



Date: 21 October 2021

ASX: PRS

Shares on issue: 88,298,593

Market capitalisation: A\$6.4M  
(@ A\$0.073)

### 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	7.9%
Thomas Mann	5.0%

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## QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September 2021

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

### Highlights

#### DRILLING – KRAKAUER and ANTON

##### Nova Bana – Krakauer – Gold and Silver

- High grade discovery in 2020 with rock chip samples assayed up to **283 g/t Au and 1,700 g/t Ag**.
- Phase 1 drilling (**6 holes for 1,091 metres**) completed.

Five holes are reported below, with hole 6 currently being assayed:

- KVDD001: 5.0m (3.8m ETW<sup>1</sup>) @ 1.89 g/t Au and 28 g/t Ag from 162.8m including 0.5m (0.4m ETW) @ 6.95 g/t Au and 84 g/t Ag from 163.7m
- KVDD002: 9.0m (6.9m ETW) @ 1.58 g/t Au and 10 g/t Ag from 170.5m including 0.5m (0.4m ETW) @ 3.34 g/t Au and 7 g/t Ag from 170.5m and 3.0m (2.3m ETW) @ 2.19 g/t Au and 4 g/t Ag from 176.5m
- KVDD003: 2.5m (1.8m ETW) @ 2.12 g/t Au and 35 g/t Ag from 127.7m
- KVDD004: 1.7m (1.2m ETW) @ 1.12 g/t Au and 11 g/t Ag from 140.1m
- KVDD005: 4.0m (3.6m ETW) @ 1.29 g/t Au and 19 g/t Ag from 107.6m including 0.5m (0.4m ETW) @ 4.59 g/t Au and 42 g/t Ag from 107.6m
- **KVDD006: 17.0m of quartz breccia zones from 226m - assays pending.**

<sup>1</sup> Estimated true width.

##### Hodrusa – Anton – Gold and Silver

Drilling also commenced during the quarter with a second rig on the Anton prospect, within the Hodrusa Project, with assays pending.



*The Anton structure, which is a gold silver production zone from as late as 1908, has not been tested by modern drilling.*

## Operations



*Tenement location map.*

## Nova Bana Exploration Licence (100% Prospech)

### Completion of Phase 1 drilling 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.

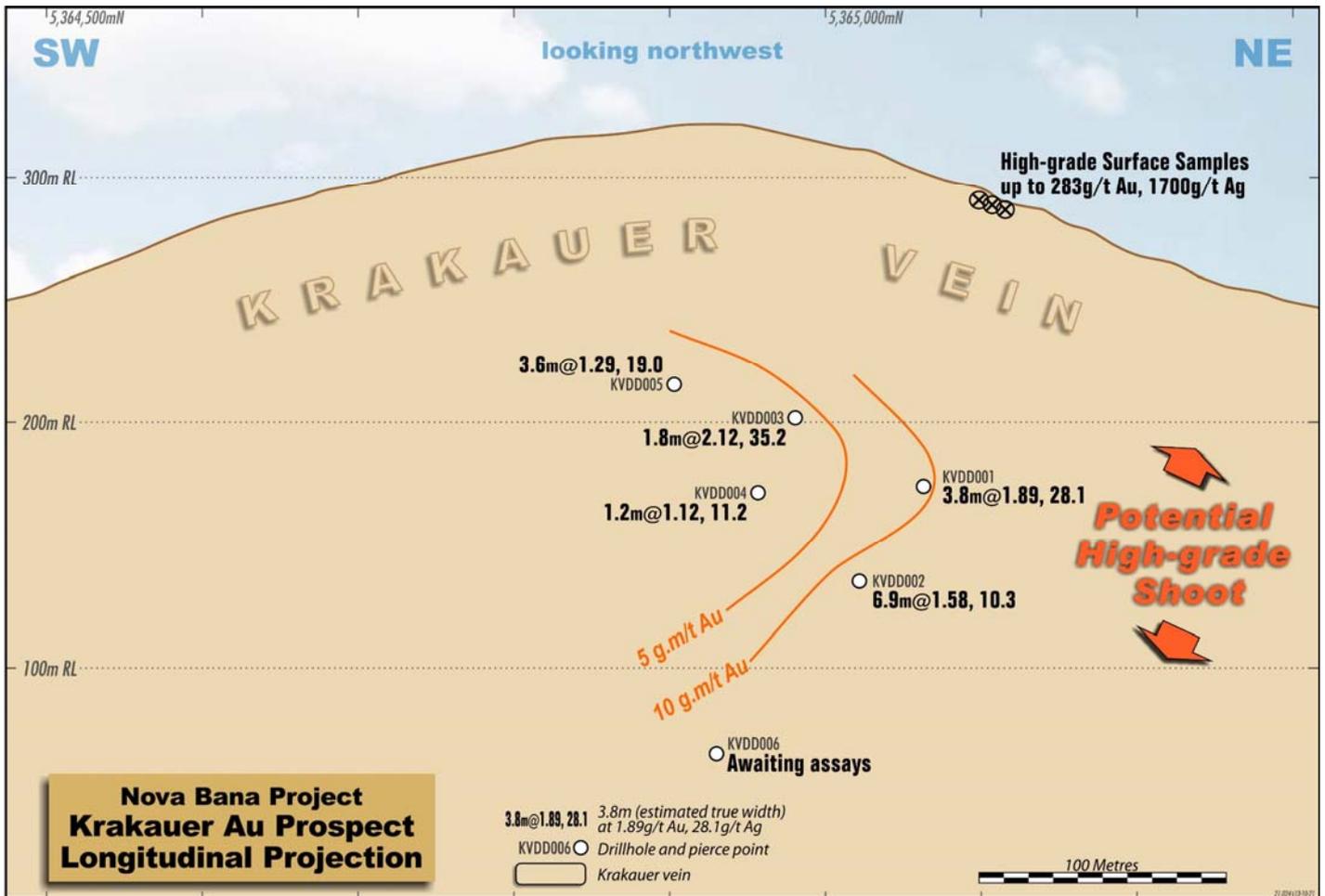
Mineralisation is typical of low-sulfidation epithermal, banded veins (ginguro). Krakauer is an almost fully preserved epithermal system with excellent depth potential.

Every drill hole in the Phase 1 drilling program intercepted gold-silver mineralised veining (KVDD006 assay results are pending). The vein is remarkably geometrically consistent and predictable, slightly flattening at depth with the thickest intercept of veining to date in KVDD006.

Provisional analysis of the grade-thickness shows an increase in metal content to the north-east (right of page in the longitudinal projection below). This may be a vector to a higher grade shoot.



Map of the Krakauer structure showing the location of the six completed diamond drill holes.



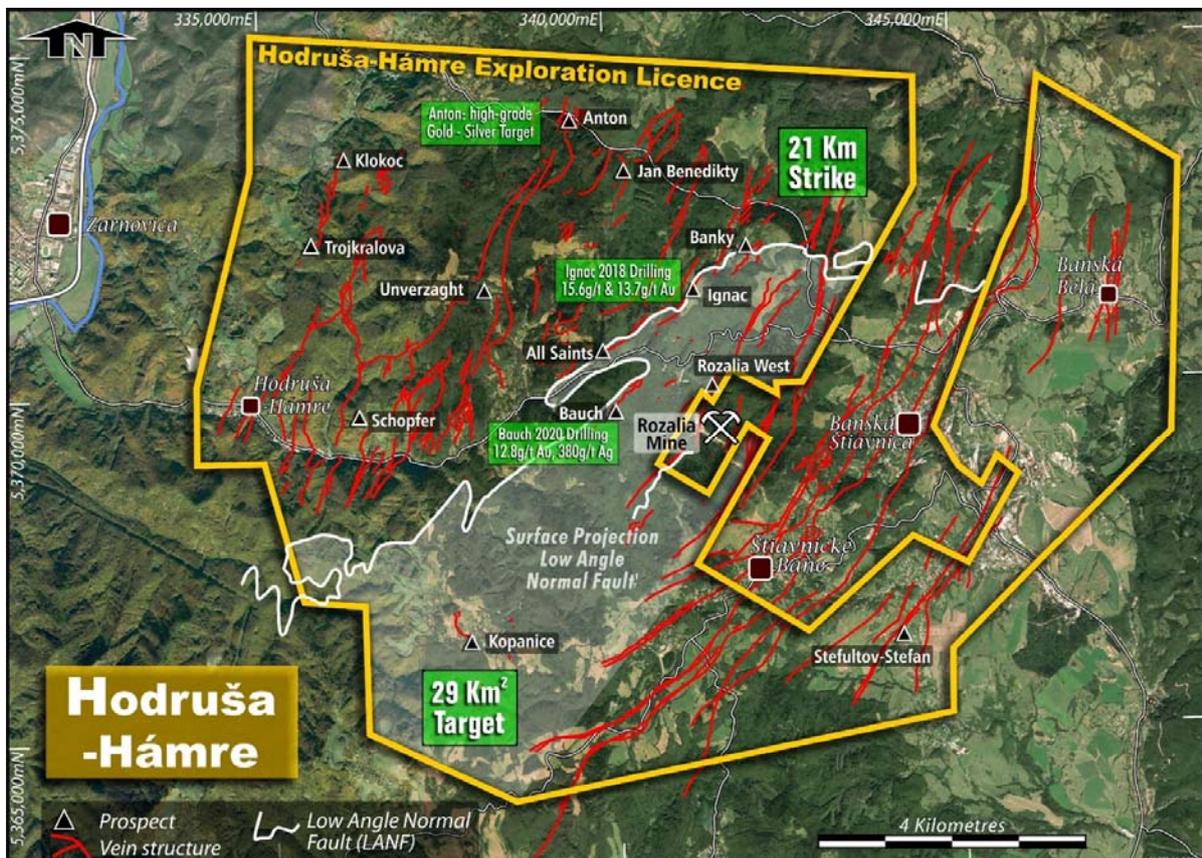
The Krakauer drill program has been designed to investigate the down dip continuation of high grade surface mineralisation.



*Krakauer drilling intersected brecciated quartz zones, suggesting multiple pulses of mineralising fluids. KVDD006 is being assayed at report date (depth 226m).*

## Hodrusa-Hamre Exploration Licence (100% Prospech)

Hodrusa-Hamre – Anton drilling program commenced

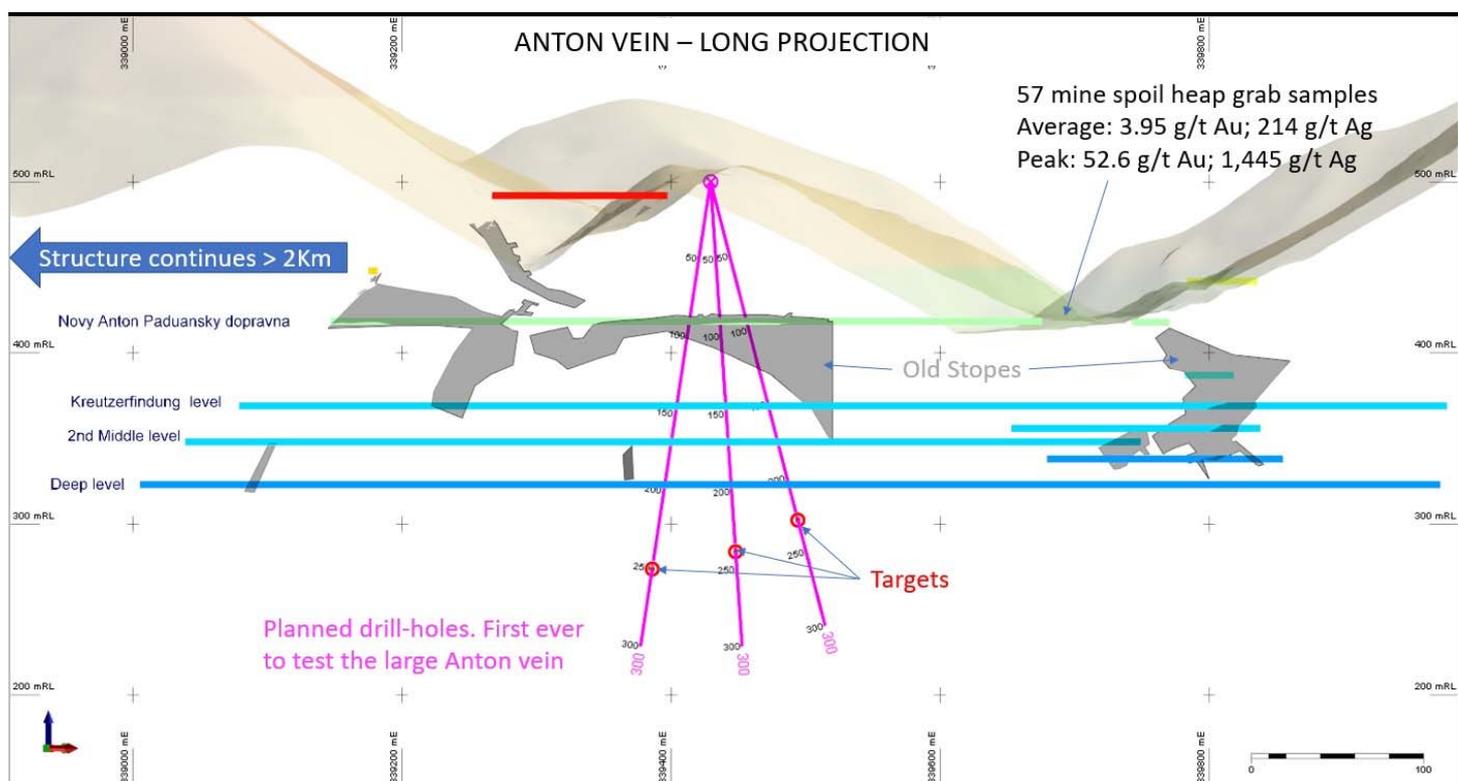


**Hodrusa-Hamre exploration targets.**

The Anton target is a large system of epithermal gold and silver of veins, hosted by granodiorite and diorite volcanic rocks. The vein system has a known strike length of at least 3.5 kilometres and some sections have supported historical mining to depth of over 500 metres below surface. The initial sites selected for drill testing are shallower targets where historical records indicate that effective mining was prevented by water ingress, which the primitive pumps of the era were not able to manage. Spoil-heap samples which are thought to originate from the Anton structure near the drilling targets are strongly mineralised. The average of assays from 57 grab samples was 3.95 g/t Au and 214 g/t Ag. The peak assays from this group of samples were 52.6 g/t Au and 1,445 g/t Ag.

The Anton structural zone trends into Unverzagt and to the Schopfer exploration target, which is scheduled to be drilled, commencing in mid-November 2021. In total, the Anton-Unverzagt-Schopfer system represents a gold silver-mineralised trend of at least 8 kilometres, with minimal historic drill testing.

The Company has commenced a 1,200 metre drilling program at Anton and first assay results are expected to be reported in late October.

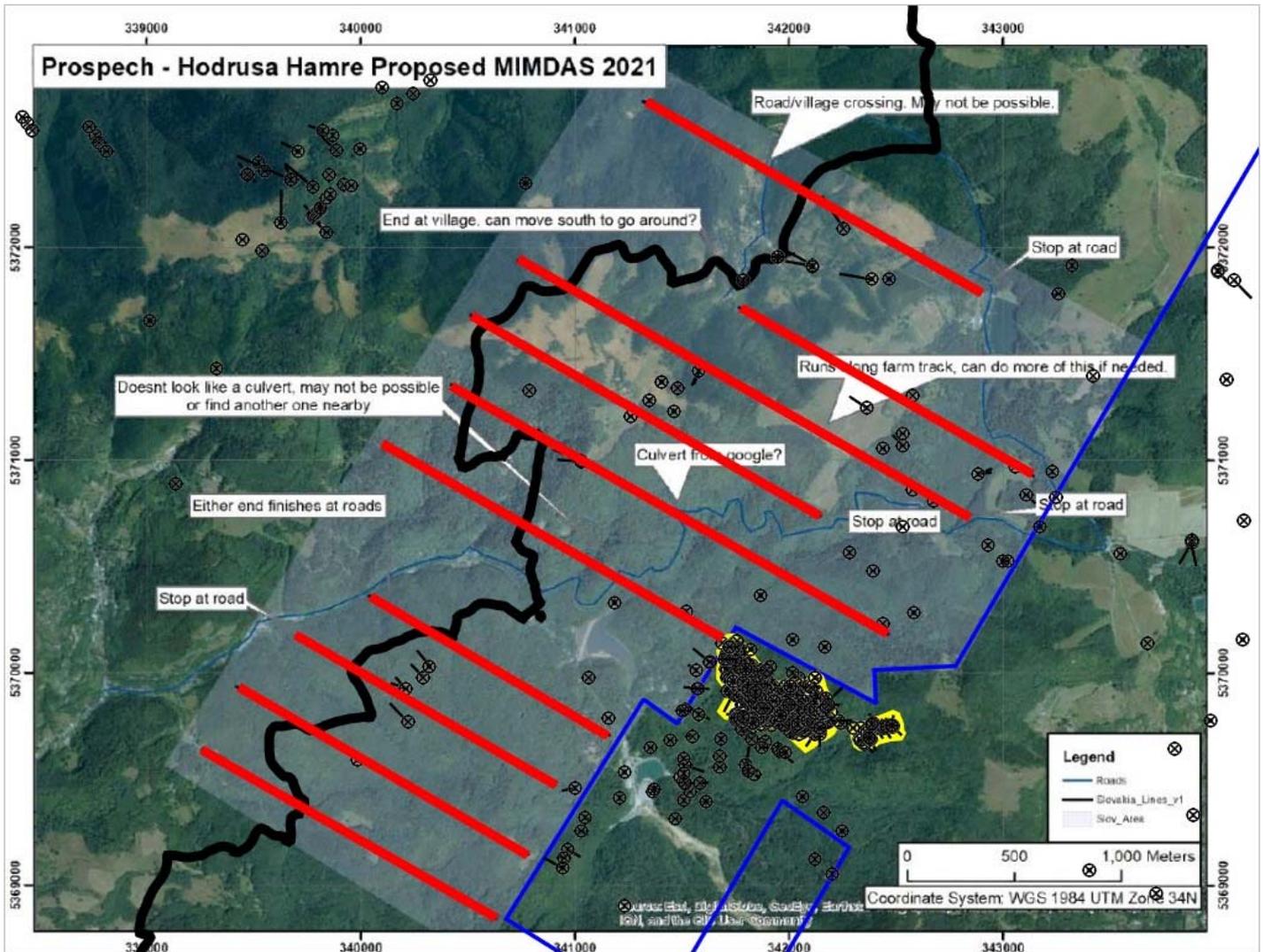


## Hodrusa-Hamre – Geophysical Program over the Low Angle Normal Fault

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 has been commenced to explore the LANF at depth, potentially to 500 metres below surface or deeper. Geophysical survey results are expected to be received for interpretation in November.

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 has commenced over the LANF surface projection.*



*IP survey operations are expected to be completed by the end of October.*

## Cejkov-Zemplin Exploration Licence (100% Prospech)

### Drilling program at Zemplin

#### Zemplin Prospect – Silver and Base Metals

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

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.

## Rudno Exploration Licence (100% Prospech)

No field work was completed during the quarter.

## Pukanec Exploration Licence (100% Prospech)

Pukanec, with over 800 historic workings on the western side of the Hodrusa Calera, is host to previously reported gold and silver assays up to 31.2 g/t Au and 1,703 g/t Ag.

Drill permits for a 17 hole, 2,800m program over a 2 kilometre target strike length have been approved and drilling, subject to internal approval and target ranking, is scheduled to commence in March 2022, subject to weather conditions.

## Jasenie Exploration Licence (100% Prospech)

The process of renewing the tenement is complete. No field activities were undertaken during the quarter. A technical review of antimony and gold zones in the east of the current Kysla tungsten-gold Inferred Resource area (refer December Quarter 2020 report) is being completed.

## December 2021 Quarter Planned Activities

**Hodrusa Project** - Continue drill testing of the high grade gold-silver epithermal vein system at Anton. One parent hole for the high grade zone of Schopfer 3 kilometres to the southeast. Complete the IP-resistivity survey to test the LANF.

**Nova Bana Project** - Review of Krakauer drilling program. Gupna program to be reviewed as this requires a small portable diamond rig from the current Slovak contractor and this is currently being sourced. Likely to be drilled in early 2022.

**Cejkov Project** - Phase 2 drilling is planned for December or early 2022 subject to Anton and Schopfer drilling programs.

**Pukanec Project** - A 17 hole, 2,800m drilling program is approved with drilling currently scheduled to commence in March 2022, subject to weather conditions.

# Corporate

## Expenditures

Expenditure on mine exploration activities during the quarter totalled \$427,000. There were no expenditures on mine production and development activities during the quarter.

### For further information please contact:

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+61 2 9300 3333

## 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.