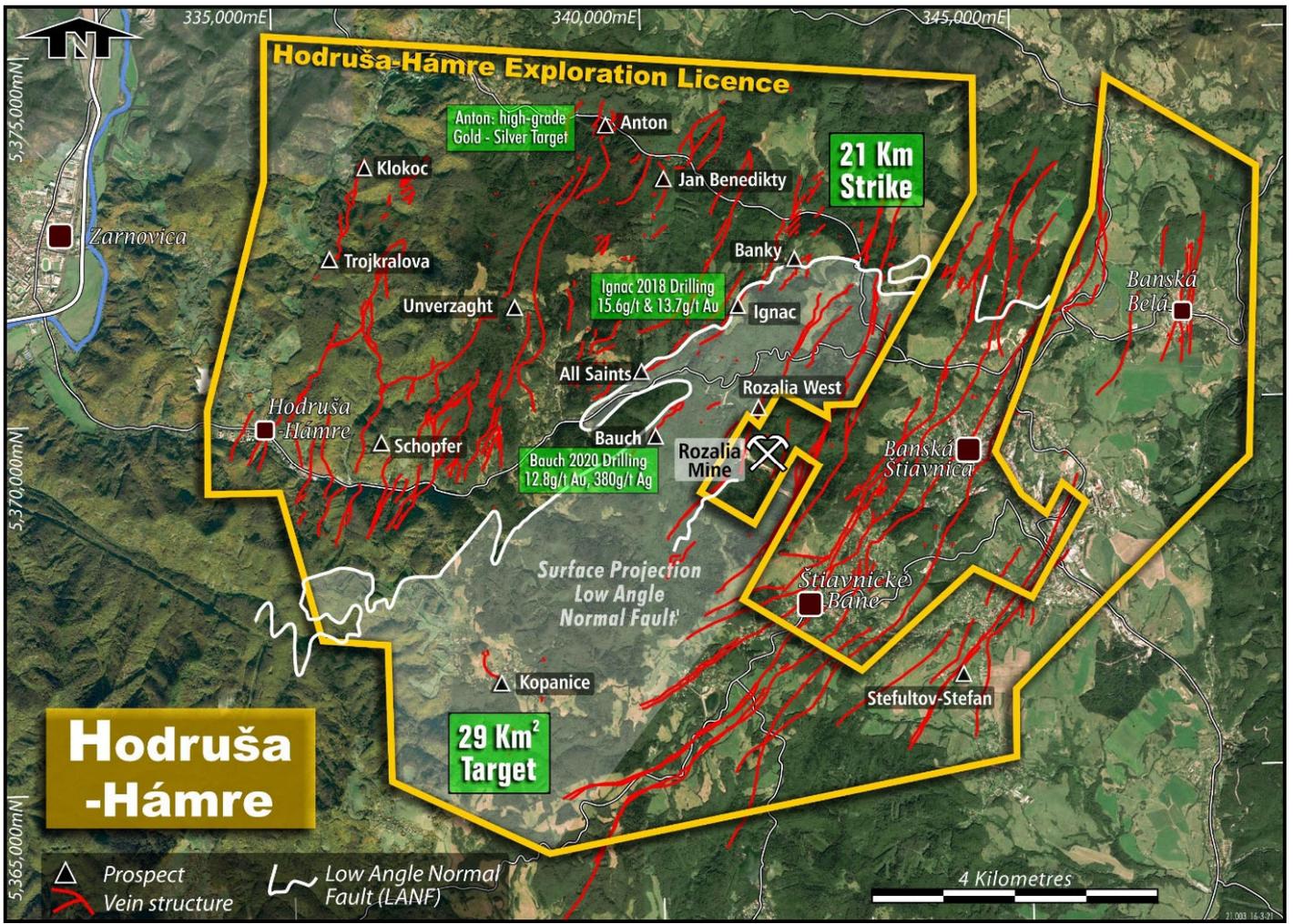
Further drilling is planned at depth and along strike.

Hodrusa-Hamre Exploration Licence (100% Prospech)

Hodrusa-Hamre – Geophysical Program over the Low Angle Normal Fault

Previous drilling by Prospech was designed to test shallow surface targets associated with the extension of a major detachment fault (locally known as a Low Angle Normal Fault or LANF). Mineralisation at the nearby, currently operating Rozalia underground gold mine is controlled by the LANF, the surface trace of which falls mainly on the Company's Hodrusa-Hamre exploration licence.

For the first time, an Induced Polarisation-Resistivity (IP) geophysical survey is planned to explore the LANF at depth, potentially to 500 metres below surface or deeper. It is postulated that this geophysical method may detect anomalies within this LANF 3D surface/ramp which may host higher grade mineralisation.



A geophysical program is to be completed over the Low Angle Normal Fault surface projection.

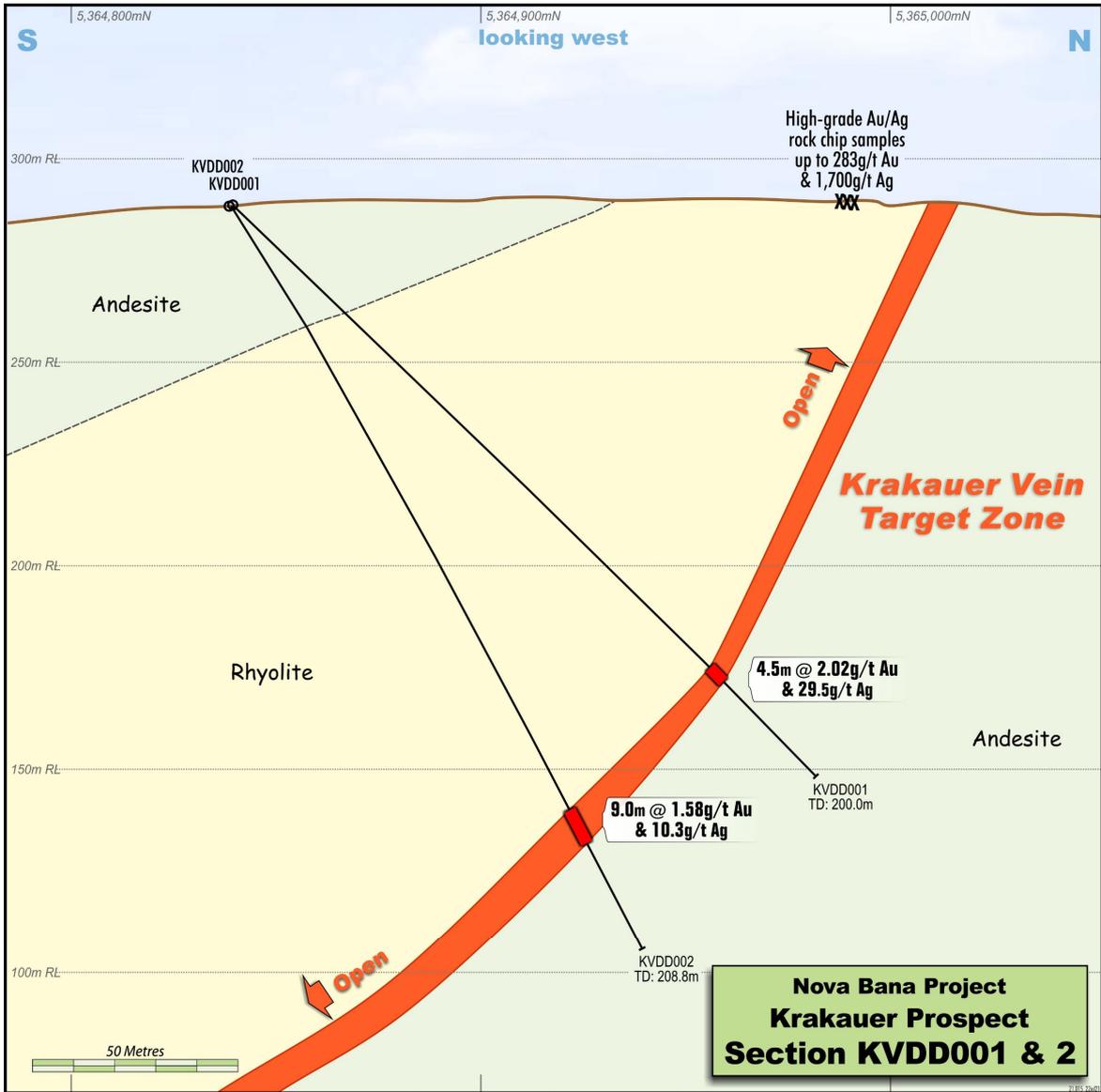
Nova Bana Exploration Licence (100% Prospech)

Commencement of drilling on the Krakauer gold and silver discovery

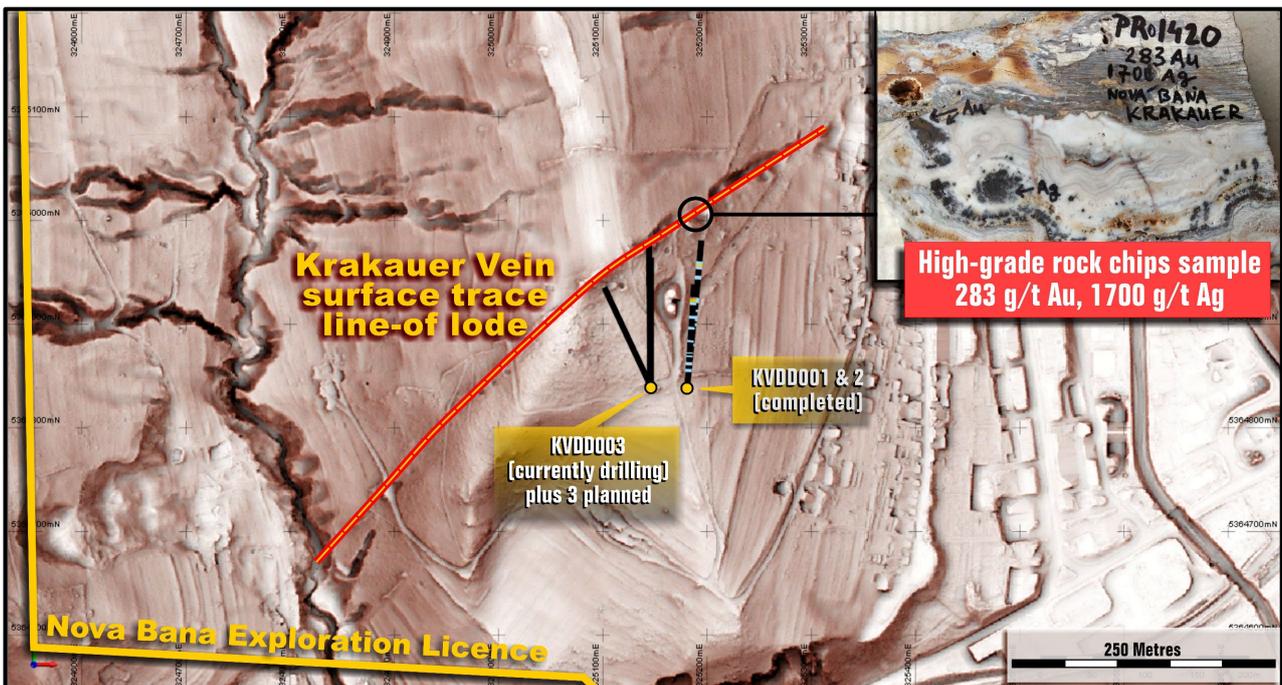
Located on the western flanks of the Stiavnica Strato Volcano within the Central Slovakian Volcanic Belt, the Nova Bana exploration licence contains the newly discovered, high grade epithermal silver and gold mineralisation within the Krakauer vein system.

Mineralisation is typical of low-sulfidation epithermal, banded veins (ginguro). Krakauer is an almost a fully preserved epithermal system with excellent depth potential.

A cross section with the down-dip extension of the Krakauer vein and 2 of the completed drill holes is shown below. The Krakauer epithermal vein is interpreted, from the drilling, to be continuous in the down-dip direction for at least 180 metres and to be thickening with depth.



Krakauer structure has been tested on one section with KVDD001 and 002 with a section to the north with KVDD003 currently being drilled.



Map of the Krakauer structure showing the location of the 2 completed, 1 current and 3 planned diamond drill holes



Krakauer structure being drilled with the third hole currently underway. Initial drill results have been reported on 23 July 2021.

Rudno Exploration Licence (100% Prospech)

No field work was completed during the quarter.

Pukanec Exploration Licence (100% Prospech)

The western target zone (Ost River) at Pukanec was field reviewed with a clear association determined between high grade gold in quartz pyrite and lower grade carbonate veins sets running in parallel. High grade (>3g/t Au average) are being prioritised for drilling. Pukanec is host to previously reported gold and silver assays up to 31.2 g/t Au and 1,703 g/t Ag.

Jasenie Exploration Licence (100% Prospech)

The process of renewing the tenement is complete and next drill program planning is being reviewed.

September 2021 Quarter Planned Activities

Hodrusa Project - Drill permits have already been received and a drilling contractor engaged for drill testing of the high grade gold-silver epithermal vein system at Anton. An experienced Australian geophysical contractor has been engaged for an IP-resistivity survey to test the LANF. Mobilisation costs are to be shared with their other European clients. Operations are expected to commence in late August or early September.

Nova Bana Project - Krakauer drilling program of up to 6 holes should be completed by Q1 2021/22. The nearby Gupna feeder zone, discovered in 2016, has been reviewed and may be drilled this field season depending on rig scheduling.

Cejkov Project - All sites in next drill campaign to grow the silver discovery at Cejkov-Zemplin in Eastern Slovakia are in the permitting process.

Pukanec Project - A 17-hole, 2,800m drilling program is proposed for three targets at Pukanec. These targets exhibit commonly occurring visible gold in rock-chips, extensive surface workings and

high-grade gold in surface rock-chips. The total strike length of the targets exceeds 2 kilometres. Two of the targets have never been drilled.

Corporate

Expenditures

Expenditure on mine exploration activities during the quarter totalled \$310,000. There were no expenditures on mine production and development activities during the quarter.

For further information please contact:

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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.