



Prospech Limited
ABN 24 602 043 265

Prospectus

For an offer of 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000, with 12,500,000 attaching Loyalty Options on a 1:2 basis, with provision to accept subscriptions of up to a further 12,500,000 Shares, with up to a further 6,250,000 attaching Loyalty Options, to raise up to an additional \$2,500,000 (**Offer**).



Important notice

This Prospectus and each of the documents which are incorporated by reference are important documents and must be read in their entirety. If you do not understand their contents or are in doubt as to the course you should follow, you should consult your professional advisor.

Lead Manager



Offer

The Offer contained in this Prospectus is an invitation to acquire ordinary shares in Prospech Limited (ACN 602 043 265) (**Company**).

Lodgement and listing

This Prospectus is dated 16 June 2017 and a copy of this Prospectus was lodged with ASIC on that date.

The Company will apply to the ASX for admission of the Company to the official list of the ASX and for quotation of the Shares on the ASX within seven days after the date of this Prospectus.

Neither ASIC nor the ASX or their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry date

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Notice to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice.

This Prospectus is important and should, along with each of the documents incorporated by reference, be read in its entirety prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares. Some of the risks that should be considered are set out in section 6. You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment made pursuant to this Prospectus.

No offer where Offer would be illegal

This Offer does not constitute a public offer or invitation in any jurisdiction other than Australia. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and therefore any person who resides outside Australia and who receives this Prospectus should seek advice on and observe any such restrictions. Any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

Notice to United States residents

The securities being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (**US Securities Act**) and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable United States securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

Selling restrictions

Please see section 2.12 for selling restrictions for non-Australian residents.

Important Notice

Financial information and amounts

The historical financial information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**), which include Australian Equivalents to International Financial Reporting Standards (**AIFRS**) and is expressed in A\$ except where otherwise stated.

Disclaimer

Australian investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire securities in the Company under the Offer. No person is authorised by the Company to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences include, but are not limited to, the risks described in section 6.

Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements are current only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains market data and industry forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy and completeness of such information.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after the date of lodgement of the Prospectus with ASIC (Exposure Period). The Exposure Period may be extended by ASIC for a further period of up to seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period, without the Application Form, by being posted on the following website: www.prospech.com.au. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Electronic Prospectus

Whilst this Prospectus will also be made available in electronic form on the following website: www.prospech.com.au, the information on www.prospech.com.au does not form part of the Prospectus. The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

If you are unsure about the completeness of the Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of the Prospectus will be made available for Australian residents free of charge by contacting the Share Registry, on 1300 059 029 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30am and 5:00pm AEST.

Applications for Shares under this Prospectus may only be made on a printed copy of the Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company through the Company's service provider, the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The types of agents and service providers (who may be located outside of Australia) that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparing and distributing statements and for handling mail;
- market research companies for the purpose of product development, product planning and analysing the Company's Shareholder base; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by contacting the Share Registry on 1300 850 505 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30 am and 5:00 pm AEST.

If any of your information is not correct or has changed, you may require it to be corrected.

Website

Any documents included on the website www.prospech.com.au (and any reference to them) are provided for convenience only and none of the documents or other information on the website are incorporated by reference into this Prospectus with the exception of the policies and procedures relating to corporate governance set out in section 5.6.

Definitions and abbreviations

Defined terms and abbreviations used in this Prospectus are explained in the Glossary in section 13.

Time

All references to time in this Prospectus refer to Australian Eastern Standard Time (AEST) unless stated otherwise.

Important Notice

Photographs and diagrams

Photographs used in this Prospectus should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in the Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at 16 June 2017.

Competent Person's Statement

The information in this Prospectus that relates to exploration targets and 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 Prospectus of the matters based on the information in the form and context in which it appears.

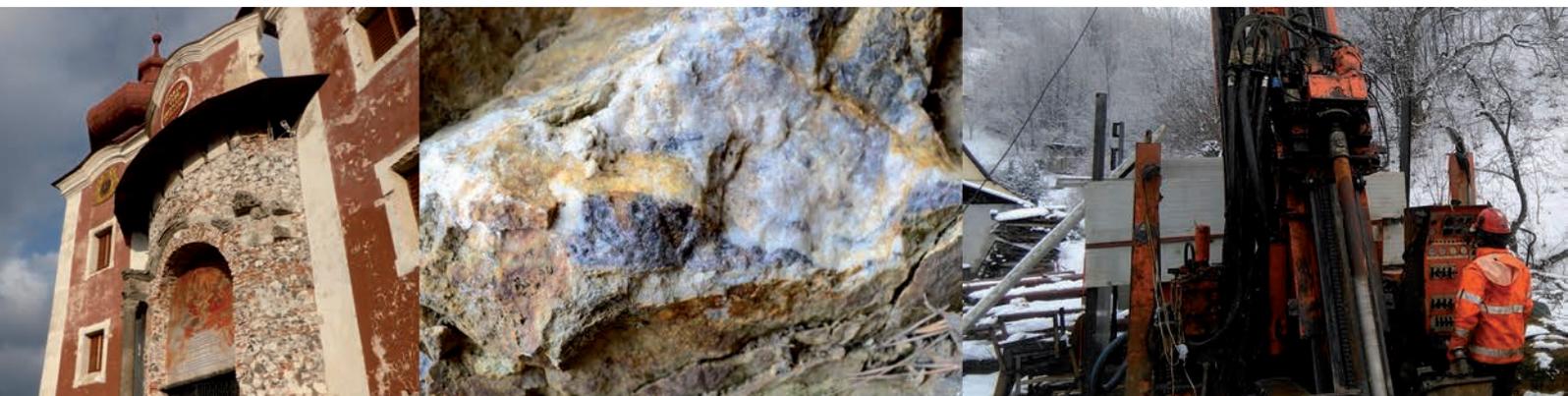
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Key Dates

Event	Date
Prospectus lodged with ASIC	16 June 2017
Opening Date	30 June 2017
Closing Date for the Offer	21 July 2017
Allotment and issue of Shares under the Offer	26 July 2017
Expected date for despatch of holding statements	27 July 2017
Shares commence trading on ASX on a normal T+2 basis	31 July 2017

Note: The timetable above is indicative only. All times are AEST. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to close the Offer early, extend the Closing Date, accept late Applications or cancel the Offer before settlement without notifying any recipients of this Prospectus or any Applicants. If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.



Dear Investor,

I am pleased to present to you this offer to invest in the future of Prospech Limited.

The Company currently owns 81%, and has rights to acquire the remaining 19%, of highly prospective exploration licences in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia where more than 1,000 years of historical production is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper.

Adjacent to Austria, Slovakia is a member country of the European Union and the Eurozone and, with modern western-style legislation, a regimented legal system, low wages, low tax rates and a well-educated labour force, is an attractive jurisdiction for foreign investment.

The Company's positive experience of doing business in Slovakia since 2014 has encouraged the Company to capitalise on having a presence of skilled staff in the country by applying for other exploration licences at minimal cost to the Company, including expanding the licence areas of its two main projects, Hodrusa Hamre and Nova Bana. The Company now has granted exploration licences which cover an area of approximately 185km².

Under this Prospectus, the Company is offering 25,000,000 Shares, with 12,500,000 attaching Loyalty Options on a 1:2 basis, at an issue price of \$0.20 per Share to raise \$5.0 million, with a provision to accept a further \$2.5 million in oversubscriptions. The purpose of this fund raising is, as demanded by results to date, to enable the Company to step up its exploration activities with an objective of the development and exploitation of one or more of the numerous prospects in the Company's geologically rich tenement areas.

This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks associated with an investment in the Company. I ask that prospective investors please take the time to fully review this Prospectus to appreciate the quality of the Company's portfolio of exploration assets and the team that will drive the Company's strategy. We look forward to the growth of our portfolio of projects and to the successful exploration and exploitation of those projects with optimism. I commend this opportunity to invest in the Company to you and I look forward to welcoming you as a Shareholder of the Company.

Sincerely



Thomas J. Mann
Chairman



1. Investment overview

1.1 General

The information set out in this section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for Shares, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisors.

1.2 Key Offer information and frequently asked questions

Set out below is a summary of the key Offer information and frequently asked questions. This information is intended to be a summary only and should be read in conjunction with the more detailed information contained in the Prospectus and as cross referenced in the third column of the table below.

Topic	Summary	For more information
General		
Who is the issuer of this Prospectus?	Prospech Limited, a company incorporated in New South Wales, Australia on 26 September 2014.	Refer to section 3.1
The Offer		
What is the Offer?	This Prospectus provides investors with the opportunity to participate in the initial public offering of 25,000,000 Shares (and a maximum of 37,500,000 Shares) in the Company at an issue price of \$0.20 per Share to raise \$5,000,000 (and a maximum of \$7,500,000), along with 12,500,000 attaching Loyalty Options (and a maximum of 18,750,000 Loyalty Options) on a 1:2 basis (Offer).	Refer to section 2.1
What is the Offer Price?	\$0.20 per Share and attaching half Option.	Refer to sections 2.1 and 2.2
What is the Maximum Subscription available under the Offer?	The Maximum Subscription is 37,500,000 Shares to raise \$7,500,000 along with 18,750,000 attaching Loyalty Options on a 1:2 basis before costs of the Offer.	Refer to sections 2.1 and 2.2
What is the Minimum Subscription under the Offer?	The Minimum Subscription is 25,000,000 Shares to raise \$5,000,000 along with 12,500,000 attaching Loyalty Options on a 1:2 basis before costs of the Offer. If the Minimum Subscription is not raised then the Company will not proceed with the Offer and will repay all Application Monies received (without interest).	Refer to section 2.4
What are the terms of the Loyalty Options?	Each Loyalty Option has an exercise price of \$0.25 and will expire two years from the date of vesting of the Loyalty Option. The Loyalty Options will be issued for nil consideration. The Loyalty Options are subject to a vesting condition that the Loyalty Option holder holds Shares on the date that is three months following the commencement of trading of the Company's Shares on the ASX (Vesting Date). Up to the Vesting Date, the Loyalty Options are non-transferable. The Company will seek to have the Loyalty Options quoted on the ASX from the Vesting Date, and they will thereafter be freely tradeable. The number of Loyalty Options to vest will be the lesser of: (a) the number of Loyalty Options held by the Applicant on the Vesting Date; and (b) the number of Shares held by the Applicant on the Vesting Date divided by 2.	Refer to sections 2.1, 2.2 and 12.4
What are the terms of the Lead Manager Options?	Each Lead Manager Option has an exercise price of \$0.25 and will expire two years from the date of vesting of the Loyalty Option. The Lead Manager Options will be issued for nil consideration.	Refer to section 2.3
Is the Offer underwritten?	No, the Offer is not underwritten.	Refer to section 2.5

1. Investment overview

Topic	Summary	For more information
Will the Shares be listed?	<p>The Company will apply to ASX for admission to the official list of ASX and quotation of Shares on ASX under the code "PRS".</p> <p>Completion of the Offer is conditional on ASX approving this application. If approval is not given within three months after such an application is made, all Application Monies received will be dealt with in accordance with the requirements of the Corporations Act.</p>	Refer to section 2.9
Key investment highlights		
Why should I invest in the Company?	<ul style="list-style-type: none"> The Company has negotiated favourable Earn-in Agreement terms and earned 81% ownership of the Hodrusa-Hamre and Nova Bana exploration licences. The Company has negotiated favourable Share and Rights Sale and Purchase Agreement terms to acquire the remaining 19% ownership of the Hodrusa-Hamre and Nova Bana exploration licences. The Hodrusa-Hamre and Nova Bana exploration licences present multi-million ounce gold and silver exploration targets. Recorded historical production is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper. As a result of more than 1,000 years of mining history and a third party mine currently in operation within the Hodrusa-Hamre project tenement area, the Company has access to an extensive and valuable geologic database. Having established a local presence in a district steeped in mining history, other projects are able to be identified at opportunistic prices. Exploration expenditures incurred by the Company to date have returned impressive geologic results which reasonably correlate with the existing geologic database. The Company has assembled an experienced Board of Directors and senior management team, with the range of skills required to execute the Company's growth strategy. 	Refer to sections 4, 5 and 11
Market capitalisation and use of funds		
What will the market capitalisation of the Company be at the Offer price?	<p>The market capitalisation will be approximately \$17.1 million based on the Offer price and the Minimum Subscription amount being achieved.</p> <p>The market capitalisation will be approximately \$19.6 million based on the Offer price and the Maximum Subscription amount being achieved.</p>	Refer to sections 2.15 and 2.16
How does the Company intend to apply the monies raised from the IPO?	<p>The Company proposes to use the funds from the Offer, as well as approximately \$600,000 of cash held by the Company at the Prospectus date in the following manner:</p> <ul style="list-style-type: none"> for the payment of expenses from the Offer; for the exploration and drilling program which is in respect of areas which are the subject of granted tenements, and includes rental payments; to examine market opportunities with a view to acquiring suitable exploration or mining leases to complete the Company's existing tenement and project portfolio; and for working capital expenditure which is to be applied towards administration costs associated with the Company. 	Refer to section 2.14
Business model		
What is the business of the Company?	The Company is a mining exploration company with projects in Slovakia.	Refer to sections 3, 4 and 11

1. Investment overview

Topic	Summary	For more information
How does the Group generate income?	<p>The Company does not expect to generate any revenue in the near future as its focus will primarily be to continue the exploration of the Hodrusa-Hamre, Nova Bana and Jasenie exploration licences and to continue to identify other gold-silver and associated metal properties for pegging and/or acquisition.</p> <p>Further detail about the Group's financial information is set out in section 7.</p>	Refer to sections 3.3 and 7
What are the Group's material contracts?	<p>Earn-in Agreement and Joint Venture Agreement</p> <p>On 22 December 2014, the Company entered into an agreement (Earn-in Agreement) to earn up to an 81% interest in Slovenské Kovy, s.r.o. (SLOK), a 100% owned Slovakian subsidiary company of EMED Mining Public Limited (subsequently renamed Atalaya Mining plc. (Atalaya)), the 100% holder of two exploration licences which then covered an area of approximately 115km² in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.</p> <p>Since December 2014, the Company has satisfied the following Earn-in Agreement milestones:</p> <ul style="list-style-type: none">• Stage 1: €200,000 exploration expenditure over not more than 6 months to earn 30% of SLOK.• Stage 2: a further €200,000 exploration expenditure over not more than 1 year after Stage 1 to increase to 51% of SLOK.• Stage 3: a further €600,000 exploration expenditure over not more than 2 years after Stage 2 to increase to 81% of SLOK. <p>Effective 1 January 2016, the Company had satisfied the Stage 1 and Stage 2 conditions of the Earn-in Agreement and earned a 51% interest in, and control of, SLOK. Effective 31 December 2016, the Company had satisfied the Stage 3 exploration expenditure requirement of the Earn-in Agreement and now holds an 81% interest in SLOK and, pursuant to the Share and Rights Sale and Purchase Agreement described below, has rights to acquire the remaining 19% interest in SLOK.</p> <p>Following the completion of the Stage 3 earn-in, the Company and Atalaya entered into a Joint Venture Agreement, providing for the conduct of operations with the parties contributing to funding requirements in accordance with their participating percentage interests in the joint venture. In the event that one party elects not to contribute their share of a funding requirement, they will dilute down. In the event that Atalaya's participating interest dilutes down to 5% or less and a bankable feasibility study recommends the commencement of mining, Atalaya shall have the option to transfer its participating interest to the Company in return for a 1% net smelter royalty for a 5% participating interest, on a pro-rata basis.</p> <p>Share and Rights Sale and Purchase Agreement</p> <p>On 24 May 2017, the Company and Atalaya entered into a Share and Rights Sale and Purchase Agreement under which, following successful completion of the Offer and quotation of the Company's securities on the ASX, the Company will acquire Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement for 833,333 Shares and 416,667 options with the same terms and conditions as the Loyalty Options.</p> <p>A detailed summary of the terms of these material contracts is set out in section 11.</p> <p>Executive Consultancy Agreements</p> <p>The Company has entered into an executive consultancy agreement with a company associated with Managing Director Jason Beckton and an executive consultancy agreement with a company associated with Executive Director and CFO Peter Nightingale. A detailed summary of the terms of these agreements are set out in section 5.3.</p>	Refer to sections 5.3 and 11

Topic	Summary	For more information															
	<p>Mandate Letter</p> <p>The Company entered into a mandate letter with Triple C Consulting Pty Ltd (Lead Manager) on 7 November 2016 pursuant to which the Lead Manager was appointed as lead manager to provide services to the Company with respect a Pre-IPO capital raising and the IPO (Mandate Letter). Under the terms of the Mandate Letter, the Company will pay to the Lead Manager a management fee of 1% of the funds raised under the Offer and a placement fee of 5% of funds raised under the Offer, a signing fee in the form of 7,000,000 listed options (Lead Manager Options), on the same terms as the Loyalty Options and a monthly retainer of \$10,000 per month for 12 months, commencing upon the successful completion of the IPO. A detailed summary of the terms of the Mandate Letter is set out in section 11.</p> <p>Other than the material contracts set out briefly in this summary, the Company has not entered into any other material contracts.</p>																
What are the Company's projects?	<p>Hodrusa-Hamre Project</p> <p>Located 200 kilometres east of Vienna, the 103.5km² Hodrusa-Hamre exploration licence covers the majority of the historic Hodrusa-Hamre/Banska Stiavnica mining district, the caldera of the Neogene Stiavnica Stratovolcano, and hosts some 120 epithermal veins with the major veins reaching a length of 8 kilometres.</p> <p>Nova Bana Project</p> <p>Located 15 kilometres west of Hodrusa-Hamre, the 52.3km² Nova Bana and Rudno nad Hronom exploration licences cover an epithermal gold system with veining known to extend over an area of 3.8 kilometres by 1.6 kilometres associated with rhyolite intrusives and extrusives hosted by andesite volcanics on the flanks of the Stiavnica Stratovolcano.</p> <p>Jasenie Project</p> <p>The 29.4km² Jasenie exploration licence hosts a gold-tungsten project located approximately 90 kilometres northeast of the Hodrusa-Hamre licence area on the southern side of the Nízke Tatry mountains, north of Jasenie village. In the 1950s an 18 kilometre long and 400 metre to 1,000 metre wide scheelite-gold anomaly was identified at Jasenie.</p>	Refer to section 4															
Why is the Company seeking admission to the Official List of the ASX?	<p>The Company is seeking admission to the Official List of the ASX:</p> <ul style="list-style-type: none"> (a) to fund part of the exploration/drilling programs of the Company's portfolio of exploration projects; (b) provide general working capital for the Company, including operational and administration expenditure; and (c) to gain liquidity for its Shares and exposure to international equity markets through a respected stock exchange. 	Refer to section 2.14															
Financial information																	
What is the key financial information for the Company?	<p>The pro forma balance sheet information presented in this table is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information set out in section 7 as well as the Risk Factors set out in section 6.</p>	Refer to section 7															
	<table border="1"> <thead> <tr> <th></th> <th style="background-color: #800000; color: white;">Pro forma Minimum Subscription (\$5.0 million) \$</th> <th style="background-color: #800000; color: white;">Pro forma Maximum Subscription (\$7.5 million) \$</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td style="text-align: right;">7,821,245</td> <td style="text-align: right;">10,161,245</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">(66,779)</td> <td style="text-align: right;">(66,779)</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;">7,754,466</td> <td style="text-align: right;">10,094,466</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">7,754,466</td> <td style="text-align: right;">10,094,466</td> </tr> </tbody> </table>		Pro forma Minimum Subscription (\$5.0 million) \$	Pro forma Maximum Subscription (\$7.5 million) \$	Total assets	7,821,245	10,161,245	Total liabilities	(66,779)	(66,779)	Net assets	7,754,466	10,094,466	Total equity	7,754,466	10,094,466	
	Pro forma Minimum Subscription (\$5.0 million) \$	Pro forma Maximum Subscription (\$7.5 million) \$															
Total assets	7,821,245	10,161,245															
Total liabilities	(66,779)	(66,779)															
Net assets	7,754,466	10,094,466															
Total equity	7,754,466	10,094,466															

1. Investment overview

Topic	Summary	For more information																				
Capital structure																						
What is the capital structure prior to completion of the Offer?	<p>The issued capital of the Company as at the date of this Prospectus is set out in the table below:</p> <table border="1"> <thead> <tr> <th></th> <th>Number of securities</th> </tr> </thead> <tbody> <tr> <td>Fully paid ordinary shares</td> <td>60,795,010</td> </tr> <tr> <td></td> <td>60,795,010</td> </tr> </tbody> </table> <p>Existing shareholders include entities associated with Thomas Mann, Jason Beckton, Peter Nightingale and John Levings, all of whom are Directors of the Company.</p> <p>The Company also has on issue 20,000,000 options which are held by Thomas Mann, Jason Beckton, Peter Nightingale, John Levings, Richard Edwards and other employees of the Company, each with an exercise price of \$0.25 and which expire on 31 December 2020. The options vested at the date of their issue on 28 November 2016.</p> <p>Refer to section 5.5 for information about the Directors' interests in the Company's securities.</p>		Number of securities	Fully paid ordinary shares	60,795,010		60,795,010	Refer to sections 2.15 and 5.5														
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Fully paid ordinary shares	60,795,010																					
	60,795,010																					
What is the percentage of Shares being offered based on the number of Shares currently on issue?	<p>In the event that the Minimum Subscription amount is raised, the Shares issued will represent 29.14% of the Company's total number of Shares on issue.</p> <p>In the event that the Maximum Subscription amount is raised, the Shares issued will represent 38.15% of the Company's total number of Shares on issue.</p>	Refer to section 2.16																				
What is the capital structure after completion of the Offer (i.e. after allotment of the Shares)?	<p>At the Allotment Date, the issued capital of the Company will be as set out in the table below:</p> <table border="1"> <thead> <tr> <th>Class of security</th> <th>Shares (Minimum Subscription raised)</th> <th>% Total (undiluted) (Minimum Subscription raised)</th> <th>Shares (Maximum Subscription raised)</th> <th>% Total (undiluted) (Minimum Subscription raised)</th> </tr> </thead> <tbody> <tr> <td>Shares currently on issue</td> <td>60,795,010*</td> <td>70.86</td> <td>60,795,010</td> <td>61.85</td> </tr> <tr> <td>Shares under the Offer</td> <td>25,000,000</td> <td>29.14</td> <td>37,500,000</td> <td>38.15</td> </tr> <tr> <td>Total Shares</td> <td>85,795,010</td> <td>100.0%</td> <td>98,295,010</td> <td>100.0%</td> </tr> </tbody> </table> <p>At the Allotment Date, the Company will also have the following options on issue:</p> <ul style="list-style-type: none"> • 20,000,000 options held by the Directors and employees of the Company in the proportions set out in section 5.5; • up to 18,750,000 Loyalty Options (assuming the maximum subscription is raised under the Offer) in accordance with the terms of the Loyalty Options set out in sections 2.2 and 12.4; and • 7,000,000 Lead Manager Options in accordance with the terms set out in sections 2.3 and 12.5. 	Class of security	Shares (Minimum Subscription raised)	% Total (undiluted) (Minimum Subscription raised)	Shares (Maximum Subscription raised)	% Total (undiluted) (Minimum Subscription raised)	Shares currently on issue	60,795,010*	70.86	60,795,010	61.85	Shares under the Offer	25,000,000	29.14	37,500,000	38.15	Total Shares	85,795,010	100.0%	98,295,010	100.0%	Refer to section 2.16
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Total Shares	85,795,010	100.0%	98,295,010	100.0%																		

1. Investment overview

Topic	Summary	For more information
What is the proposed ticker code?	If the Company is successful in its application for admission to the official list of the ASX, the Shares will trade on the ASX under the ticker "PRS".	
Will any Shares be subject to escrow?	<p>Yes. Shares and options held by Directors and promoters will be subject to ASX imposed escrow for a period of up to 24 months, as will options issued to consultants (but not if deemed employees) to the Company for services rendered. Shares issued to Applicants under the Offer will not be subject to any escrow restrictions.</p> <p>The Company anticipates that the Lead Manager Options (and any Shares on their exercise) will be subject to escrow restrictions as a condition of the Company being admitted to the ASX.</p>	Refer to section 12.7
Key risks		
What are the key risks of investing in the Company?	<p>Risks that the Directors believe are key risks are described under the headings "Risks related to the Company's business and risks related to the industry in which the Company operates" (refer to section 6.2) and "Risks related to the Offer and an investment in Shares" (refer to section 6.3).</p> <p>Exploration risk</p> <p>The Company's exploration licences are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these licences, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.</p>	Refer to section 6

1. Investment overview

Topic	Summary	For more information
	<p>Mineral Resources risk</p> <p>The Company does not currently have any Mineral Resources defined in accordance with a professional code such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Exploration Target estimates referred to in this Prospectus reflect corporate objectives based on previous mining and estimates of Slovak and predecessor reports.</p> <p>An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.</p> <p>The Exploration Target estimates are based on historic production, drill assays and surface sampling described in sections 4 and 9 based on all known occurrences known over 1.0 g/t gold.</p> <p>Development and production risks</p> <p>Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.</p> <p>Risks of operating in another country</p> <p>The Company's exploration licences are located in Slovakia. The Company's operations are therefore subject to the laws and regulations of Slovakia. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.</p> <p>The success of the Company is dependent on the stability of the political, economic and legal situation in Slovakia. Any change in legislation could have an adverse effect on the Company.</p> <p>Regulatory risks</p> <p>The Company's operations require approvals from Slovakian regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. It is most likely that the development of any mining operation will be restricted to underground mining and processing without the use of cyanide. The Company cannot guarantee that any or all requisite approvals will be obtained. A failure to obtain any approval would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.</p> <p>Commodity prices risks</p> <p>Commodity prices, including gold and silver, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.</p>	

Topic	Summary	For more information
	<p>Future funding risks</p> <p>The Company has no income producing assets and will generate losses for the foreseeable future. In order to proceed with the exploration and development of any project, the Company is likely to be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital or debt when it is required or that the terms associated with providing such capital or debt will be satisfactory to the Company, which would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.</p> <p>Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, including exploration success, subsequent development, commissioning and operational performance.</p> <p>Risk relating to loss of key management</p> <p>The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.</p> <p>Third party risk</p> <p>The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages a number of external contractors to provide exploration/drilling works in relation to the Company's exploration projects.</p> <p>Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.</p> <p>Insurance risk</p> <p>The Company insures its operations in accordance with industry practice.</p> <p>However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Operational risk</p> <p>The operations of the Company may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will mitigate these risks through management and supervision controls.</p> <p>In addition, the investments of the Company may be affected by various factors which are beyond the control of the Company, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.</p>	

1. Investment overview

Topic	Summary	For more information										
	<p>Investment speculative</p> <p>Investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.</p> <p>Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares offered under this Prospectus.</p> <p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors set out in section 6 before deciding whether to apply for Shares pursuant to this Prospectus.</p>											
Are there any other risks affecting an investment in the Company?	A number of other more general or less key risk factors are set out in section 6.	Refer to section 6										
The Board and its interests												
Who are the Board and Management of the Company and what experience do they have?	<p>The Board comprises of the following directors:</p> <ul style="list-style-type: none">· Thomas Mann, Chairman and Non-Executive Director;· Jason Beckton, Managing Director;· Peter Nightingale, Executive Director and Chief Financial Officer; and· John Levings, Non-Executive Director. <p>The Company Secretary is Richard Edwards.</p>	Refer to section 5										
Are there any benefits payable to Directors, other related parties and promoters?	<p>The Company has agreed to remunerate its Executive and Non-Executive Directors through a combination of an appropriate salary package and market based director fees respectively.</p> <p>The Company has agreed to remunerate its Directors as set out below.</p>	Refer to section 5.3										
	<table border="1"><thead><tr><th>Name</th><th>Amount per annum \$</th></tr></thead><tbody><tr><td>Thomas Mann</td><td>40,000</td></tr><tr><td>Jason Beckton</td><td>180,000</td></tr><tr><td>Peter Nightingale</td><td>60,000</td></tr><tr><td>John Levings</td><td>30,000</td></tr></tbody></table>	Name	Amount per annum \$	Thomas Mann	40,000	Jason Beckton	180,000	Peter Nightingale	60,000	John Levings	30,000	
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Thomas Mann	40,000											
Jason Beckton	180,000											
Peter Nightingale	60,000											
John Levings	30,000											

Topic	Summary	For more information																																										
Do the Directors have any interests in the issued share capital of the Company?	<p>The tables below sets out the interests of the Directors as at the date of this Prospectus and on completion of the Offer. Refer to section 5 for further details.</p> <table border="1"> <thead> <tr> <th colspan="4">Shares at the date of the Prospectus</th> </tr> <tr> <th>Director</th> <th>Number of Shares held directly</th> <th>Number of Shares held indirectly</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Thomas Mann</td> <td>Nil</td> <td>6,000,000</td> <td>9.9%</td> </tr> <tr> <td>Jason Beckton</td> <td>Nil</td> <td>5,000,002</td> <td>8.2%</td> </tr> <tr> <td>Peter Nightingale</td> <td>Nil</td> <td>9,660,004</td> <td>15.9%</td> </tr> <tr> <td>John Levings</td> <td>Nil</td> <td>Nil</td> <td>-</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Options at the date of the Prospectus</th> </tr> <tr> <th>Director</th> <th>Number of Options held directly</th> <th>Number of Options held indirectly</th> </tr> </thead> <tbody> <tr> <td>Thomas Mann</td> <td>4,000,000</td> <td>Nil</td> </tr> <tr> <td>Jason Beckton</td> <td>5,000,000</td> <td>Nil</td> </tr> <tr> <td>Peter Nightingale</td> <td>5,000,000</td> <td>Nil</td> </tr> <tr> <td>John Levings</td> <td>2,000,000</td> <td>Nil</td> </tr> </tbody> </table> <p>The options have an exercise price of \$0.25, vested at the date of issue which was 28 November 2016 and expire on the earlier of 31 December 2020 and the date which is 2 months after the date of ceasing to be an employee of the Company other than due to the occurrence of a special circumstance, being total and permanent disablement, death or other circumstance as determined by the Board of Directors.</p>	Shares at the date of the Prospectus				Director	Number of Shares held directly	Number of Shares held indirectly	%	Thomas Mann	Nil	6,000,000	9.9%	Jason Beckton	Nil	5,000,002	8.2%	Peter Nightingale	Nil	9,660,004	15.9%	John Levings	Nil	Nil	-	Options at the date of the Prospectus			Director	Number of Options held directly	Number of Options held indirectly	Thomas Mann	4,000,000	Nil	Jason Beckton	5,000,000	Nil	Peter Nightingale	5,000,000	Nil	John Levings	2,000,000	Nil	Refer to section 5.5
Shares at the date of the Prospectus																																												
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Peter Nightingale	5,000,000	Nil																																										
John Levings	2,000,000	Nil																																										
Are the Directors or any Existing Holders selling Shares into this Offer?	No, the Directors and Existing Holders are not selling Shares into the Offer.																																											

Related party transactions

What are the related party transactions?	<p>Appointment Agreements</p> <p>The Company has entered into Appointment Agreements with each Director and the Company Secretary setting out details of each officer's appointment, term, duties, responsibilities and remuneration. The Appointment Agreements are on the same material terms, save for provisions relating each officer's duties and remuneration.</p> <p>The Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company must also allow the officers access to Company documents and the ability to seek independent professional advice in certain circumstances.</p>	Refer to sections 5.3 and 11
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1. Investment overview

Topic	Summary	For more information
	<p>MIS Corporate Pty Limited Services Agreement</p> <p>The Company has entered into a services agreement with MIS Corporate Pty Limited, a company associated with Peter J. Nightingale, to provide full administrative services, including administrative and accounting staff, rental accommodation, services and supplies, on normal commercial terms to the Company.</p> <p>Other than the Agreements outlined above, there are no related party transactions in respect of the Company or its business.</p>	Refer to section 11.10
Applications		
Am I eligible to participate in the Offer?	The Offer is open to all investors who are resident in Australia, however any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that shareholder is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer.	Refer to section 2.6
How can I apply?	Instructions on how to complete the Application Form accompanying this Prospectus are set out in section 2.6 and on the Application Form.	Refer to section 2.6
	Applications for Shares under the Offer should be made on the Application Form.	
What is the minimum application amount under the Offer?	You may apply for a minimum parcel of 10,000 Shares, for a minimum of \$2,000, and thereafter in multiples of 1,000 Shares.	Refer to section 2.6
What is the allocation policy?	<p>The Directors have the right to allocate shares at their discretion. The Directors, in consultation with the Lead Manager, may reject any Application or allocate to any Applicant fewer Shares than applied for.</p> <p>The Directors, in consultation with the Lead Manager, will generally allocate Shares at their discretion based on satisfying the Minimum Subscription of the Offer and in the manner which they consider to be fair and reasonable, having regard to the requirements of the ASX Listing Rules that the Company must have a prescribed minimum number of Shareholders that hold a marketable parcel of those Shares.</p> <p>If any Application is not accepted, or is accepted in part only, the relevant part of the Application Money will be returned to the relevant Applicant without any accrued interest.</p>	Refer to section 2.7
When will I receive confirmation that my Application has been successful?	Confirmation of successful Applications in the form of holding statements are expected to be despatched by post on or around 27 July 2017.	Refer to section 2.6
Dividends		
Will dividends be paid?	<p>Dividends will be paid subject to the financial performance of the Company and in accordance with the Company's dividend policy. The Company has no present intention to pay any dividends in the near term. Instead, the Company proposes to apply any surplus cash towards the exploration and development of the Company's exploration portfolio.</p> <p>No assurances can be given by the Company to the payment of future dividends as this will depend on, amongst other things, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.</p>	Refer to section 3.4

1. Investment overview

Topic	Summary	For more information
Tax and brokerage		
What are the taxation implications of investing in the Shares?	The taxation implications of investing in the Shares will depend on each investor's individual circumstances. You should seek your own tax advice prior to applying for Shares under the Offer.	Refer to section 12.11
Is there any brokerage commission or stamp duty payable?	You are not required to pay any brokerage commission or stamp duty for the acquisition of Shares under the Offer. The Company will however pay brokerage to stockbrokers or licenced investment advisors.	Refer to section 2.6
Further information		
How can I obtain further information?	If you have queries about investing under the Offer, you should contact your stockbroker, financial advisor, accountant or other professional advisor. If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call Richard Edwards, the Company Secretary on +61 2 9300 3333 or the Share Registry on 1300 059 029 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30am and 5:00pm AEST.	Refer to section 2.6
Documents incorporated by reference	If you would like to obtain a copy of any of the documents incorporated by reference into this Prospectus, copies may be obtained from the Company website.	

2. Details of the Offer

2.1 The Offer

The Prospectus contains an offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000, along with 12,500,000 free attaching Loyalty Options on a 1:2 basis, with provision to accept subscriptions of up to a further 12,500,000 Shares, with up to a further 6,250,000 attaching Loyalty Options, to raise up to an additional \$2,500,000 (**Offer**).

The Shares issued under the Offer are of the same class and will rank equally in all respects with existing Shares on issue.

The Company reserves the right not to proceed with the Offer at any time before the allotment of Shares under the Offer. If the Offer does not proceed, Application Monies received by the Company will be refunded in full without interest.

The Company also reserves the right to close the Offer early, to accept late Applications or extend the Offer (in certain circumstances) without notifying any recipient of this Prospectus or any Applicant.

2.2 Loyalty Options

The Offer includes an issue of up to 18,750,000 free attaching Loyalty Options on the basis of 1 Loyalty Option for every 2 Shares issued under the Offer.

Each Loyalty Option has an exercise price of \$0.25 and will expire two years from the date of vesting of the Loyalty Option. The Loyalty Options will be issued for nil consideration.

The Loyalty Options are subject to a vesting condition that the Loyalty Option holder holds Shares on the date that is three months following the commencement of trading of the Company's Shares on the ASX (**Vesting Date**). Up to the Vesting Date, the Loyalty Options are non-transferable. The Company will seek to have the Loyalty Options quoted on the ASX from the Vesting Date, and they will thereafter be freely tradeable.

The number of Loyalty Options to vest will be the lesser of:

- (a) the number of Loyalty Options held by the Applicant on the Vesting Date; and
- (b) the number of Shares held by the Applicant on the Vesting Date divided by 2.

The rights and liabilities attaching to the Loyalty Options are set out in section 12.4.

2.3 Lead Manager Options

Under the mandate signed by the Company with the Lead Manager, as set out in section 11.5, the Company has agreed to issue up to 7,000,000 Lead Manager Options to the Lead Manager (or its nominees). The terms of the Lead Manager are the same as the Loyalty Options as set out in section 2.2.

2.4 How much is the Company seeking to raise under the Offer?

The Minimum Subscription under the Offer is \$5,000,000 representing 25,000,000 Shares at \$0.20 per Share.

The Maximum Subscription under the Offer is \$7,500,000 representing 37,500,000 Shares at \$0.20 per Share.

If the Minimum Subscription is not obtained within four months after the date of this Prospectus, the Company will repay all Application Monies in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies in full without interest.

2.5 Is the Offer underwritten?

No, the Offer is not underwritten.

2.6 How do I apply under the Offer?

Who is eligible to participate in the Offer?

Who can apply for Shares under the Offer?

The Offer is open to all investors who are resident in Australia, however any person who has a registered address in any other country who receives this Prospectus may apply for Shares provided that shareholder is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

Completing and returning your Application under the Offer

What is the minimum and maximum application under the Offer?

Applications must be for a minimum of 10,000 Shares (\$2,000).

Applications in excess of the minimum number of Shares must be in multiples of 1,000 Shares (\$200).

There is no maximum amount that may be applied for under the Offer. The Company reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.

The Company reserves the right to reject any Application or to allocate a lesser number of Shares than that which is applied for.

How do I apply under the Offer?

In order to apply under the Offer, please either:

- complete the Application Form that forms part of, is attached to, or accompanies this Prospectus; or
- complete a printed copy of the Application Form attached to the electronic version of the Prospectus.

The Application Monies must be paid by electronic transfer, cheque(s) or bank draft(s).

How do I pay electronically?

Paying electronically:

To pay electronically please make payment to the below bank account, using your surname/company name/super fund name as a reference.

Bank: Macquarie Bank Limited
 Name: Triple C Consulting Pty Ltd Trust Account
 Swift Code: MACQAU2SXXX
 BSB: 182512
 Account: 962369112

If paying electronically please return applications via scan/ email to admin@tripleccc.com.au or fax on +61 (0)8 9227 7158.

How do I pay by cheque or bank draft?

Paying by cheque(s) or bank draft(s):

Once completed, please send your Application Form and Application Monies to the address set out below.

Mailing Address:

Prospech Limited
 C/- Triple C Consulting Pty Ltd
 PO Box 8539
 Perth BC WA 6849

Cheque payments must be:

- in Australian currency;
- drawn at an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable to "Triple C Consulting Pty Ltd Trust Account".

If paying by cheque(s), Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

2. Details of the Offer

Fees, costs and timing for Applications

When does the Offer open?	The Offer is expected to open for Applications on 30 June 2017. However, this may be delayed if ASIC extend the Exposure Period for the Prospectus.
What is the deadline to submit an Application under the Offer?	It is your responsibility to ensure that your Application Form and Application Monies are submitted before 5:00 pm (AEST) on the Closing Date for the Offer which is 21 July 2017. The Company and the Share Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. Brokerage and/or handling fees on applications for Shares will be payable to member firms of the ASX or licensed investment advisors on such Application Forms bearing their codes and accepted by the Company. These fees will be paid from the proceeds of the Offer.
What are the costs of the Offer and who is paying them?	The costs of the Offer include the legal, accounting, advisory and other costs associated with the production of the Offer documentation. At the time of production of this Prospectus, the cash costs were estimated to be \$500,000 (Minimum Subscription) and \$660,000 (Maximum Subscription). Refer to section 2.14 for further information. The Company intends to pay these costs from the proceeds of the Offer.

Confirmation of your Application and trading on the ASX

When will I receive confirmation whether my Application has been successful?	Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 27 July 2017. Applicants under the Offer will be able to call the Share Registry on 1300 059 029 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30 am and 5:00 pm AEST, from 27 July 2017 to confirm their allocation.
When will I receive my Shares and when can I trade my Shares?	Subject to ASX granting approval for the Company to be admitted to the official list of ASX, the Company will procure the issue of Shares to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 26 July 2017. Trading of Shares on ASX is expected to commence on 31 July 2017 on a normal T+2 settlement basis. If you sell Shares before receiving an initial holding statement, you may contravene the Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker or the Share Registry.
Who do I contact if I have further queries?	If you have queries about investing under the Offer, you should contact your stockbroker, financial advisor, accountant or other professional advisor. If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Share Registry on 1300 059 029 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30 am and 5:00 pm AEST.

2.7 Allocation policy

The Board will allocate Shares at their discretion based on satisfying the Minimum Subscription Amount of the Offer and to ensure an appropriate shareholder base for the Company.

The Company reserves the right in its absolute discretion to issue no Shares to Applicants under the Offer and may reject any Application or allocate a lesser amount of Shares than those applied for at its absolute discretion.

The Company will ensure, at the time of allocation of securities, that its free float at the time of listing will not be less than 20%.

2.8 Application Monies

All Application Monies will be held by the Lead Manager in a separate account until Shares are issued to successful Applicants.

Application Monies will be refunded in A\$ to the extent that an Application is rejected or scaled back, or the Offer is withdrawn.

No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

2.9 ASX listing

No later than seven days after the date of this Prospectus, the Company will apply to the ASX for admission to the official list of the ASX and for the Shares to be granted official quotation by the ASX under the code “**PRS**”.

The admission of the Company to the official list of ASX and official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus.

Normal settlement trading in Shares, if quotation is granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment may contravene the Listing Rules and do so at their own risk.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies will be dealt with in accordance with the Corporations Act.

2.10 Risk factors

You should read this entire Prospectus, including the risk factors set out in section 6, before making any decision to invest. You may wish to consult your professional financial advisors before investing.

The risk factors set out in section 6 and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares offer pursuant to this Prospectus. Accordingly, an investment in the Company should be considered speculative.

2.11 Tax implications of investing in the Company

The taxation consequences of any investment in Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should seek your own professional advice. Refer to section 12.11 for further information.

2.12 Foreign selling restrictions and overseas applicants

This Prospectus does not constitute a public offer or invitation in any jurisdiction other than Australia. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who reside outside Australia and who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that shareholder is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

2. Details of the Offer

2.13 Broker applications

All valid applications lodged by stockbrokers or organisations which are member firms of the ASX or licensed investment advisors and which bear a stamp or code may be paid a fee on valid applications that are accepted by the Company. This fee will be paid by the Company.

2.14 Use of proceeds of the Offer

The Company intends to use its current funds of approximately \$600,000 cash held by the Company at the Prospectus date, and the funds raised from the Offer as follows:

Use of funds from the Offer	Minimum Subscription \$5,000,000		Maximum Subscription \$7,500,000	
	\$	%	\$	%
Funds available				
Cash on hand	600,000		600,000	
Funds from the Offer	5,000,000		7,500,000	
Total funds available	5,600,000		8,100,000	
Expenses of the Offer ¹	500,000	10	660,000	10
Exploration/drilling program expenditure ² – year 1	1,900,000	38	1,950,000	30
Exploration/drilling program expenditure ² – year 2	1,250,000	25	2,200,000	35
Investigation of other tenement acquisition opportunities ³	200,000	4	400,000	6
Working capital ⁴	1,200,000	23	1,200,000	19
Total expenditure	5,050,000	100	6,410,000	100
Total funds available – end of year 2	550,000		1,690,000	

Notes:

1. Total expenses of the Offer will be funded from the proceeds of the Offer. Refer to section 12.13 for a breakdown of these expenses. They include capital raising costs (\$300,000 (Minimum Subscription) and \$450,000 (Maximum Subscription)), ASX and ASIC fees (\$80,000 (Minimum Subscription) and \$82,000 (Maximum Subscription)), accounting, legal and other professional adviser fees (\$90,000 (Minimum Subscription) and \$90,000 (Maximum Subscription)) and prospectus design, printing and related costs (\$30,000 (Minimum Subscription) and \$38,000 (Maximum Subscription)).
2. The exploration and drilling program expenditure is in respect of areas which are the subject of granted tenements, and includes rental payments. It is the Company's intention to undertake exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate a JORC Code compliant mineral resource estimate. The Company may seek to raise additional funds within 2 years after listing on the ASX to the extent required to increase and accelerate exploration and drilling programs.
3. The Company proposes to examine market opportunities with a view to acquiring suitable exploration or mining leases to complement the Company's existing tenement and project portfolio. The Company will only pursue such opportunities if it determines that the application of funds in this manner will not jeopardise the development of the Company's existing tenement and project portfolio, which are core to the Company's objectives.
4. Working capital expenditure is to be applied towards administration costs associated with the Company. These costs include wages and salaries, occupancy costs, professional consultant's fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration costs. It is anticipated that funds available as unallocated working capital may be applied to any contingency resulting in the unforeseen expenses associated with the Company's existing projects and also towards expenses incurred in identifying and generating new mineral exploration projects or assets.

The use of funds set out above represents the Company's current intentions based upon its present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of the Company's exploration efforts.

The Directors are of the opinion that, following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as set out in the table in this section 2.14.

2.15 Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

	Number of securities
Shares	60,795,010
Options	20,000,000

There are 148 existing Shareholders, including entities associated with Thomas Mann, Jason Beckton, Peter Nightingale and John Levings, all of whom are Directors of the Company. Refer to section 5.5 for information about the Directors' interests in securities.

The Company also has on issue 20,000,000 options which are held by Thomas Mann, Jason Beckton, Peter Nightingale, John Levings, Richard Edwards and other employees of the Company, each with an exercise price of \$0.25 and which expire on 31 December 2020. The options vested at the date of their issue on 28 November 2016. Refer to section 5.5 for information about the Directors' interests in securities.

2.16 Current structure following the Offer

At the Allotment Date, the issued Share capital of the Company will be as set out in the table below:

	Shares (Minimum Subscription raised)	% Total (undiluted) (Minimum Subscription raised)	Shares (Maximum Subscription raised)	% Total (undiluted) (Maximum Subscription raised)
Shares currently on issue	60,795,010	70.86	60,795,010	61.85
Shares under the Offer	25,000,000	29.14	37,500,000	38.15
Total Shares following the allotment of Shares under the Offer	85,795,010	100	98,295,010	100

At the Allotment Date, the Company will have the following options on issue:

- 20,000,000 options held by the Directors and employees of the Company with the terms as set out in section 12.6;
- up to 18,750,000 Loyalty Options in accordance with the terms of the Loyalty Options set out in sections 2.2 and 12.4; and
- 7,000,000 options in accordance with the terms of the Lead Manager Options set out in sections 2.3 and 12.5.

2.17 CHES and issuer sponsored sub-register

The Company will apply to the ASX to participate in the Securities Clearing House Electronic Sub-register system known as CHES. CHES is operated by ASX Settlement Pty Ltd (ASTC) in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. Under CHES, the Company will not be issuing certificates to Applicants who elect to hold their Shares on the CHES sub register. After allotment of Shares, Shareholders will receive a CHES holding statement.

The CHES holding statements, which are similar in style to bank account statements, will set out the number of Shares allotted to each Shareholder pursuant to this Prospectus. The CHES holding statement will also advise holders of their holder identification number and explain for future reference the sale and purchase procedures under CHES. Further statements will be provided to holders which reflect any changes in their shareholding in the Company during a particular month.

3. Company overview

3.1 The Company

The Company, a minerals exploration company, focused on gold and silver exploration in Slovakia, was incorporated on 26 September 2014 as an unlisted public company and, following a 3 month due diligence period, on 22 December 2014 entered into an Earn-in Agreement with Atalaya to earn up to an 81% interest in SLOK, the 100% holder of two exploration licences, then covering an area of approximately 115km² in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.

The opportunity for the Company to acquire an interest in the Hodrusa-Hamre and Nova Bana exploration licences arose due to a change of corporate focus by Atalaya to another major project owned by Atalaya.

Since December 2014, the Company has:

- satisfied the conditions of the Earn-in Agreement to earn an 81% interest in the Hodrusa-Hamre and Nova Bana exploration licences;
- reached agreement, the Share and Rights Sale and Purchase Agreement, to acquire all of Atalaya's remaining interest in the Hodrusa-Hamre and Nova Bana exploration licences;
- applied for and been granted strategic extensions to the Hodrusa-Hamre and Nova Bana exploration licences;
- applied for and been granted the Jasenie exploration licence;
- applied for, but not yet been granted, the Ľubietová exploration licence; and
- successfully completed initial exploration of the Hodrusa-Hamre and Nova Bana exploration licences.

Details of the Earn-in Agreement and the Share and Rights Sale and Purchase Agreement are set out in section 11.

Details of the initial exploration results of the Hodrusa-Hamre and Nova Bana exploration licences and an Independent Expert Geologist, Technical Assessment Report on the Company's projects are set out in sections 4 and 9.

The Board comprises:

- Thomas Mann, Chairman and Non-Executive Director;
- Jason Beckton, Managing Director;
- Peter Nightingale, Executive Director and CFO; and
- John Levings, Non-Executive Director.

A summary of the experience and qualifications of the Board is set out in section 5.

3.2 Business Model

The Company is an exploration stage company and does not expect to generate any revenue in the near term. The Company's focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects.

The Company has satisfied the exploration expenditure requirements of the Earn-in Agreement and now holds an 81% interest in SLOK and, pursuant to the Share and Rights Sale and Purchase Agreement, has rights to acquire Atalaya's remaining interest in the Hodrusa-Hamre and Nova Bana exploration licences.

The Company is the manager of operations in accordance with generally accepted mining industry standards and practices.

Following the completion of the Stage 3 earn-in, the Company and Atalaya entered into a Joint Venture Agreement, providing for the conduct of operations with the parties contributing to funding requirements in accordance with their participating percentage interests in the joint venture. In the event that one party elected not to contribute their share of a funding requirement, they will dilute down.

The Joint Venture Agreement has subsequently been superseded. On 24 May 2017, the Company and Atalaya entered into a Share and Rights Sale and Purchase Agreement under which, following successful completion of the Offer and quotation of the Company's securities on the ASX, the Company will acquire Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement for 833,333 Shares and 416,667 options with the same terms and conditions as the Loyalty Options.

Having a presence in the metallogenic region, the Company's qualified personnel have identified a number of other nearby gold-silver and associated metal properties which are being assessed for pegging and/or acquisition subject to Company priorities and resources.

3.3 Sources of revenue

The Company does not expect to generate any revenue in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects.

Further details about the Group's revenue are set out in section 7.

3.4 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances can be given by the Company as to the payment of future dividends as this will depend on, amongst other things, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.

4. Projects

4.1 Location - Slovakia

Slovakia joined the European Union in 2004 and the Eurozone in 2009. It is an advanced economy with one of the faster growth rates in the European Union and the OECD with a population of approximately five million and an area of approximately 49,000km².



Country location of the Company's projects.

Slovakia has instituted modern legislation and a regimented legal system and, together with low wages, low tax rates and a well-educated labour force, is an attractive jurisdiction for foreign investment. In recent years, Slovakia has been pursuing a policy of encouraging foreign investment.

The corporate tax rate is 22% and a mining royalty in Slovakia varies from 0.5% to 10%, depending on the commodity. In the case of gold and silver it is 5% on gross profit, paid quarterly.

Slovakia was under Communist rule until December 1989. Democracy is young and some transitioning from plutocracy is still apparent, particularly with the older generation, with the old socialist ways of doing things still holding some sway. The younger generations are intolerant of corruption and are rapidly westernising the country, offering significant new opportunities.

4.2 The Projects - Introduction

An Independent Expert Geologist, Technical Assessment Report on the Company's projects is set out in section 9.

The Company owns:

- the Hodrusa-Hamre exploration licence, including the strategic extension of the licence applied for and granted to the Company – 81%;
- the Nova Bana exploration licence – 81%;
- the Rudno nad Hronom exploration licence – 100%;
- the Jasenie exploration licence – 100%; and
- the Lubietová exploration licence application – 100%.

In addition, under the terms of the Share and Rights Sale and Purchase Agreement, the Company has rights to acquire the remaining 19% interest in the Hodrusa-Hamre and Nova Bana exploration licences.

Hodrusa-Hamre Project

Located 200 kilometres east of Vienna, the 103.5km² Hodrusa-Hamre exploration licence covers the majority of the historic Hodrusa-Hamre/Banská Stiavnica mining district, the caldera of the Neogene Stiavnica Stratovolcano, hosting some 120 epithermal veins with the major veins reaching a length of 8 kilometres.

Nova Bana Project

Located 15 kilometres west of Hodrusa-Hamre, the 52.3km² Nova Bana and Rudno nad Hronom exploration licences cover an epithermal gold system with veining known to extend over an area of 3.8 kilometres by 1.6 kilometres associated with rhyolite intrusives and extrusives hosted by andesite volcanics on the flanks of the Stivnica Stratovolcano.

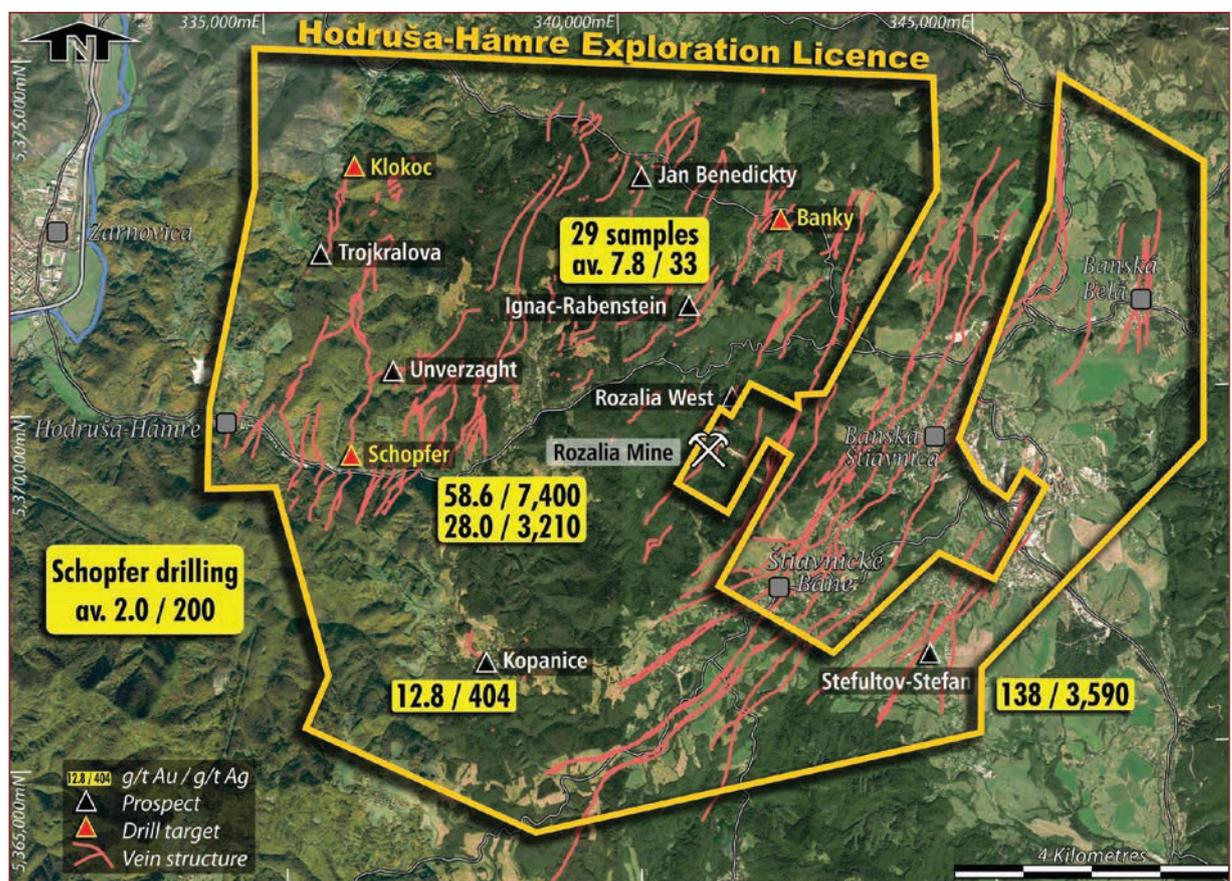
Jasenie Project

The 29.4km² Jasenie exploration licence hosts a gold-tungsten project located approximately 90 kilometres northeast of the Hodrusa-Hamre licence area on the southern side of the Nízke Tatry mountains, north of Jasenie village. In the 1950s an 18 kilometre long and 400 metre to 1,000 metre wide scheelite-gold anomaly was identified at Jasenie.

L'ubietová Project Application

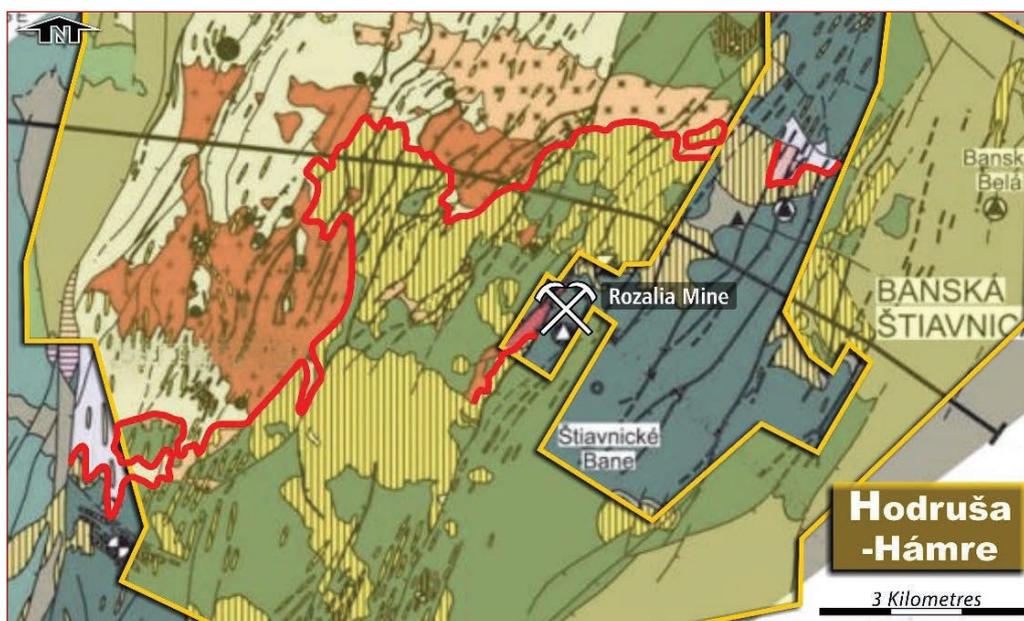
Located approximately 50 kilometres northeast of the Hodrusa-Hamre licence area, the 14.2km² L'ubietová exploration licence application covers the Podlipa silver-copper-cobalt deposit which has reported mining activity for approximately 500 years from an oxide zone at shallow depths. A recent academic study has indicated the possibility of mineralisation in the deeper sulphides.

The Company's principal focus is on the Hodrusa-Hamre and Nova Bana projects.

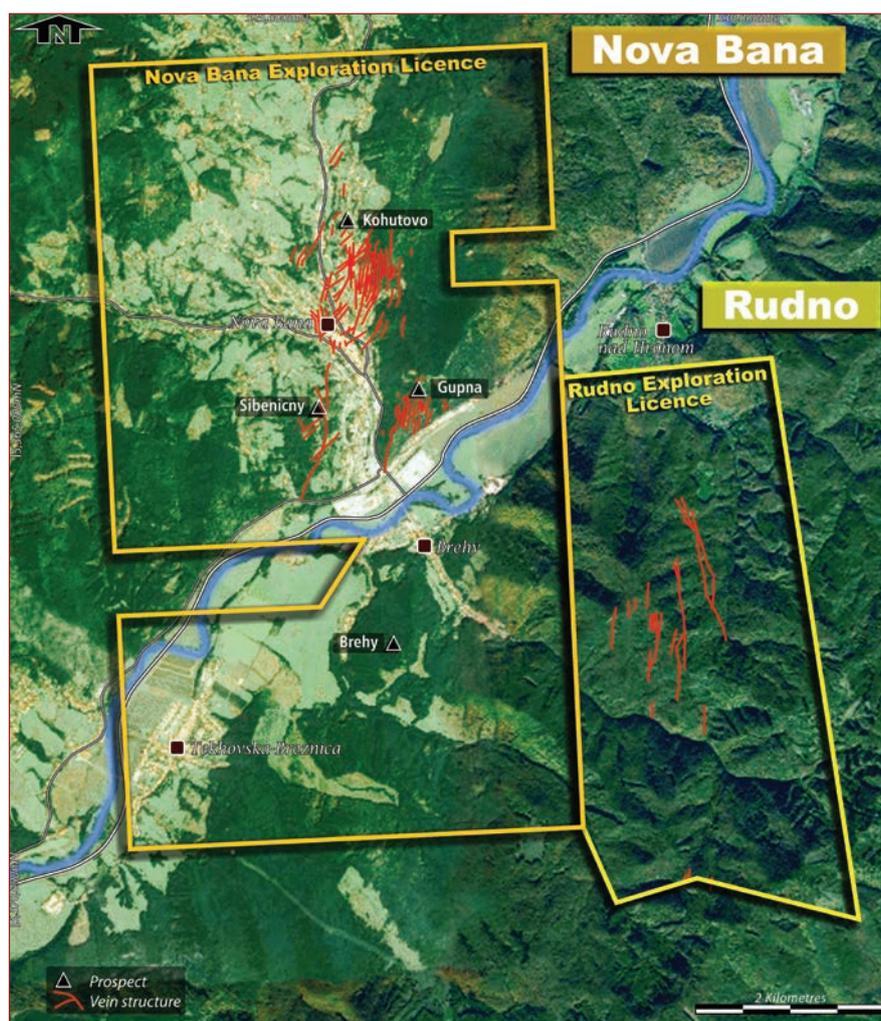


Hodrusa-Hamre exploration licence and targets.

4. Projects



Hodruša-Hámre exploration licence Rozalia horizon target marked in red on Prospech tenure.



Nova Bana exploration licence and targets.

4.3 Exploration Target

The Company's exploration licence areas require further exploration, including drilling, however, based on more than a millennia of mining activity and recent exploration encouragement, it is considered likely that the exploration licences, which cover an area of approximately 185km² have a multi-million ounce exploration target potential.

This Exploration Target will be refined, added to and subtracted from as further data from the Company's exploration activities becomes available.

The Exploration Target estimates are based on historic production, drill assays and surface sampling described in sections 4 and 9 based on all known occurrences known over 1.0 g/t gold. Datasets used to determine the grade and tonnage ranges included historical production records, surface sampling, modern drilling results and data quality permitting, 3D modelling of voids and interpreted solids of interpreted vein zones.

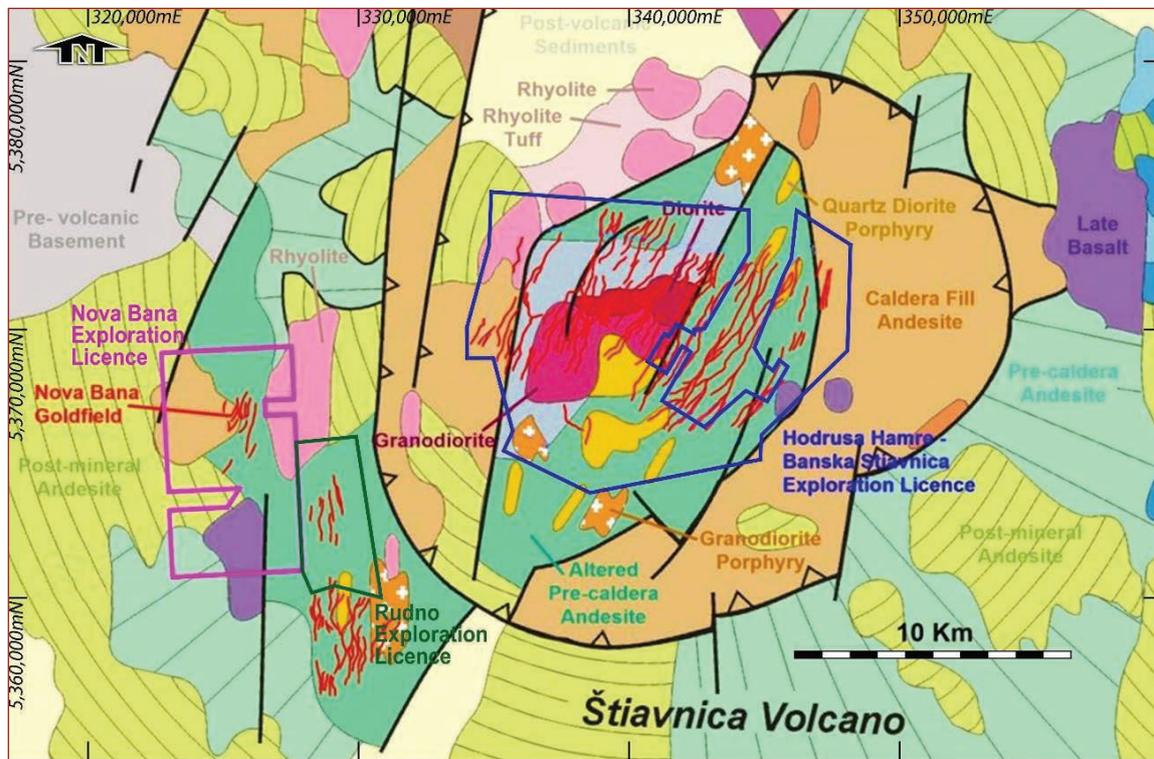
Project	Prospect	Evaluation Stage				
Hodrusa	Vyhne-Klokoč	Drilled and 3D modelled				
Hodrusa	Grüner-main vein	3D modelled				
Hodrusa	Grüner-footwall (Štefan Maria Shaft)	3D modelled				
Hodrusa	Ochsenkopf (Roxner) vein	Surface sampled and 3D modelled				
Hodrusa	Collorodo (Ignác, Melango) vein	3D modelled				
Hodrusa	Schöpfer vein	Surface sampled and to be drilled				
Hodrusa	Alžbeta and Univerzal (Unverzagt) veins	3D modelled and to be surface sampled				
Hodrusa	Brenner vein	3D modelled and to be surface sampled				
Hodrusa	"New" Ján Benedickty vein	3D modelled - drill permitted for drilling				
Hodrusa	Banky vein system (Ignac, Juraj, Rummel-Hoffer, Jozef, Rabenstein veins)	Surface sampled, 3D modelled and historically drilled -				
Hodrusa	Banská Belá vein system (Goldfahrten, Baumgarten, Juraj veins)	2D collation				
Hodrusa	Kopanice (Hlavná and Zlatá veins)	3D modelled - drill permitted for drilling				
Hodrusa	Trojkráľová (Three Kings) vein	Drilled and 3D modelled				
Nova Bana	Nova Bana Gupna	Drilled, 3D modelled and permitting for drilling				
Nova Bana	Nova Bana Kohutovo	Drilled, 3D modelled and permitting for drilling				
Nova Bana	Nova Bana Brehy	2D collation				
Nova Bana	Nova Bana Rudno	2D collation				
Jasenie	Jasenie gold tungsten	2D collation				
		Exploration Target (Tonnes)	Grade (Au g/t)	Grade (Ag g/t)	Million Ounces (Au)	Million Ounces (Ag)
Exploration Target Range Minimums		25,000,000	3.5	100	2.8	81
Exploration Target Range Maximums		30,000,000	7.0	300	6.8	290

Exploration Target.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

4. Projects

The Company has generated a number of drill targets based on a review of historical exploration data, including 3D digitisation of some of the historical mining plans and sections, and has identified targets where gold rich veins are known to exist but have yet to be drill tested.



Projects and simplified geology.

4.4 Exploration History

Anciently, the target metal was silver, the currency of the day, and more recently, during the Communist era, the targets were industrial base metals, copper, lead, zinc and others. As a result, much of the country, including the Company's exploration licence areas, has not been subject to modern western exploration methodology or exploitation.

Slovakia has a known mining history dating to Celtic times and earlier. Tools used by prehistoric miners at Spania Dolina, near Banska Bystrica are dated as early as 2000–1700 BC. Major production of metals (primarily copper and silver) occurred during the medieval period. The second oldest mining institute in the world is located at Banska Stiavnica (in the Hodrusa–Hamre exploration licence area) and the local population is proud of their mining heritage, holding a three day mining festival every year. The mint at nearby Kremnica has operated for over six hundred years and continues to operate today.

Communist era base metal and coal production was substantial and smelting of aluminium and nickel (ore imported from Albania) was carried out. Coal, gold, silver, siderite, anhydrite and magnesite (and limestone, dolomite and gravel) are being mined in Slovakia today. An underground gold mine on a third party mining lease enclosed within the Hodrusa–Hamre exploration licence, the Rozalia Mine, continues in operation today, trucking a gravity/flotation concentrate to a smelter in Belgium.

Communist era gold assays used in Government and private exploration programs have been proven to be unreliable and this must be taken into account when interpreting reports from the Communist era.

Atalaya introduced the use of internationally accredited foreign assay laboratories in 2005 (initially in Australia and then in Romania), providing the first reliable gold assay results for the Hodrusa–Hamre and Nova Bana project areas. In recent years, an extensive country-wide cadastral, geological, geochemical and geophysical database has been built by the Geological Survey of Slovakia.

A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies, minor private exploration prior to Atalaya's involvement and Atalaya's exploration prior to their decision to focus on another major project development.

4.5 Geologic Database

Gold assays from the pre-Atalaya era must be used with caution and systematic re-assaying of old core, where available, is undertaken.

Base metals were the focus of mining during the Communist era – particularly from the Hodrusa–Hamre exploration licence area veins on the Government owned Rudne Bane mining lease. Ore crushing was coarse and so precious metal recovery was poor. No precious metal assaying was done as only base metal rich veins were pursued. Numerous hanging wall and footwall veins close to mined areas were ignored if visible base metal mineralisation was not observed.

These practises, whilst frustrating from a data point of view, present the opportunity of untouched precious metal discoveries by the Company.

Atalaya and others highlighted targets where gold rich veins are thought to exist but have yet to be drill tested. Atalaya commenced 3D digitisation of historical mining plans and voids and the Company has now completed 3D digitisation of more than 50 mineralised vein sets, including void modelling, to a first pass standard to facilitate drill planning and for use in future resource estimation.

Atalaya collected more than 3,000 surface and underground rock chip samples in the region. Their sampling methods were to industry standards and assays were completed at ALS in Romania using internationally accredited assay standards.

Some of the best Atalaya results include:

Prospect	Significant Atalaya Assays
Banská Belá	8.51 g/t gold
	and 5.55 g/t gold, 96.8 g/t silver
	and 25.50 g/t gold
Banská Belá Bursa	4.12 g/t gold, 188.0 g/t silver
Kopanice	12.70 g/t gold, 169.0 g/t silver
	and 6.95 g/t gold, 99.6 g/t silver
Banky	4.69 g/t gold, 106.0 g/t silver, 5.75% copper, 3.98% lead
	and 2.74 g/t gold, 229.0 g/t silver
	and 5.75 g/t gold, 398.0 g/t silver
Jan Jozef shaft, Ochsenkopf Vein	9.26 g/t gold, 16.3 g/t silver, 1.35% lead, 1.97% zinc
	and 0.64 g/t gold, 1,280.0 g/t silver
Hodrusa–Ochsenkopf	3.34 g/t gold, 92.6 g/t silver
Spitaler Vein, Glazenberg	5.54 g/t gold, 52.7 g/t silver, 3.33% zinc
	and 8.76 g/t gold, 48.3 g/t silver, 1.11% lead, 7.41% zinc
Berenleuten	3.61 g/t gold u, 38.2 g/t silver
	and 5.85 g/t gold
BS–Sandorka	3.03 g/t gold, 28.7 g/t silver
Podhorie	3.64 g/t gold, 8.5 g/t silver
Treibolcz	3.22 g/t gold, 2.5 g/t silver
Bieber vein, Jergi stolna	3.41 g/t gold, 36.3 g/t silver
Hodrusa–Stefan vein	3.03 g/t gold, 293.0 g/t silver
Ferdinand vein	8.19 g/t gold, 565.0 g/t silver
Vyhne–Alzbeta vein	3.69 g/t gold, 316.0 g/t silver
Wolf Shaft	3.93 g/t gold
Stefultov–Stefan Vein	31.2 g/t gold, 613.0 g/t silver
Sementlov	4.14 g/t gold
Nova Bana Central	51.10 g/t gold
	and 21.20 g/t gold and 8.9 g/t silver

4. Projects

Significant assays from Atalaya rock chip sampling.

Targets identified in the Hodrusa–Hamre exploration licence include Kopanice, Banky, Ignac–Rabenstein, Gruner, Unverzagt–Alzbeta, Vynne Klokoc skarn, Banska Bela, Jan Benedicky, Schopfer and Triebolcz. A pipeline of targets is subject to continual internal ranking and testing.

Records of bonanza gold grades being historically mined at the Nova Bana goldfield have been found in the Company's review of the extensive geologic database. However, the Nova Bana area has been subject to very limited modern exploration.

4.6 Exploration Activities

Prior to entering into the Earn-in Agreement with Atalaya, in late 2014, the Company conducted due diligence including collecting rock chip samples, in part to compare with the previous sample results achieved by Atalaya. Duplication of Atalaya sampling was limited by inevitable factors and it was not possible for the Company to duplicate the sample location of specific samples exactly. Nevertheless, samples collected by the Company which match with the most likely nearby Atalaya equivalent sample show no systematic bias and good correlation within the range of expected variability, thereby providing a degree of validation of the Atalaya geologic database.

Subsequently to entering into the Earn-in Agreement, the Company has continued with geological mapping, 3D digitisation of historical mining plans and voids and rock chip sampling to facilitate drill planning. Targets selected for drilling have been ranked by a matrix of factors including proximity to the Rozalia Mine (Ignac–Rabenstein, Banky, Stefan, Rozalia West) and potential to generate resource outcomes exceeding 1 million ounces of gold (Schopfer, Klokoc, Nova Bana).

The Company's rock chip assay result highlights from numerous vein systems include:

- 29 samples averaged 7.80 g/t gold and 33.0 g/t silver from the Ignac–Rabenstein prospect;
- 138.00 g/t gold and 3,590.0 g/t silver from the Stefultov Stefan prospect;
- 47.30 g/t gold and 48.0 g/t silver from the Ignac–Rabenstein prospect;
- 58.60 g/t gold and 7,400.0 g/t silver from the Schopfer vein;
- 28.20 g/t gold and 3,210.0 g/t silver from the Schopfer vein;
- 12.50 g/t gold and 961.0 g/t silver from the Jan Benedicky prospect;
- 12.85 g/t gold and 404.0 g/t silver from the Kopanice prospect;
- 5.54 g/t gold and 8.7 g/t silver from the Jan Jozef shaft;
- 4.28 g/t gold and 272.0 g/t silver from the Rudno prospect; and
- 1.48 g/t gold and 60.4 g/t silver from the Banska Bela prospect.

The Company initially drill tested, typically with only one "sentinel" diamond drill hole in each target, the Klokoc, Banky, Rozalia West, Stefan, Trojkrálova and Schopfer targets within the Hodrusa–Hamre exploration licence and also the Gupna and Kohutovo targets within the Nova Bana exploration licence. Four underground holes were subsequently completed on the known high grade stope area of the Luisa vein within the Schopfer prospect. Due to significant results from that drilling, it is the near term focus of surface drilling within the Hodrusa–Hamre project.

Sentinel drilling is high risk in terms of obtaining bonanza assay results from any individual hole, however the knowledge gained from each hole does confirm the geologic interpretation of each drilled target and is being used to refine future drilling.

Drilling results are set out in the Independent Expert Geologist, Technical Assessment Report on the Company's projects in section 9. Summary comments are:

- Klokoc (KKDD001) results (including 4.0 metres @ 2.35 g/t gold and 8.0 g/t silver from 187.0 metres and 18.0 metres @ 1.37 g/t Au and 8.0 g/t silver from 213.0 metres) validate the location of historic along strike intercepts.
- Klokoc structure remains open to the north and south and will be further drill tested. This style is skarn with a feeder vein intersecting limestones.
- A re-assay of the 1990s Banky drill core (VBR-7) returned 120.00 g/t gold.
- VBR-7 was drilled vertically from the same position as Banky hole BKDD001 (dip 60°). BKDD001 results (including 1.0 metre @ 3.04 g/t gold and 75.9 g/t silver from 75.0 metres) encourage a vertical redrill of the hole.
- Rozalia West (RW1) intersected the mineralisation host sequence and will guide further drill planning in conjunction with Rozalia Mine data. Ongoing discussions with Rozalia Management to determine areas of possible cooperation.
- Gupna (NBDD002) reported the first visible gold from Nova Bana in modern times from a sample returning 5.82 g/t gold at 317.0 metres.
- Kohutovo (NBDD003) reported several gold intercepts including 10 metres @ 1.0 g/t gold from 216.0 metres.
- Schopfer (SCDD001 to SCDD004). Target scale is 2.5 kilometres in length of variable width up to 10 metres true width. Three dimensional remnant model completed to allow surface drilling of known high grade shoots including 1.5 metres @ 5.60 g/t gold and 258.0 g/t silver from surface. These short, underground holes were completed with a handheld diamond rig to test the historically high grade area and has confirmed future drill out plans for this historic resource.

4.7 Hodrusa-Hamre exploration licence

Below is a summary of some of the targets within the Hodrusa-Hamre exploration licence.

Schopfer

The exploration target consists of the hanging wall and footwall of Schopfer vein and the area around the intersection of the Schopfer vein with the Keleti and Klement-Stefan veins. Historic production records up to the 1950s indicate 1.0 million tonnes of ore at a grade of 4 g/t gold and 400 - 500 g/t silver were mined for a total production of 130,000 ounces of gold and 13 - 17.5 million ounces of silver.

The Company's recent underground drill results from the Schopfer vein average 2.0 g/t gold and 200 g/t silver. Together with the Company's rock chip sample results (58.6 g/t gold and 7,400 g/t silver; 28.2 g/t gold and 3,210 g/t silver) have resulted in the design of an underground and surface drill program with a goal of a mineral resource estimate reportable to JORC standards.

Klokoc

Klokoc (KKDD001) validated the location of along strike intercepts which include:

- V169 with 10.5 metres @ 3.10 g/t gold and 6.5 g/t silver 100 metres to the west of KKDD001.
- V155 with 2.5 metres @ 61.00 g/t gold and 42.0 g/t silver 100 metres to the south of KKDD001.

The structure remains open to the north and south and has been modelled in 3D, showing that the target is shallowing to the north and therefore potentially amenable to testing by reverse-circulation (RC) drilling.

KKDD001 (to 223.5 metres) returned gold results from sulphide replacement of magnetite rich sediments. This planar style of mineralisation occurs just above basement granites. The exact stratigraphic position and geometry (albeit in a different host rock) is similar to the nearby Banky and Jan Benedicky targets and the Rozalia Mine.



KKDD001 indicates the continuous nature of mineralisation. This prospect presents a relatively low risk resource drilling target. The Company is investigating RC rig availability for a potential drill out of this target. Access is straight forward as the drilling will be in an actively logged forestry area with many historical drill pad sites.

Banky

Banky (BKDD001) was designed to test a Rozalia Mine style target at the same vertical depth as results from a 1960s hole, XH23 which returned 4.0 metres @ 7.99 g/t gold and 331.0 g/t silver from 98.0 metres and 8.0 metres @ 2.97 g/t gold and 260.0 g/t silver from 178.0 metres. These results were able to be confirmed by the Company by assaying available skeletal core from that drill hole.

Subsequent to receiving the assay results from BKDD001 which, whilst confirming the geologic interpretation did not repeat the XH23 results, core from another Banky hole (VBR-7) drilled in the 1990s has been located and assayed by the Company, returning 120.00 g/t gold from a 20 centimetre section from 175.5 metres.

VBR-7 was drilled vertically from the same position as BKDD001 and a vertical hole from the Banky BKDD001 drill pad is planned. The Banky target is within development distance of Rozalia Mine operations.

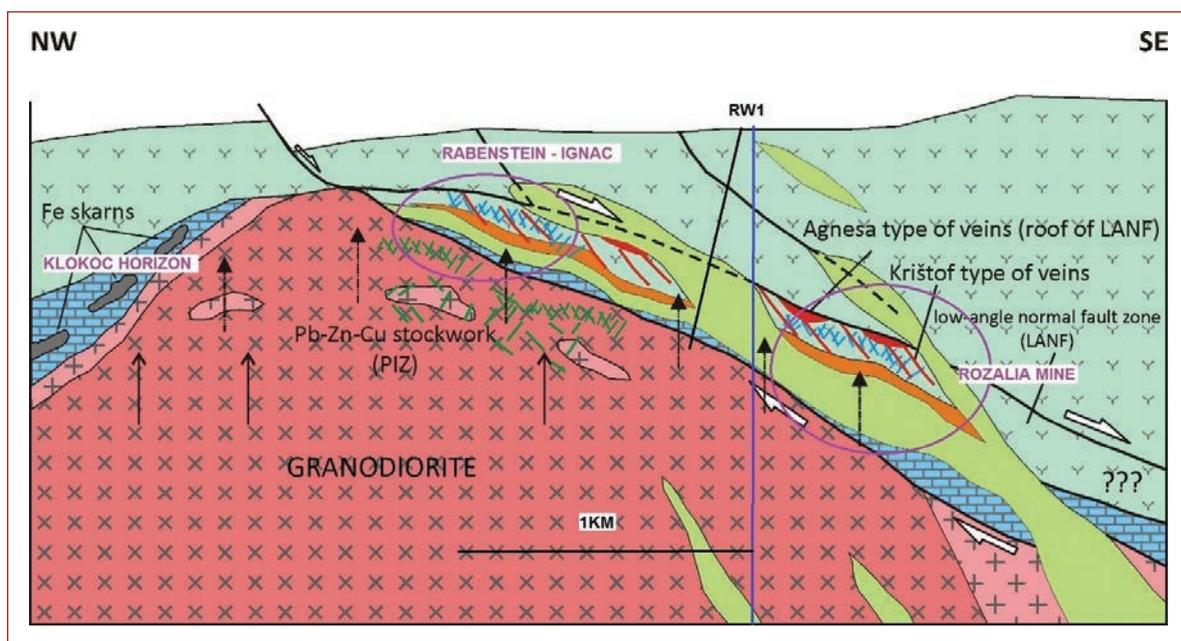
4. Projects

Rozalia West

In December 2015, an Exploration and Co-operation Memorandum of Understanding (MoU) was entered into with Slovenská Banská s.r.o., the owner of the Rozalia Mine. Whilst the MoU is non-binding, it demonstrates a close co-operation between the Company and the Rozalia Mine.

The Rozalia Mine processing plant produces gold and silver concentrates using cyanide free processing with modern Outotec technology. Mineral deposits discovered by the Company may be able to be processed using the Rozalia Mine plant and equipment.

The Rozalia West drill hole (RW1) was designed to test the continuation of the Rozalia Mine ore body which is currently being mined. RW1 intersected the mineralisation host sequence, however, assay results were disappointing partly due to poor core recovery of the ore zone. As there were no supporting metal intercepts reported from other zones, this target has momentarily been downgraded below other targets. Review and design of a further drilling is underway in consultation with Rozalia Mine data.



Rozalia Mine Section, operating since 1991, is currently producing ~20,000 ounces of gold equivalent per annum from ore with a head grade of 12.5 g/t gold. Prospech's tenure occurs from RW1 to the west.

Kopanice

Rock chip samples taken by the Company from outcrops in the shallow workings at Kopanice have confirmed significant gold and silver mineralisation up to 12.85 g/t gold and 404.0 g/t silver.

Drill pad locations have been permitted for 4 shallow (<100 metre) drill holes using a small diamond gopher rig into the known 30 metre wide stockwork system. This drilling is scheduled for 2017.

Ignac-Rabenstein

Recent rock chip results from Ignac-Rabenstein prospect (average 7.80 g/t gold and 33.0 g/t silver) are currently being collated with historic results.

Located adjacent to the operating Rozalia Mine, these results are considered to represent an up dip equivalent of the structure currently being mined. The results have caused the Company's geologists to reconsider the geologic structure of a significant part of the Hodrusa-Hamre exploration licence area and 3D digitisation of historical mining data is underway to support drill planning for 2017 drilling of the Ignac-Rabenstein prospect.

Other Targets

Review of historic data continues and numerous other targets, including Unverzagt-Alzbeta, Pivovarska Valley and Jan Benedicky, are in process of being prepared for 2017 drill testing.

4.8 Nova Bana exploration licence

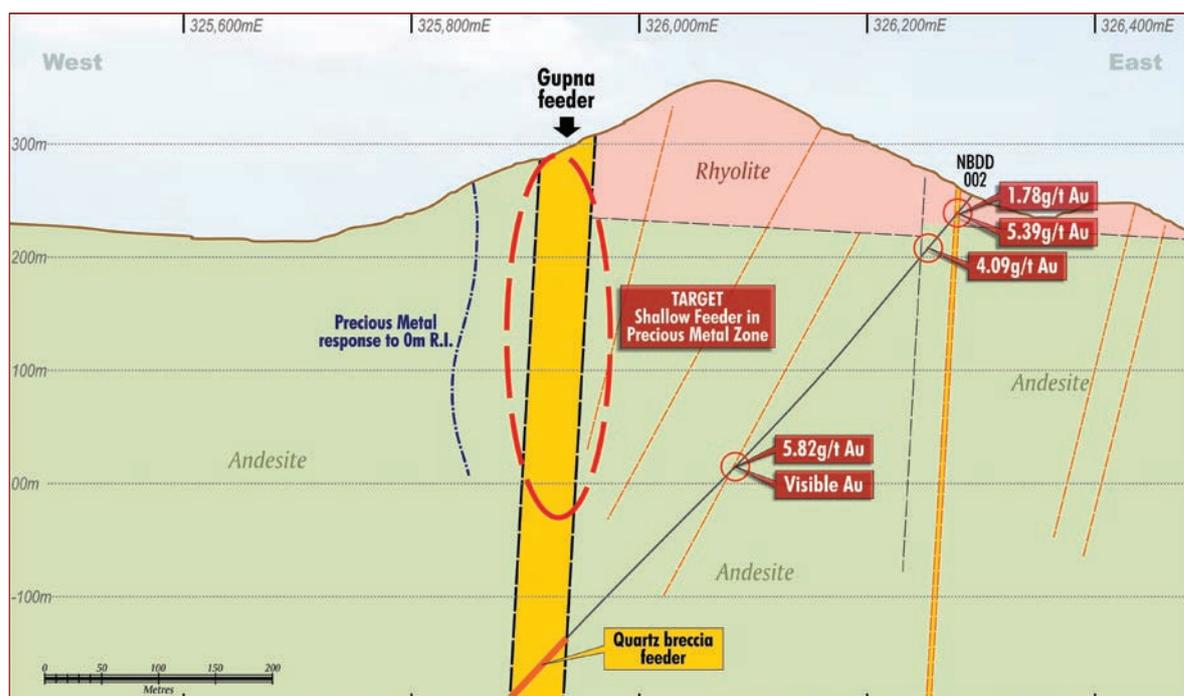
Cupna

In the absence of any prior systematic drilling, targets have been generated from 3D modelling of workings from historical data, surface mapping and the evolving knowledge gained from each completed drill hole.

Gupna (NBDD002), which was redesigned following geological interpretation from NBDD001, intersected a 93.0 metre quartz breccia zone from 531.5 metres to 624.5 metres. Within this broad structural zone, 10.0 metre wide zones of quartz-carbonate-pyrite veinlets are repeated. This structure is interpreted to be a main feeder of mineralisation and will inform ongoing drill hole designs.



A number of encouraging narrow, near surface assay results (such as 5.39 g/t gold and 29.9 g/t silver, 4.09 g/t gold and 59.3 g/t silver) were reported. Further shallow drilling, possibly by RC, is being planned to test the continuity and extent of this shallow mineralisation. Assay results for NBDD002 included 0.8 metres @ 5.82 g/t gold and 1.6 g/t silver from 317.0 metres, and subsequent inspection for geological logging purposes identified visible gold in a section of altered andesite with sparsely-occurring hairline quartz, minor carbonate, sphalerite, pyrite veins.

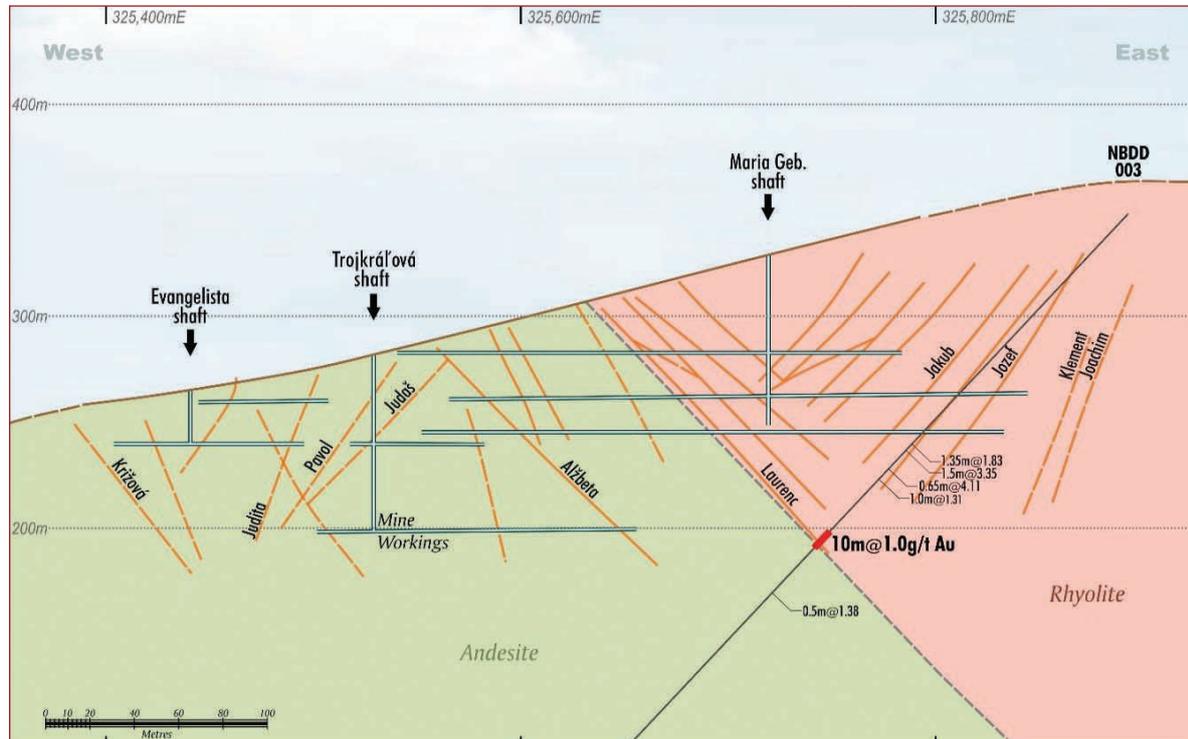


Cupna (NBDD002) section with discovery of the main quartz breccia feeder to be drilled at shallow levels in 2017.

4. Projects

Kohutovo

This historic gold-silver production area has never been systematically drilled. NBDD003 was drilled to a depth of approximately 394 metres to cross the Laurenc structure. Drilling conditions are difficult due to the numerous historic workings.



NBDD003 drill plan cross-section.

The drill hole tested the junction of the Laurenc and Jakub/Jozef mineralised zones, which have been known to produce bonanza grades of gold and silver in historical mines. Results, including 10 metres @1.0 g/t gold from 216.0 metres, confirm mineralisation continuity. Follow up drilling closer to historically mined and known remnant areas of high grade mineralisation will be planned following 3D modelling of the target. This junction area within an epithermal gold zone offers a high tonnage exploration target within the broader Nova Bana goldfield.

Rudno nad Hronom

This exploration licence was pegged by the Company, at minimal cost, over open ground and granted in May 2017.

Low sulphidation epithermal mineralisation occurs in the massif of Chlm in hydrothermally altered pyroxene-amphibole andesite between Rudno nad Hronom and Brehy village. The deposit is formed by two groups of precious metal bearing, steeply dipping veins striking north-south, of 1 to 2 metres thick and 1,500 metres long. Only a 200 metre long segment has been subject to systematic exploitation.

The western part of the deposit contains the Johan de Deo, Filip, Goldschram, and Priečna veins. The Anna vein structure occurs in the eastern part of the Chlm massif. The gold-silver mineralisation is developed in the near-surface part of the veins, to approximately 50 metres depth.

The Company has completed a small rock chip sampling program, six out of 15 mullock-heap samples returned more than 1.0 g/t gold and averaged 2.60 g/t gold and 158.0 g/t silver. Samples from the Anna vein structure returned an average of 1.40 g/t gold and 77.0 g/t of silver.

In summary, Nova Bana has been subject to very limited modern exploration and has never been systematically drilled. The Company's drilling to date at Nova Bana has defined the location of the main feeder as interpreted in 3D modelling to be below the optimum level for gold deposition. The precious metal target remains open and untested for the main feeders with positive gold and silver assay results from sub-parallel splay veins which have resulted in historic surface workings over 100 metres wide.

4.9 Jasenie exploration licence

Jasenie is a gold-tungsten project located approximately 90 kilometres northeast of the Hodrusa-Hamre licence area on the southern side of the Nizke Tatry mountains, north of Jasenie village.

The Company filed an exploration claim application, which was successfully granted to Prospech in May 2017. The project is partly in a National Park and partly in a National Park buffer zone. The environmental protection levels permit exploration and mining activity subject to certain conditions to be imposed by the Environmental Bureau of Slovakia.

The history of modern mining starts at the end of 1950s, when an 18 kilometre long and 400 metre to 1,000 metre wide scheelite-gold anomaly was identified on the southern slopes of the Nizke Tatry mountains. Exploration adits with a total length of 13 kilometres were driven in the 1980s.

Quartz veins up to 9.0 metres wide and with an average 1.5 metre width contain the highest gold concentrations, whereas scheelite (tungsten) occurs predominantly in stockwork zones. Vein-type mineralisation is reported to contain several grams per tonne gold; with local enrichment up to several tens of grams per tonne. Localised zones of high-grade tungsten are reported to reach as much as 4%.

The highest reported gold assays come from rock chips collected in Spiglova valley (72.00 – 77.50 g/t gold). The average gold grade out of 33 rock chips collected during the latest, 1980's exploration is reported to be 9.07 g/t gold.

4.10 Additional Opportunities

Having a presence in the metallogenic region, the Company's qualified personnel have identified of a number of other nearby gold-silver and associated metal properties which are being assessed for pegging and/or acquisition subject to Company priorities and human and financial resources.

At minimal cost to the Company, applications have been made and granted to the Company for strategic extensions to the Hodrusa-Hamre and Nova Bana exploration licence areas. The Company has also applied for, and been granted, the Jasenie exploration licence.

Application has been made for the L'ubietová exploration licence area. Located approximately 50 kilometres northeast of the Hodrusa-Hamre licence area. The 14.2km² L'ubietová exploration licence application covers the Podlipa silver-copper-cobalt deposit which has reported historical production over its approximate 500 year mining history of 55 million ounces of silver and 25,000 tons of copper from an oxide zone at shallow depths. A recent academic study has indicated the possibility of mineralisation in the deeper sulphides zones, making L'ubietová an attractive exploration target at minimal cost to the Company.

Summary and Outlook

Hodrusa-Hamre, Nova Bana and Jasenie project areas have more than a millennia of mining activity, relatively little modern-exploration and recent drill encouragement. The projects are considered highly prospective, and present the Company with good opportunities for the discovery of economically mineable multi-million ounce precious metal deposits.

5. Board, management and corporate governance

5.1 Board of Directors

The Board has a broad range of experience in the mining industry, exploration and geology as well as commercial expertise. The Board is well positioned to implement the Company's strategic objectives. The following table provides information regarding the Directors, including their ages and positions.

Name	Age	Position
Thomas Mann	71	Non-Executive Chairman
Jason Beckton	46	Managing Director
Peter Nightingale	59	Executive Director and Chief Financial Officer
John Levings	60	Non-Executive Director

5.2 Details of Directors

Details of each of the Directors are set out below.



Thomas Mann	
Role	Chairman, Non-Executive Director (appointed 26 September 2014).
Expertise	Mr Mann has over 30 years' experience in financial markets and global trade having established a global trading corporation with offices in North America and the Asia-Pacific. Mr Mann is actively involved in capital raising and strategic development initiatives for public and private companies. He retired as the Non-Executive Chairman of ASX listed Aeon Metals Limited in November 2016.
Independence or affiliations	Thomas Mann is independent.
Interests and remuneration	6,000,000 Shares held indirectly and 4,000,000 options held directly at the date of this Prospectus. \$40,000 per annum as Director fees.
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

5. Board, management and corporate governance



Jason Beckton

Role	Managing Director (appointed 26 September 2014).
Expertise	<p>Professional geologist with over 20 years' experience in exploration, project development, production and management in Australia and internationally.</p> <p>Commenced career with Pancontinental and Goldfields Ltd throughout Australia from the early 1990s before moving to a senior role with Gympie Gold in 2001. Subsequently Project Manager for the Palmarejo silver gold project in Mexico and managed the program that grew the resource base from zero to 3.1 million ounces gold equivalent during 2004. More recently Manager - Chile for Exeter Resource Corporation, and led the team in 2007 that was responsible for the commercial discovery at the Caspiche Porphyry prospect in the Maricunga Gold Copper Belt of Chile. Ongoing drilling has resulted in an inferred estimate by Exeter of 41.7 million gold equivalent ounces.</p> <p>In 2013, Founder of Redhill Magallanes SpA currently drilling the Franceses bulk tonnage copper discovery in Region XII and Redhill Chile (Ibanez) SpA in Region XI, both assets farmed out.</p>
Independence or affiliations	Jason Beckton is not independent.
Interests and remuneration	<p>5,000,002 Shares held indirectly and 5,000,000 options held directly at the date of this Prospectus.</p> <p>\$180,000 per annum in remuneration under the terms of an executive consultancy agreement between the Company and a company associated with Mr Beckton - refer to section 5.3.</p>
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

5. Board, management and corporate governance



Peter Nightingale

Role	Executive Director, Chief Financial Officer (appointed 26 September 2014).
Expertise	<p>Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.</p> <p>As a director or company secretary Mr Nightingale has, for more than 25 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals N.L., Mogul Mining N.L., Bolnisi Gold N.L and Cockatoo Coal Limited.</p> <p>Mr Nightingale is currently a director of ASX Listed Argent Minerals Limited, Collerina Cobalt Ltd and Planet Gas Limited and unlisted public company Nickel Mines Limited.</p>
Independence or affiliations	Peter Nightingale is not independent.
Interests and remuneration	<p>9,660,004 Shares held indirectly and 5,000,000 options held directly at the date of this Prospectus.</p> <p>\$60,000 per annum in remuneration under the terms of an executive consultancy agreement between the Company and a company associated with Mr Nightingale - refer to section 5.3.</p>
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

5. Board, management and corporate governance



John Levings

Role	Non-Executive Director (appointed 17 May 2016).
Expertise	<p>Mr Levings gained a Bachelor of Science degree from the University of Tasmania in 1977 and then worked for several years as a field geologist and geophysicist for Anglo American Limited. In 1985, as Chief Geologist for Australian Development Limited (later re-named Normandy Gold Limited), Mr Levings was responsible for the discovery of the high-grade White Devil gold deposit (760,000 ounces of gold at 14.6 grams per tonne) in Tennant Creek. In 1986 Australian Development Limited was the best performing stock on the ASX on the back of this discovery. Relocating to Indonesia, Mr Levings became a founding partner of a successful geological consultancy which was very active during the 1990s. In more recent times, Mr Levings identified the Romang Island polymetallic opportunity which was acquired by Robust Resources Limited.</p> <p>He remains a director of Robust Resources Limited which is now an unlisted public company and is a Fellow of the Australasian Institute of Mining and Metallurgy.</p>
Independence or affiliations	John Levings is independent.
Interests and remuneration	2,000,000 options held directly at the date of this Prospectus. \$30,000 per annum as Director fees.
Legal or disciplinary action	Nil.
Insolvent companies	Nil.

5. Board, management and corporate governance

5.3 Consultancy agreements and letters of appointment

Consultancy Agreement—Managing Director

The Company has entered into an executive consultancy agreement with a company associated with Jason Beckton. Under this executive consultancy agreement, the consultancy company agrees to make Mr Beckton available to perform the duties and responsibilities of the position of Managing Director. The consultancy company will receive a monthly fee of \$15,000 (exclusive of GST). As a Director of the Company, Mr Beckton will also be eligible to participate in the Company's Incentive Option Plan as set out in section 12.8.

The consultancy agreement may be terminated by the Company or the consultancy company be either party giving three months' notice. The Company may terminate the consultancy agreement without notice in certain circumstances, including breach of contract, criminal activity or serious misconduct involving the consultancy company or Mr Beckton.

The consultancy agreement has a commencement date of 14 June 2017 and continues until terminated in accordance with its terms.

Consultancy Agreement—Chief Financial Officer and Executive Director

The Company has entered into an executive consultancy agreement with a company associated with Peter Nightingale. Under this executive consultancy agreement, the consultancy company agrees to make Mr Nightingale available to perform the duties and responsibilities of the position of Chief Financial Officer and Executive Director. The consultancy company will receive a monthly fee of \$5,000 (exclusive of GST). As a Director of the Company, Mr Nightingale will also be eligible to participate in the Company's Incentive Option Plan as set out in section 12.8.

The consultancy agreement may be terminated by the Company or the consultancy company be either party giving three months' notice. The Company may terminate the consultancy agreement without notice in certain circumstances, including breach of contract, criminal activity or serious misconduct involving the consultancy company or Mr Nightingale.

The consultancy agreement has a commencement date of 14 June 2017 and continues until terminated in accordance with its terms.

Letters of Appointment—Non-Executive Directors

Each of the Company's Non-Executive Directors has entered into Letters of Appointment with the Company to serve as Non-Executive Directors. Each of the Letters of Appointment provide that amongst other things, in consideration for their services, the Company will pay the following fees to the Non-Executive Directors.

Name	Position	Amount per annum \$
Thomas Mann	Non-Executive, Chairman	40,000
John Levings	Non-Executive Director	30,000

Refer to section 11.9 for additional information.

5.4 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Executive Directors' fees and remuneration

Refer to section 5.3 for a summary of the fees and remuneration which are paid by the Company to certain of its Executive Directors and officers.

Each Executive Director is also entitled to be reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board and any committee on which he or she serves.

Non-Executive Director compensation

Refer to section 5.3 for a summary of the fees which are paid by the Company to its Non-Executive Directors.

5. Board, management and corporate governance

5.5 Directors' interests in securities

The tables below set out the interests of the Directors as at the date of this Prospectus and the date following completion of the Offer.

Shares

Director	Shares at the date of the Prospectus			Shares at the date of completion of the Offer		
	Number of Shares held directly	Number of Shares held indirectly	%	Number of Shares held directly	Number of Shares held indirectly	%*
Thomas Mann	Nil	6,000,000	9.9%	Nil	6,000,000	7.0%
Jason Beckton	Nil	5,000,002	8.2%	Nil	5,000,002	5.8%
Peter Nightingale	Nil	9,660,004	15.9%	Nil	9,660,004	11.3%
John Levings	Nil	Nil	-	Nil	Nil	-

* Calculation based on the Minimum Subscription amount being raised.

Options

Director	Options* at the date of the Prospectus		Options at the date of completion of the Offer	
	Number of Options held directly	Number of Options held indirectly	Number of Options held directly	Number of Options held indirectly
Thomas Mann	4,000,000	Nil	4,000,000	Nil
Jason Beckton	5,000,000	Nil	5,000,000	Nil
Peter Nightingale	5,000,000	Nil	5,000,000	Nil
John Levings	2,000,000	Nil	2,000,000	Nil

* The options have an exercise price of \$0.25, vested at the date of issue which was 28 November 2016 and expire 31 December 2020.

5.6 Corporate governance

The Board is responsible for the overall corporate governance of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company.

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. In addition to matters it is expressly required by law to approve, the Board has the following principal functions and responsibilities:

- formulation and approval of the strategic direction, objectives and goals of the Group;
- the prudential control of the Group's finances and operations, monitoring the financial performance and approving budgets and major expenditures of the Group;
- the resourcing, review and monitoring of performance of senior management;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market;
- the establishment and maintenance of appropriate ethical standards;
- overseeing the integrity of the accounting and corporate reporting systems and the external audit process;
- approving the Group's remuneration framework; and
- monitoring the effectiveness of corporate governance practices.

In conducting business, the Board's objective is to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

5. Board, management and corporate governance

The Company's corporate governance principles and policies are structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**ASX CGC Principles and Recommendations**), which are as follows:

Principle 1 Lay solid foundations for management and oversight

Principle 2 Structure the board to add value

Principle 3 Act ethically and responsibly

Principle 4 Safeguard integrity in corporate reporting

Principle 5 Make timely and balanced disclosure

Principle 6 Respect the rights of security holders

Principle 7 Recognise and manage risk

Principle 8 Remunerate fairly and responsibly

The following is a summary of policies and procedures that have been adopted by the Company and in accordance with the ASX CGC Principles and Recommendations and lodged with the ASIC. The Company's Corporate Governance Statement as at 13 June 2017 is provided on the Company's website under the Corporate Governance Section and details any instances where the Company's corporate governance practices have not followed the Recommendations of the ASX CGC Principles and Recommendations.

Board Charter

The Board Charter sets out the functions and responsibilities of the Board.

Board Committees

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish the following committees, each with written terms of reference:

- Audit and Risk Committee;
- Remuneration Committee; and
- Nomination Committee.

Where the Board does not consider that the Company will gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

Code of Conduct

The Code of Conduct provides a set of guiding principles which are to be observed by all employees of the Group and addresses matters that are relevant to the Company's legal and ethical obligations to its Shareholders. The Code of Conduct outlines requirements in respect of the Directors' discharge of their duties, relationships, compliance with laws and ethics, conflicts of interest and confidentiality.

Securities Trading Policy

The Securities Trading Policy sets out the Company's policy with regard to trading in the Company's securities. The Security Trading Policy applies to all directors, key management personnel and other employees of the Company and their associates. The Security Trading Policy outlines the general prohibition on insider trading, restrictions on trading, how permission to trade must be sought, what are trading windows and closed periods for trading, and how proposed trading in securities must be notified to the Company.

Continuous Disclosure Policy

The Continuous Disclosure Policy sets out how the Company will comply with the continuous disclosure requirements of the ASX Listing Rules and how Shareholders are to be informed of all material developments in respect of the Company.

Copies of these charters, codes and policies are available in full on the Company's website at www.prospech.com.au.

6.1 Overview

An investment in the Company will be exposed to a number of risks.

Risks that the Directors believe are key risks are described under the headings “Risks related to the Company’s business and risks related to the industry in which the Company operates” (refer to section 6.2) and “Risks related to the Offer and an investment in Shares” (refer to section 6.3).

The key risks are the risks that senior management and the Directors focus on when managing the business of the Company and have the potential, if they occurred, to result in significant consequences for the Company and an investment in it.

There are also risks that are common to all investments in shares and which are not specific to an investment in the Company; for example, the general volatility of share prices including as a result of general economic conditions (including monetary and fiscal policy settings as well as exchange and interest rates) in Australia and elsewhere and other events outside the usual course of the Company’s business such as acts of terrorism or war.

Investors should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of the Company, its Directors and senior management. Further, investors should note that this description focuses on the risks referred to above and does not purport to list every risk that the Company may have now or in the future. It is also important to note that there can be no guarantee that the Company will achieve its stated objectives or that any forward looking statements or forecasts contained in this Prospectus will be realised or otherwise eventuate.

Investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position before investing in the Company. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional advisor before deciding whether to invest.

6.2 Risks related to the Company’s business and risks related to the industry in which the Company operates

The risks related to the Company’s business and risks related to the industry in which the Company operates are detailed below.

Risks related to the Company’s business and risks related to the industry in which the Company operates

Risk	Description of risk
Exploration risk	<p>The Company’s exploration licences are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these licences, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.</p>
Mineral Resources risk	<p>The Company does not currently have any Mineral Resources defined in accordance with a professional code such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Exploration Target estimates referred to in this Prospectus reflect corporate objectives based on previous mining and estimates of Slovak and predecessor reports.</p> <p>An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.</p> <p>The Exploration Target estimates are based on historic production, drill assays and surface sampling set out in sections 4 and 9 based on all known occurrences known over 1.0 g/t gold.</p>

6. Risk factors

Risks related to the Company's business and risks related to the industry in which the Company operates

Risk	Description of risk
Development and production risks	<p>Any future discovery may not be commercially viable or recoverable. For a wide variety of reasons, not all discoveries are commercially viable and even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed and exploited.</p>
Risks of operating in another country	<p>The Company's exploration licences are located in Slovakia. The Company's operations are therefore subject to the laws and regulations of Slovakia. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.</p> <p>The success of the Company is dependent on the stability of the political, economic and legal situation in Slovakia. Any change in legislation could have an adverse effect on the Company.</p>
Regulatory risks	<p>The Company's operations require approvals from Slovakian regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. It is most likely that the development of any mining operation will be restricted to underground mining and processing without the use of cyanide. The Company cannot guarantee that any or all requisite approvals will be obtained. A failure to obtain any approval would mean that the Company may be restricted, either in part or absolutely, from exploration, development and mining activities.</p>
Commodity price risks	<p>Commodity prices, including gold and silver, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.</p>
Future funding risks	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Hodrusa-Hamre and/or Nova Bana and/or Jasenie projects are successfully developed and production commences. Exploration and development costs and pursuit of its business plan will reduce the Company's current cash reserves and the amount raised under the Offer.</p> <p>Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.</p> <p>The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted.</p>

Risks related to the Company's business and risks related to the industry in which the Company operates	
Risk	Description of risk
Risk that the Company's management and key personnel may discontinue their services	The Company's business and future success heavily depends upon the continued services of management and other key personnel. If one or more of the Company's management or key personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. The Company's business may be severely disrupted, its financial condition and results of operations may be materially adversely affected, and it may incur additional expenses to recruit, train and retain personnel.
Payment of dividends	Payment of future dividends will depend on matters such as the future profitability and financial position of the Company and the other risk factors set out in this section 6. There is no assurance that the Company will be in a position or determine to pay dividends in the near future.
Third party risk	<p>The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages a number of external contractors to provide exploration/drilling works.</p> <p>Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.</p>
Insurance risk	<p>The Company insures its operations in accordance with industry practice.</p> <p>However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability.</p> <p>The Company will maintain insurance coverage that is substantially consistent with mining industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at all or at economically viable premiums or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.</p>
Operational risk	<p>The operations of the Company may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company will mitigate these risks through management and supervision controls.</p> <p>In addition, the investments of the Company may be affected by various factors which are beyond the control of the Company, including adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, fire, explosions and other incidents beyond the control of the Company.</p> <p>The operations of the Company may also be affected by natural disasters, epidemics, terrorist attacks and other disasters which may materially and adversely affect the economy in Australia and the Company's business.</p>
Title risk	The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority.

6. Risk factors

Risks related to the Company's business and risks related to the industry in which the Company operates	
Risk	Description of risk
Metallurgical recoveries	<p>When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations, but are based on interpretation and on samples from drilling which represent a very small sample of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.</p> <p>The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.</p>
Actions of competitors	<p>The Company may face competition from other entities in the mineral exploration sector which may have significant advantages including greater name recognition, longer operating history, lower operating costs, pre-existing relationships with current or potential clients and greater financial, marketing and other resources.</p> <p>Larger entities enjoy wider recognition and superior economies of scale. Any significant competition may adversely affect the Company's ability to meet its objectives</p>
Reliance on relationships and alliances	<p>The Company has relationships with government, technical and advisory parties and other stakeholders in the industry. The Company's success, in part, depends upon continued successful relations with these parties.</p> <p>The loss of one or more of these relationships or a change in the nature or terms of one or more of these relationships may have a material adverse impact on the financial position and prospects of the Company.</p>
Litigation risk	<p>The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.</p>
Environmental risks	<p>The Company is subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.</p>

6.3 Risks relating to the Offer and an investment in Shares

The risks related to the Offer and an investment in Shares are detailed below.

Risks related to the Offer and an investment in Shares	
Risk	Description of risk
<i>Investment speculative</i>	<p>Investment is subject to risks of a general nature relating to investment in shares and securities and especially where the company in which the investment is made has a small market capitalisation, such as the case with the Company. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.</p> <p>Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the Shares offered under this Prospectus.</p>
<i>Liquidity and realisation risk</i>	<p>The Shares issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia or elsewhere.</p> <p>As such, there can be no guarantee that an active market in the Shares will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. Furthermore, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of Shares.</p>
<i>Stock market fluctuations</i>	<p>There are a number of risks associated with any stock market investment. The price of Shares may rise or fall in relation to the Offer Price and investors who decide to sell their Shares, after listing of the Company on ASX, may not receive the full amount of their original investment.</p> <p>The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company and its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.</p>
<i>Dependence on general economic conditions</i>	<p>The operating and financial performance of the Company will be influenced by a variety of general economic and business conditions. Any protracted down turn in Australia and world economic situation could be expected to have a material adverse effect on the Company's financial performance, financial position and cash flows.</p> <p>Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs and on gold and silver prices. The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for gold and silver as well as exchange rate movements.</p>
<i>Negative publicity may adversely affect the Share price</i>	<p>Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable.</p> <p>As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the Offer Price. General factors that may affect the market price of Shares include without limitation economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.</p>

7. Financial information

7.1 Introduction

This section contains the historical financial information and a pro forma Statement of Financial Position of the Company and its controlled entities (**Financial Information**) that the Directors consider relevant to investors. The Financial Information is presented in an abbreviated form and does not contain all the disclosures that are usually contained in an annual report prepared in accordance with the Corporations Act. The Financial Information has been prepared in accordance with the recognition and measurement principles of applicable Australian Accounting Standards (**AASB**).

As the Company was incorporated on 26 September 2014, the Financial Information in this section comprises:

- historical financial information, being the Company's:
 - audited Consolidated Statement of Financial Position as at 31 December 2016;
 - audited Consolidated Statement of Comprehensive Income for the year ended 31 December 2016 and for the period from the date of incorporation to 31 December 2015; and
 - audited Consolidated Statement of Cash Flows for the year ended 31 December 2016 and for the period from the date of incorporation to 31 December 2015; and
- a pro forma Statement of Financial Position prepared based on the Company's audited Consolidated Statement of Financial Position as at 31 December 2016 and adjusted for the transactions resulting from the Offer pursuant to this Prospectus.

The information in this section 7 should also be read in conjunction with the risk factors set out in section 6 and other information contained in this Prospectus.

7.2 Basis of preparation and presentation of the Financial Information

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Historical Financial Information has been extracted from the financial statements of the Company for the year ended 31 December 2016 and for the period from the date of incorporation to 31 December 2015, which were audited by KPMG in accordance with Australian Auditing Standards. The audit reports issued for the year ended 31 December 2016 and for the period from the date of incorporation to 31 December 2015 had unqualified audit opinions.

The Company's key accounting policies are set out in section 7.8.

The Directors are responsible for the preparation and presentation of the Financial Information. The Directors' best estimate assumptions are subject to uncertainties and contingencies which are beyond the control of the Directors.

7.3 Historical and Pro forma Statement of Financial Position

The table below sets out the Company's audited Consolidated Statement of Financial Position as at 31 December 2016 and the pro forma Statement of Financial Position.

The pro forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Audited	Pro forma Adjustments		Pro forma Unaudited	
	31 December 2016	Minimum Subscription	Maximum Subscription	Minimum Subscription	Maximum Subscription
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	1,021,540	4,500,000	6,840,000	5,521,540	7,861,540
Trade and other receivables	19,513	–	–	19,513	19,513
Prepayments	2,692	–	–	2,692	2,692
Total current assets	1,043,745	4,500,000	6,840,000	5,543,745	7,883,745
Non-current assets					
Exploration and evaluation expenditure	2,253,221	–	–	2,253,221	2,253,221
Plant and equipment	24,279	–	–	24,279	24,279
Total non-current assets	2,277,500	–	–	2,277,500	2,277,500
Total assets	3,321,245	4,500,000	6,840,000	7,821,245	10,161,245
Liabilities					
Current liabilities					
Trade and other payables	66,779	–	–	66,779	66,779
Total current liabilities	66,779	–	–	66,779	66,779
Total liabilities	66,779	–	–	66,779	66,779
Net assets	3,254,466	4,500,000	6,840,000	7,754,466	10,094,466
Equity					
Issued capital	3,306,269	3,898,000	6,238,000	7,204,269	9,544,269
Share option reserve	–	602,000	602,000	602,000	602,000
Foreign currency translation reserve	692,053	–	–	692,053	692,053
Accumulated losses	(972,243)	–	–	(972,243)	(972,243)
Total equity attributable to equity holders of the Company	3,026,079	4,500,000	6,840,000	7,526,079	9,866,079
Non-controlling interest	228,387	–	–	228,387	228,387
Total equity	3,254,466	4,500,000	6,840,000	7,754,466	10,094,466

Notes:

As set out in section 2.1, under the Offer, a minimum of 25.0 million and a maximum of 37.5 million new Shares will be issued at \$0.20 per share. Gross proceeds will be a minimum of \$5.0 million and a maximum of \$7.5 million. At the Minimum Subscription amount, costs of the Offer, which are estimated to be \$500,000, will be capitalised against equity. At the Maximum Subscription amount, costs of the Offer, which are estimated to be \$660,000, will be capitalised against equity.

As set out in section 2.3, under the Offer, 7,000,000 Lead Manager Options will be issued as part consideration for performance of the Lead Manager role. For the purposes of the pro forma Statement of Financial Position, the Directors have valued the Lead Manager Options at \$0.086 per option. The Black-Scholes formula model inputs were a Company share price of \$0.20 at the grant date, a volatility factor of 90%, a risk free interest rate of 1.5% based on government bonds, and a dividend yield of 0%.

7. Financial information

7.4 Historical Statements of Comprehensive Income

The table below sets out the Company's audited Consolidated Statements of Comprehensive Income for the year ended 31 December 2016 and for the period from the date of incorporation to 31 December 2015.

	2016	26 September 2014 to 31 December 2015
	\$	\$
Administration and consultants' expenses	(107,953)	(28,461)
Depreciation expense	(5,332)	-
Share based payment expense	(801,040)	-
Results from operating activities	(914,325)	(28,461)
Financial income	1,630	3,006
Financial expense	(32,778)	(2,302)
Net financial income/(expense)	(31,148)	704
Loss before income tax	(945,473)	(27,758)
Income tax expense	(761)	-
Loss for the year/period	(946,234)	(27,758)
Other comprehensive income		
Items that may be classified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(13,243)	-
Total comprehensive loss for the year/period	(959,477)	(27,758)

Investors should note that past results are not a guarantee of future performance.

7.5 Historical Statements of Cash Flows

The table below sets out the Company's audited Consolidated Statements of Cash Flows for the year ended 31 December 2016 and for the period from the date of incorporation to 31 December 2015.

	2016 \$	26 September 2014 to 31 December 2015 \$
Cash flows from operating activities		
Cash payments in the course of operations	(134,568)	(10,768)
Interest received	1,630	3,006
Net cash used in operating activities	<u>(132,938)</u>	<u>(7,762)</u>
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,017,684)	-
Payments for property, plant and equipment	(16,682)	-
Cash acquired in acquisition	15,458	-
Acquisition of interest in investees	(89,399)	(655,049)
Net cash used in investing activities	<u>(1,108,307)</u>	<u>(655,049)</u>
Cash flows from financing activities		
Issue of shares	2,328,960	661,655
Costs of issue	(31,996)	-
Proceeds from borrowings	-	5,000
Repayment of borrowings	(5,000)	-
Net cash from financing activities	<u>2,291,964</u>	<u>666,655</u>
Net increase in cash and cash equivalents	1,050,719	3,843
Effect of exchange rate adjustments on cash held	(33,022)	-
Cash and cash equivalents at the beginning of the period	<u>3,843</u>	<u>-</u>
Cash and cash equivalents at the end of the period	<u>1,021,540</u>	<u>3,843</u>

Investors should note that past results are not a guarantee of future performance.

7.6 Sources of liquidity

The Company's principal source of funds is the cash proceeds from the Offer. The Directors consider that the Company has sufficient working capital to carry out its stated objectives.

7. Financial information

7.7 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.

No assurances can be given by the Company as to the payment of future dividends as this will depend on, amongst other things, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.

7.8 Significant accounting policies

The following sets out a summary of the Company's significant applicable accounting policies:

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interest

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Where a controlled entity issues shares to minority interests which does not result in loss of control by the Group, any gain or loss arising on the Group's interest in the controlled entity is recognised directly in equity.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign entities are translated at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the foreign currency translation reserve ('FCTR'), a separate component of equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call deposits.

Exploration, evaluation and development expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised at cost or fair value, as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

Share based payments

The Group issues share based payments to its employees. Share based payments are measured at fair value at the date of grant. The fair value at the grant date of the share based payments is expensed on a straight line basis over the vesting period, unless the shares vest immediately in which case the full value of the share based payment is expensed immediately.

Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

Income tax

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: The initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

8. Investigating Accountant's Report



15 June 2017

The Directors
Prospect Limited
Level 2, 66 Hunter Street
Sydney, NSW, 2000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Prospect Limited Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Prospect Limited to report on the historical financial information of Prospect Limited and its controlled entities (the "Company") for inclusion in the Prospectus to be dated on or about 16 June 2017 ("the Prospectus") pursuant to which the Company is offering 37,500,000 fully paid ordinary shares in the Company at an issue price of \$0.20 per share to raise \$7,500,000 (before costs and expenses) with 18,750,000 attaching Loyalty Options on a 1:2 basis, subject to a minimum subscription of 25,000,000 and \$5,000,000 (before costs and expenses) with 12,500,000 attaching Loyalty Options ("Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

Scope of examination

Historical financial information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the following historical financial information of the Company included in Section 7 of the Prospectus:

- The consolidated statements of comprehensive income of the Company for the period 26 September 2014 to 31 December 2015 and the year ended 31 December 2016;
- The consolidated statements of cash flows of the Company for the period 26 September 2014 to 31 December 2015 and the year ended 31 December 2016; and
- The consolidated statement of financial position of the Company as at 31 December 2016.

(together the "Historical Financial Information").

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847



The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of the Australian Accounting Standards issued by the Australian Accounting Standards Board and the Company's adopted accounting policies.

The Historical Financial Information represents that of the Company and has been extracted from the financial statements of the Company for the period 26 September 2014 to 31 December 2015 and the year ended 31 December 2016, which were audited by KPMG in accordance with International Auditing Standards. The audit reports issued for the period 26 September 2014 to 31 December 2015 and the year ended 31 December 2016 had unqualified opinions.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM to review the pro forma historical consolidated statement of financial position as at 31 December 2016, referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of pro forma adjustments described in Section 7 of the Prospectus. The stated basis of preparation is the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, described in Section 7 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or statement of financial performance.

Directors' responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditors' work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of subsequent events and pro forma adjustments described in described in Section 7 of the Prospectus; and

8. Investigating Accountant's Report



- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, described in Section 7 of the Prospectus, and comprising:

- The consolidated statements of financial performance of the Company for the period 26 September 2014 to 31 December 2015 and the year ended 31 December 2016;
- The consolidated statements of cash flows of the Company for the period 26 September 2014 to 31 December 2015 and the year ended 31 December 2016; and
- The consolidated statement of financial position of the Company as at 31 December 2016.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, described in Section 7 of the Prospectus, and comprising the consolidated statements of financial position as at 31 December 2016 of the Company are not presented fairly in all material respects, in accordance with the stated basis of preparation, described in Section 7 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

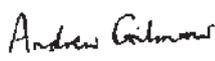
Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully


A J GILMOUR
Director

**Independent Expert Geologist, Technical Assessment Report
of the Prospech Limited Exploration Licences in Slovakia.**

M.J.Houston

Director of M.J.Houston and Associates Pty Ltd

9. Independent Geologist Report

Mathew John Houston, Director

M.J. Houston and Associates Pty Ltd.
PO Box 91 Eumundi QLD 4562
Email; matt.houston@ozemail.com.au
ACN 061 819 869

12 June 2017
The Directors
Prospech Limited
Level 2, 66 Hunter Street Sydney 2000
ABN 24 602 043 265

Dear Sirs

M.J. Houston and Associates Pty Ltd ("M.J Houston") has been commissioned by the Directors of Prospech Limited ("Prospech" or the "Company") to provide an Independent Technical Assessment Report on mineral exploration projects in Slovakia in which the Company or its subsidiaries hold a percentage interest. This report is to be included in an IPO prospectus to be lodged by the Company with ASIC and the ASX in respect of the Company's initial public offer of up to 37,500,000 shares at A\$0.20 per share to raise a maximum of A\$7,500,000 with attached Loyalty Options on a 1:2 basis (the "offer"). The funds raised under the offer will be used to undertake mineral exploration and working capital requirements for the projects in Slovakia.

The Projects

The two projects were subject to an Earn-in Agreement with Atalaya Mining plc ("Atalaya") whereby the Company has earned an 81% interest in Atalaya's Slovakian subsidiary Slovenské Kovy, s.r.o. ("SLOK"). which owns rights to the exploration licences in the projects. The terms of the agreement are detailed in the recent AGM presentation on the Company's web site and can be viewed on <https://prospech.com.au/news presentations/>.

The projects include exploration licences over the Hodrusa-Hamre / Banska Stiavnica mining district under exploration licence number P8/15 and the nearby Nova Bana-Rudno goldfield under exploration licences P22/15 and P6 /17 where more than 1,000 years of historical production is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper. The Company has another recently granted exploration licence at Jasenie some 60 km north east of Banska Stiavnica where there are historic reports of a gold, tungsten vein system.

The Hodrusa-Hamre / Banska Stiavnica mining district and the Nova Bana-Rudno goldfield are located approximately 180 kilometres east of Bratislava in Slovakia, a country member of the European Union and Eurozone.

The Company has estimated an exploration target based on an existing extensive geologic database which, where able, has been correlated within reasonable variability by the Company's exploration results. The Company's exploration target ranges of tonnages and grades have been estimated as: 25 - 30 million tonnes @ 3.5 - 7.0 g/t Au and 100 - 300 g/t Ag for 2.8 - 6.8 million ounces Au and 81 - 290 million ounces Ag.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Declarations

Relevant codes and guidelines

This Technical Assessment Report has been prepared in accordance with the Australian Code for Public Reporting of Mineral Assets (the "VALMIN Code" 2015 edition) which is binding upon Members of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists both of which the author is a member. In addition the report follows the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports.

Where exploration reports have been referred to in this report, some may be historic in nature and were prepared under previous versions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") code. The author of this report is not aware of any new information or data that materially affects the information in the earlier reports which have been used in this Technical Assessment Report and all the material assumptions and technical information underpinning this report continue to apply and have not materially changed.

Under the definition provided by the VALMIN Code the mineral projects of the Company are classified as "early stage exploration projects" where mineralisation may or may not have been identified but where Mineral Resources have not been identified. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential.

9. Independent Geologist Report

This report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or projects or make any comment on the fairness and reasonableness of any transactions related to the offer. Aspects reviewed in this report may include prices, socio-political issues and environmental considerations however the author does not express an opinion regarding the specific value of the assets and tenements involved.

Sources of information, reliance on other experts, methodology and verification of information

The statements and opinion in this report are given in good faith and are based on information provided by the Company. I have endeavoured by making certain reasonable enquiry to confirm the accuracy, authenticity and completeness of the information on which this report is based and I have no reason to doubt the authenticity and substance of the information provided. A final draft of this report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

This report may contain statements attributable to third persons. These statements are made or based on statements made in previous geological reports by the Company or are publicly available from government departments or other public domains. The authors of these previous reports have not consented to the statements used in this report and these statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72.

The Company has provided a data set and information which is housed in a digital data-room which was downloaded via Dropbox between 2 March 2017 and 6 June 2017. This report is based on information provided up until the latter date. The information and data consists of a number of past reports and documents prepared by the Company as well as other published reports and papers on the geology of the area by other geologists who are considered expert in the geology and style of mineralisation of the project areas.

There are two Microsoft Access databases which contain information on the drilling and surface sampling which have been compiled by the Company to include work done by Prospech as well as the previous licence holder, Atalaya. The data contains historic drill holes dating back to the time of socialist control which should be treated with a lower level of confidence with regard to accuracy of location and assay results however these holes are not critical to any interpretation by the Company and require verification by redrilling in sensitive areas to comply with JORC standards. The Slovakian government keep representative sections of the historical drilled core which can be viewed and resampled on application.

I am aware that there is a vast amount of pre second world war historic data which is written in Slovakian, Hungarian and German which can be obtained from the relevant Slovakian government departments, however as I do not speak these languages I have not directly included that data in this review. Some of the Company prospect generation is based on the historic plans and translations of early reports by local Prospech staff which has been used in good faith. Given the very long mining history of the area it is likely that the surviving historic data is incomplete, however it has and will be a valuable resource to the Company.

As part of the data verification process, the Access databases were uploaded to a Micromine software program so it could be viewed spatially in three dimensions where any significant errors would be apparent.

There has not been a site visit during this review, however the author visited the site between 7 June 2015 and 21 June 2015 and is familiar with many of the prospect areas. I consider that because of my previous site visit and experience with this type of mineralisation and exploration techniques that there is sufficient information to allow an informed appraisal of the projects without another visit.

Qualifications and Experience

The person responsible for this report is;

Matthew John Houston, B App Sc, Member of the AusIMM and AIG.

Mr "Matt" Houston is 60 years old and an Australian based geologist with over 36 years' experience in exploration geology specialising in epithermal gold silver deposits and porphyry copper gold deposits in Australia, the Pacific Islands, South America and Europe. He is the founder and director of an independent consulting and contract exploration geologist company, M.J. Houston and Associates Pty Ltd since 1993.

Matt Houston graduated from the Canberra College of Advanced Education in 1979.

Some of his career highlights include;

- The discovery of significant ore reserves at the Extorre Gold Mines Cerro Moro project in Argentina between 2007 and 2014.
- Senior contract exploration geologist for Newcrest Mining in Queensland between 2004 and 2006.
- Senior contract exploration geologist for Gympie Eldorado Gold Mines in Gympie Queensland 1997 to 2004.
- Project manager for Leigh Resources Solomon Islands 1996 to 1997.
- Freelance contract exploration work for many clients including CRA between 1991 and 1996.
- Supervising Geologist Eastern Australia and Pacific for Paragon Resources between 1987 and 1991.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Matthew Houston who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Matthew Houston is not an employee of the Company.

Matthew Houston has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Matthew Houston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

9. Independent Geologist Report

Competent Persons Statement- JORC Code. The information in this report that relates to Exploration Results and Exploration Targets of the Company has been reviewed by Matthew Houston, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Matthew Houston has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Houston consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Independence

M.J. Houston and Associates Pty Ltd, its Directors, Employees and Associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this report are prepared in return of professional fees of \$900.00 per day plus GST if relevant for between 7 and 14 days' work, based upon agreed commercial rates and the payment of those fees is in no way contingent on the results of this report.

Currency Convention

Any figures of monetary currency mentioned in this report are in Australian dollars unless stated otherwise.

Yours Faithfully



Matthew. J. Houston
B.App.Sc, Member AusIMM and AIG
Director of M.J. Houston and Associates Pty Ltd.

Executive summary

M.J. Houston and Associates Pty Ltd (“M.J. Houston”) has been commissioned by the Directors of Prospech Limited (“Prospech” or the “Company”) to provide an Independent Technical Assessment Report on mineral exploration projects in Slovakia in which the Company or its subsidiaries hold a percentage interest. This report is to be included in an IPO prospectus to be lodged by the Company with ASIC and the ASX in respect of the Company’s initial public offer of up to 37,500,000 shares at A\$0.20 per share to raise a maximum of A\$7,500,000 with attached Loyalty Options on a 1:2 basis (the “offer”). The funds raised under the offer will be used to undertake mineral exploration and working capital requirements for the projects in Slovakia.

The Projects which are situated approximately 180 km east of Bratislava include exploration licences over the Hodrusa-Hamre/Banska Stiavnica mining district under exploration licence number P8/15 and the nearby Nova Bana-Rudno goldfield under exploration licence P22/15, and P6/17 where more than 1,000 years of historical production is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper.

The two projects P8/15 and P22/15 were subject to an Earn-in Agreement with Atalaya Mining plc (“Atalaya”) whereby the Company has earned an 81% interest in Atalaya’s Slovakian subsidiary Slovenské Kovy, s.r.o. (“SLOK”) which owns rights to the aforementioned exploration licences in the projects. Under the Earn-in Agreement the Company has met its spending commitment to earn its 81% of the projects and a formal Joint Venture Agreement has replaced the Earn-in Agreement.

The projects are located over the mid Miocene (16.2 to 10.5 million year old) predominately andesitic Stiavnica stratovolcano in Central Slovakia which is a part of the Neogene Carpathian volcanic arc. This is the largest volcano in the Carpathian arc and features a 20 km diameter caldera with a large sub-volcanic intrusive complex which is manifest as a resurgent horst in the centre of the caldera. The bulk of past production has come from 120 epithermal veins, individually up to 6 km long which are associated with the resurgent horst and late rhyolite emplacement. Mineralisation styles also include magnetite skarn, porphyry Au-Cu-Mo, carbonate replacement Pb-Zn deposits and base metal stock works in the granodiorite.

An additional Exploration Licence has recently been granted to the Company at Jasenie some 60 km north east of Banska Stiavnica where there are historic reports of a gold, tungsten vein system.

All of the tenements are believed to be in good standing.

Production during the first and second world wars and subsequent communist era from 1948 to 1989 saw the focus shift from precious metals to industrial commodities such as coal, copper, lead, zinc and iron. As a result, much of the country, including the Company’s exploration licence areas, has not been subject to modern exploration or exploitation. There is a current high grade, underground gold mine operation on a third party mining lease enclosed within the Hodrusa-Hamre exploration licence at the Rozalia Mine near Banska Stiavnica, which has been in production since 1991. Prospech does not currently have any Mineral Resources defined in accordance with a professional code such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”).

A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies and minor private exploration prior to the Atalaya exploration. In addition, as part of the Earn-in Agreement the Company has also acquired the Atalaya database. A due diligence study of the Atalaya work by Prospech in November 2014 concluded that the Atalaya assays and the laboratory which did the work are reliable. Under a non-binding Memorandum of Understanding signed in December 2015 with the owners of the Rozalia Mine they have made available all of their exploration data to the Company. Mineral deposits discovered by Prospech may, in the future, be able to be processed using the Rozalia Mine plant and equipment.

At report date, Prospech drilled a total of 11 holes for 1366m (including 4 underground holes at Schopfer for 26.4m combined) on the Hodrusa-Hamre/Banska Stiavnica tenement and 3 holes or 1292.6m on the Nova Bana tenement. General drill results are tabulated in this report as Table 3. The best results are from Nova Bana hole NBDD002 and Klokoc hole KKDD001. Banky remains of interest because re-assaying part of a historic drill hole 175m beneath the Prospech BKDD001 collar position returned 120 g/t Au. Results for Tiergarten, Stefan, Trojkrálova, and Rozalia West were less encouraging to the point that only Rozalia West is subject to a geological review in conjunction with mine staff. All of the Atalaya and Prospech drilling data has been validated as part of this independent report. Recent underground drill results for Schopfer of average 2 g/t Au and 200 g/t Ag which matches historical production averages, have resulted in the design of a surface drill program with a goal of a resource estimate. Recent individual surface rock chip results from the Ignac-Rabenstein area were up to 44 g/t Au and average 7.8 g/t Au are being collated with historic results in what is likely to be the up dip equivalent of the currently operating Rozalia Mine stratigraphy.

9. Independent Geologist Report

A proposed exploration program has been formulated by the Company to test a series of Exploration Targets which are ranked by the proximity to the existing Rozalia Mine and the potential for the targets to host plus one million ounces of gold. The Company has estimated the potential of the exploration targets to contain a range of tonnage and grade between 25 - 30 million tonnes @ 3.5 - 7.0 g/t Au and 100 - 300 g/t Ag for 2.8 - 6.8 million ounces Au and 81 - 290 million ounces Ag. Details of the proposed program are set out in section 6 and in Appendix 4 of this report. Four of these targets have been chosen to be drill tested by 22 holes for a budgeted 2,930m in 2017. These include Ignac-Rabenstein, Schopfer, Nova Bana, Kopanice and Jan Benedickty. The July 2017 to June 2018 budget is proposed to be a minimum of A\$1,190,000 and details are given in Appendix 4. Direct Exploration expenditure over the next operational year is expected to be in the order of A\$1,900,000 but this is likely to vary with probable increase in drill operations by March 2018 through to June 2019 on Schopfer, Ignac-Rabenstein and Nova Bana.

The potential quantity and grade of an Exploration Target is conceptual in nature in that there has been insufficient exploration to estimate a mineral resource and that it is uncertain if further exploration will result in the estimation of a mineral resource (JORC clause 17).

9. Independent Geologist Report

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9. Independent Geologist Report

1 Property Location and Description

The Company has earned an 81% interest in two granted exploration licences under an earn-in joint venture agreement as described in Section 2. The tenements are located in Central Slovakia as shown in Figure 1. The licences cover the Hodrusa-Hamre/Banska Stiavnica (HHBS) mining district (the original HHBS licence has been extended from 77.36 sq km to 103.53 sq km to cover additional vein systems) and the Nova Bana goldfield which are located approximately 180 kilometres east of Bratislava in Slovakia, a country member of the European Union and Eurozone. These are shown in more detail in Figure 2 which was downloaded from the official Slovakian government website. Details of the tenements are shown in Table 1.

The Company has submitted two additional Exploration Licence Applications, one at Rudno adjacent to the Nova Bana licence (submitted 16 February 2017) to cover historic vein targets to the east of the existing licence shown in Figure 2. This licence was granted for 10 years on 10 April 2017.

Another application has recently been granted as Exploration Licence P10/17 over a tungsten gold vein system north of the village of Jasenie, 60 km north east of Banska Stiavnica (submitted 7 March 2017 and granted for 10 years on 24 May 2017 as shown in Figure 3). The project is partly in a National Park and partly in a National Park buffer zone. The environmental protection levels permit exploration and mining subject to conditions to be imposed by the Environmental Bureau of Slovakia. The history of modern mining at Jasenie starts at the end of 1950s, when an 18 kilometre long and 400 metre to 1,000 metre wide tungsten-gold anomaly was identified on the southern slopes of the Nízke Tatry mountains. Exploration adits with a total length of 13 km were driven in the 1980s.

The Rudno and Jasenie licence areas will not be part of the joint venture and will be held 100% by the Company.

Figure 1. Tenement Locations Slovakia.

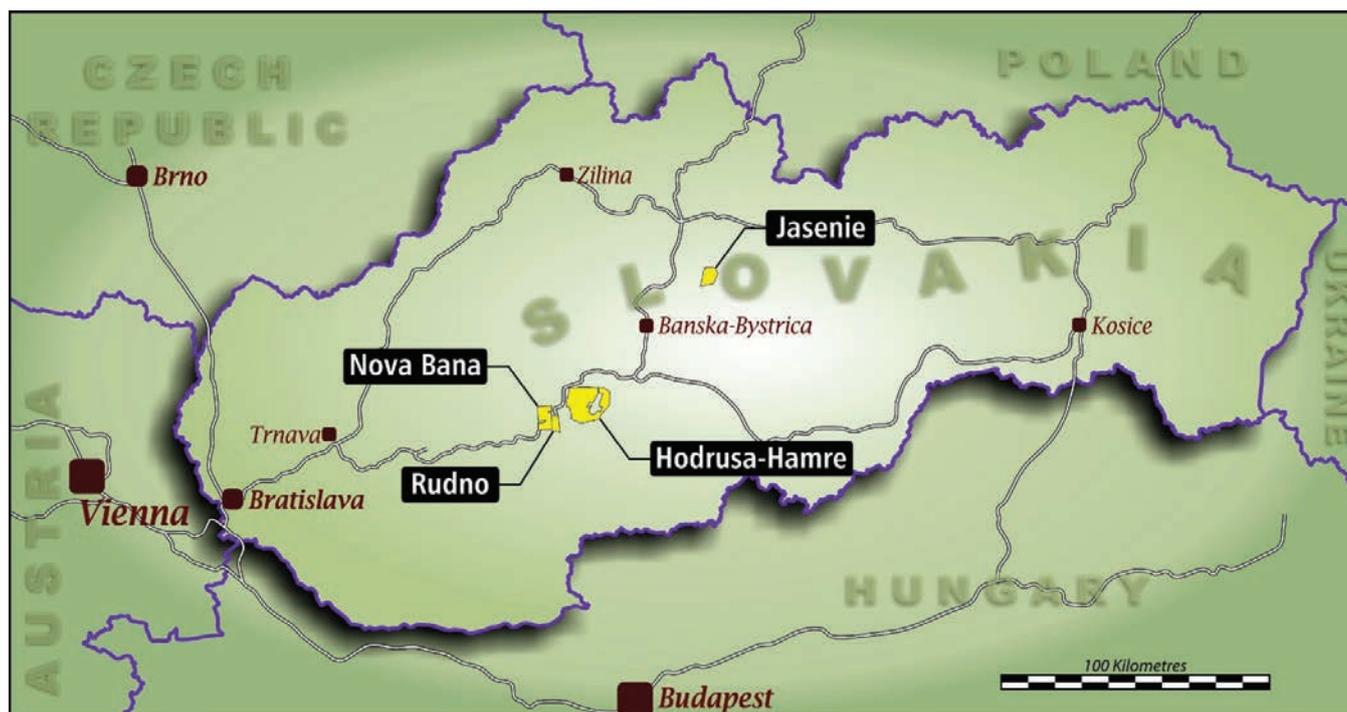


Figure 2. Exploration Licences from the Slovakian Government Website.

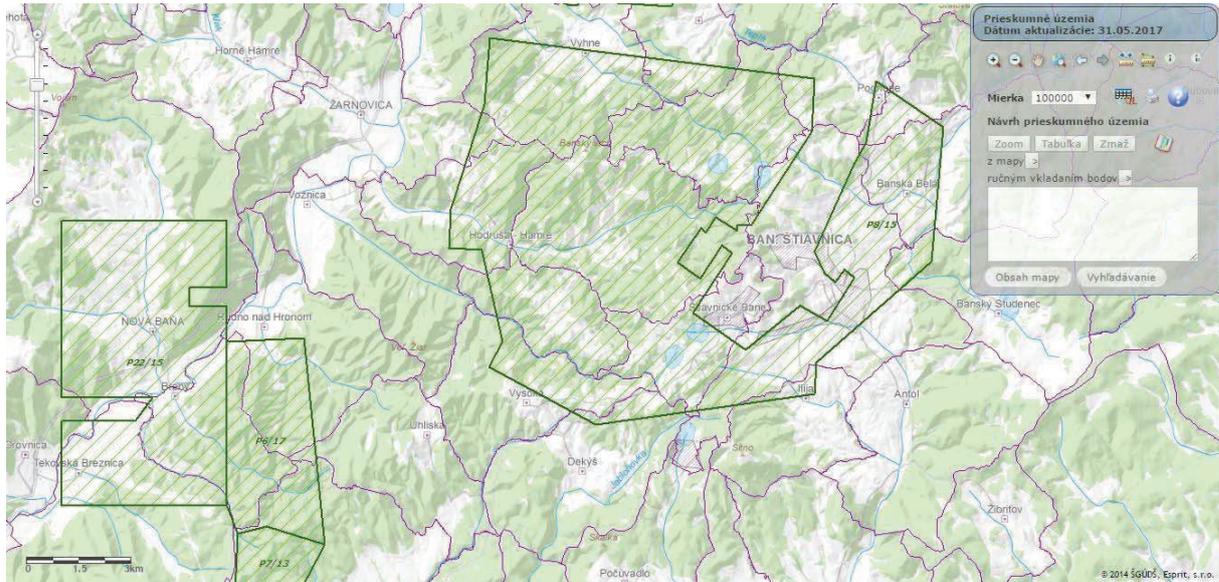


Figure 3. Jasenie Exploration Licence Area.

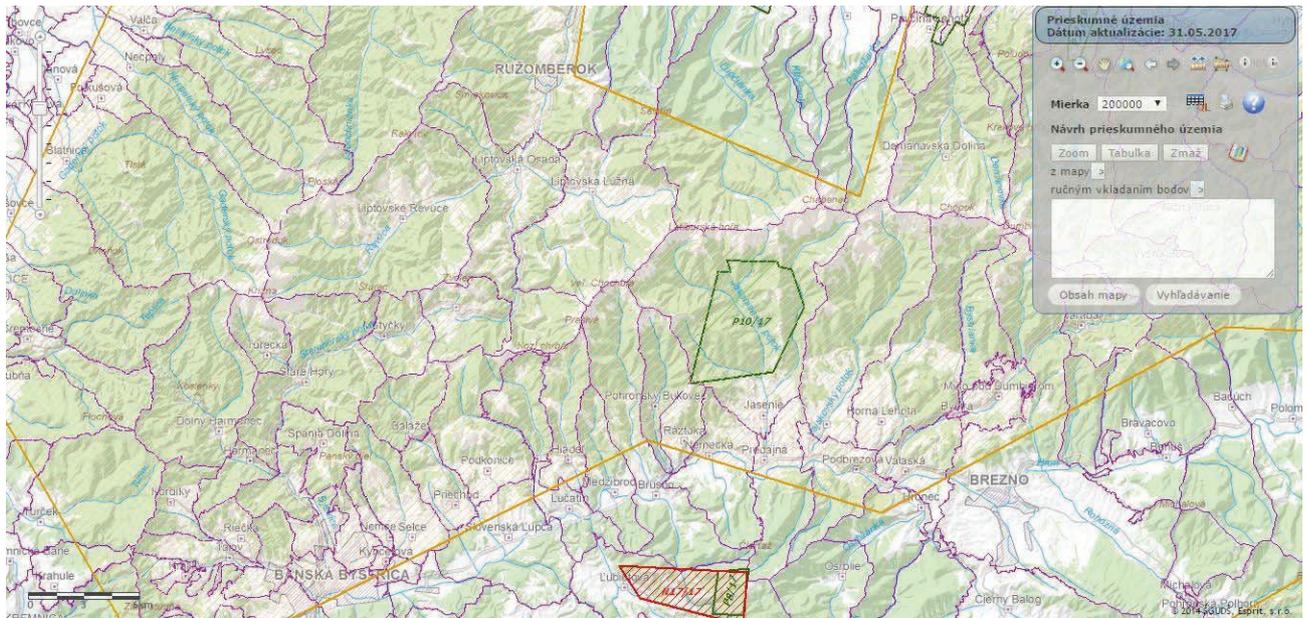


Table 1. Exploration Tenement Details.

Tenement	Area [km ²]	Valid till	Annual Tenement Fee [EUR]	License Holder	Comments
Hodrusa-Hamre/Banska Stiaavnica P8/15	103.53	15/05/26	€10,400	Slovenske Kovy s.r.o.	Area extension from 77.36km ² to 103.53km ² on 18/1/2017
Nova Bana P22/15	38.08	30/11/26	€3,900	Prospech Slovakia s.r.o.	
Rudno - P6/17	14.26	10/4/27	€1,500	Prospech Slovakia s.r.o.	
Jasenie - P10/17	29.41	24/5/27	€3,000	Prospech Slovakia s.r.o.	
Total	185.28		€18,800		

9. Independent Geologist Report

The Hodrusa-Hamre/Banska Stiavnica exploration licence has been re-granted by SLOK, resetting tenure for at least 10 years and reducing annual rental charges. The Nova Bana exploration licence has been granted by a wholly owned Prospech subsidiary Company, resetting tenure for at least 10 years and reducing annual rental charges. In accordance with an Addendum to the Earn-in Agreement, the Company and Atalaya ownership percentages of the Nova Bana exploration licence as set out in the Earn-in Agreement will be maintained.

The status of the tenements has been viewed on the Slovakian Government State Geological institute of Dionyz Stur (SGIDS) website pursuant to Section 7.2 of the VALMIN Code, 2015. The tenements can be viewed on the English version of the web site at <http://apl.geology.sk/mapportal/#/aplikacia/38>. The Tenements are believed to be in good standing.

2 Atalaya Mining plc Earn-in Agreement

On 22 December 2014 the Company entered into the Earn-in Agreement with EMED Mining Public Limited (subsequently renamed Atalaya Mining plc) to earn up to an 81% interest in Slovenské Kovy, s.r.o. ("SLOK"), a 100% owned Slovakian subsidiary Company of Atalaya and the 100% holder of the Hodrusa-Hamre and Nova Bana exploration licences then covering an area of approximately 115 square kilometres in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.

In October 2015, the Nova Bana exploration licence was re-granted to a wholly owned subsidiary of the Company and an Addendum to the Earn-in Agreement was entered into by the Company and Atalaya. In accordance the Addendum to the Earn-in Agreement, the Company and Atalaya ownership percentages of the Nova Bana exploration licence as set out in the Earn-in Agreement will be maintained.

The Earn-in Agreement provides for the Company to earn up to an 81% interest in SLOK on a staged basis as follows:

- Stage 1: €200,000 exploration expenditure over not more than 6 months to earn 30% of SLOK.
- Stage 2: a further €200,000 exploration expenditure over not more than 1 year after Stage 1 to increase to 51% of SLOK.
- Stage 3: a further €600,000 exploration expenditure over not more than 2 years after Stage 2 to increase to 81% of SLOK.

As part of the Stage 1 earn-in expenditures, the Company paid €86,000 to Atalaya for the right to access all of Atalaya's geologic data (including maps, plans, drilling data, core samples, assays and other geological, geophysical, geochemical, technical data etc.) and for 2015 licence renewal costs.

A Management Committee was formed to approve the exploration programs and budgets by simple majority. The Management Committee was made up of two Atalaya representatives and two Company representatives, one of whom is the Chairman of the Management Committee with a tie-breaking casting vote.

The Company is the manager of the Projects during the term of the Earn-in Agreement and will manage the exploration operations in accordance with the programs and budgets approved by the Management Committee and conduct the operations in a manner in accordance with generally accepted mining industry standards and practice.

Following the completion of Stage 3, a joint venture agreement has been entered into between the Company and Atalaya, providing for the conduct of operations with the parties contributing to funding requirements in accordance with their participating percentage interests in the joint venture. In the event that one party elects not to contribute their share of a funding requirement, they will dilute down. In the event that Atalaya's participating interest dilutes down to 5% or less and a bankable feasibility study recommends the commencement of mining, Atalaya shall have the option to transfer its participating interest to the Company in return for a 1% net smelter royalty for a 5% participating interest, on a pro-rata basis.

Effective 1 January 2016, the Company had satisfied the Stage 1 and Stage 2 conditions of the Earn-in Agreement and earned a 51% interest in, and control of, SLOK. Effective 31 December 2016 the Company had satisfied the Stage 3 exploration expenditure requirement of the Earn-in Agreement and the Earn-in Agreement has been replaced by the Joint Venture Agreement.

The Joint Venture Agreement has subsequently been superseded. On 24 May 2017, the Company and Atalaya entered into a Share and Rights Sale and Purchase Agreement under which, following successful completion of the Offer and quotation of the Company's securities on the ASX, the Company will acquire Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement.

3 Geology

The Hodrusa-Hamre/Banska Stiavnica and Nova Bana-Rudno tenements are located over the mid Miocene (16.2 to 10.5 million years old) predominately andesitic Stiavnica stratovolcano in Central Slovakia which is a part of Neogene Carpathian volcanic arc. According to Kordera et al 2005 and Lexa et al 1999 this is the largest volcano in the Carpathian arc and features a 20 km diameter caldera with a large sub-volcanic intrusive complex which is manifest as a resurgent horst in the centre of the caldera. The bulk of the estimated 4,000 tons of

silver and 80 tons of gold from historic mines have come from approximately 120 epithermal veins, individually up to 6 km long, which are associated with the resurgent horst and late rhyolite emplacement. Currently there is a mining operation at the Rozalia Mine which is exploiting, relatively flat lying, high grade gold in intermediate sulphidation style epithermal quartz. These veins pre-date the steeper veins, from which most of the historic production has come from.

Other than the epithermal veins, mineralisation styles also include magnetite skarn, porphyry Au-Cu-Mo, carbonate replacement Pb-Zn deposits and base metal stock works in the granodiorite as shown in Figure 4. A simplified geological plan is shown in Figure 5 and a map showing the location and names of the epithermal veins and prospect names is shown in Figure 6.

According to Cran 2015 and Ferenc et al 2014 the Nova Bana tenement covers an epithermal gold system with veining known over an area of 3.8 by 1.6 kilometres associated with rhyolite intrusives and extrusives hosted by andesite volcanics on the western flanks of the Neogene Stiavnica Stratovolcano. Figure 5 summarises the regional geology and Figure 7 illustrates the tenement area, the distribution of known quartz veins and prospect locations. The mineralisation is of the sericite – adularia, low sulphidation, epithermal gold type. Ferenc 2014 stated that the Nova Bana field is one of the most important historic silver – gold deposits in central Slovakia. Based on fluid inclusion work he concludes that a boiling zone model for precious metal precipitation occurred between a depth of 180 to 310 metres below surface.

The Rudno area covers a zone of low sulphidation epithermal mineralisation hosted in hydrothermally altered, pyroxene - amphibole andesite between Rudno nad Hronom and Brehy villages. The deposit is formed by two north-south groups of steeply dipping precious metal bearing, veins up to 1,500 metres long and 1 to 2 metres wide, of which only a 200 metre long segment has been the subject of exploitation to a depth of 50 metres.

The Jasenie licence area is situated 60 km north east of the Banska Stiavnica licence and partially covers an 18 kilometre long by 400 to 1,000 metre wide tungsten-gold anomaly in basement metamorphic rocks which was identified in the 1950s on the southern slopes of the Nízke Tatry mountains. A series of exploration adits with a total length of 13 kilometres were driven in the 1980s. Quartz veins up to 9.0 metres wide and with an average 1.5 metre width contain the highest gold concentrations, whereas the tungsten mineral scheelite occurs predominantly in stockwork zones. Vein-type ore is reported to contain several grams per tonne gold; with local enrichment up to tens of grams per tonne. Tungsten content is reported to locally reach as much as 4%.

4 Mining History

The mining history in central Slovakia dates back to Celtic times and earlier. Tools used by prehistoric miners at Spania Dolina, near Banska Bystrica are dated as early as 2000-1700 BC. Most of the production from mining started in medieval times and reached its peak in the 18th and 19th century during the reign of the Habsburg Austro-Hungarian Empire until 1918. The target at that time was silver for the currency of the day as well as copper. The mint at nearby Kremnica has operated for over six hundred years and continues to operate today.

Production during the first and second world wars and subsequent communist era from 1948 1989 saw the focus shift from precious metals to industrial commodities such as coal, copper, lead, zinc and iron. As a result, much of the country, including the Company's exploration licence areas, has not been subject to modern exploration or exploitation. It should be noted that Communist era gold assays used in Government and private exploration programs have been proven to be unreliable and this must be taken into account when interpreting reports from that time.

There is a current high grade, underground gold mine operation on a third party mining lease enclosed within the Hodrusa-Hamre exploration licence at the Rozalia Mine near Banska Stiavnica (shown in Figure 6), which has been in production since 1991. The Rozalia Mine uses non cyanide extraction of gold by producing a gravity/flotation concentrate which is trucked to a smelter in Belgium. An historic mining lease over the town of Banska Stiavnica is controlled by the government entity, Rudne Bane.

4.1 Mineral Resources Estimates

The Company does not currently have any Mineral Resources defined in accordance with a professional code such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Exploration Target estimates referred to in this offer reflect corporate objectives based on previous mining and estimates of Slovak and predecessor reports. A table of Exploration Targets is attached as Appendix 2.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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Figure 4. The Geology of the Hodruša-Hámre/Banská Stiavnica area from Peter Kodera, Jaroslav Lexa, Andrew Hugh Rankin, Anthony Edward Fallick. Epithermal gold veins in a caldera setting: Banská Hodruša, Slovakia. Mineralium Deposita (2005) vol 39. P 923.

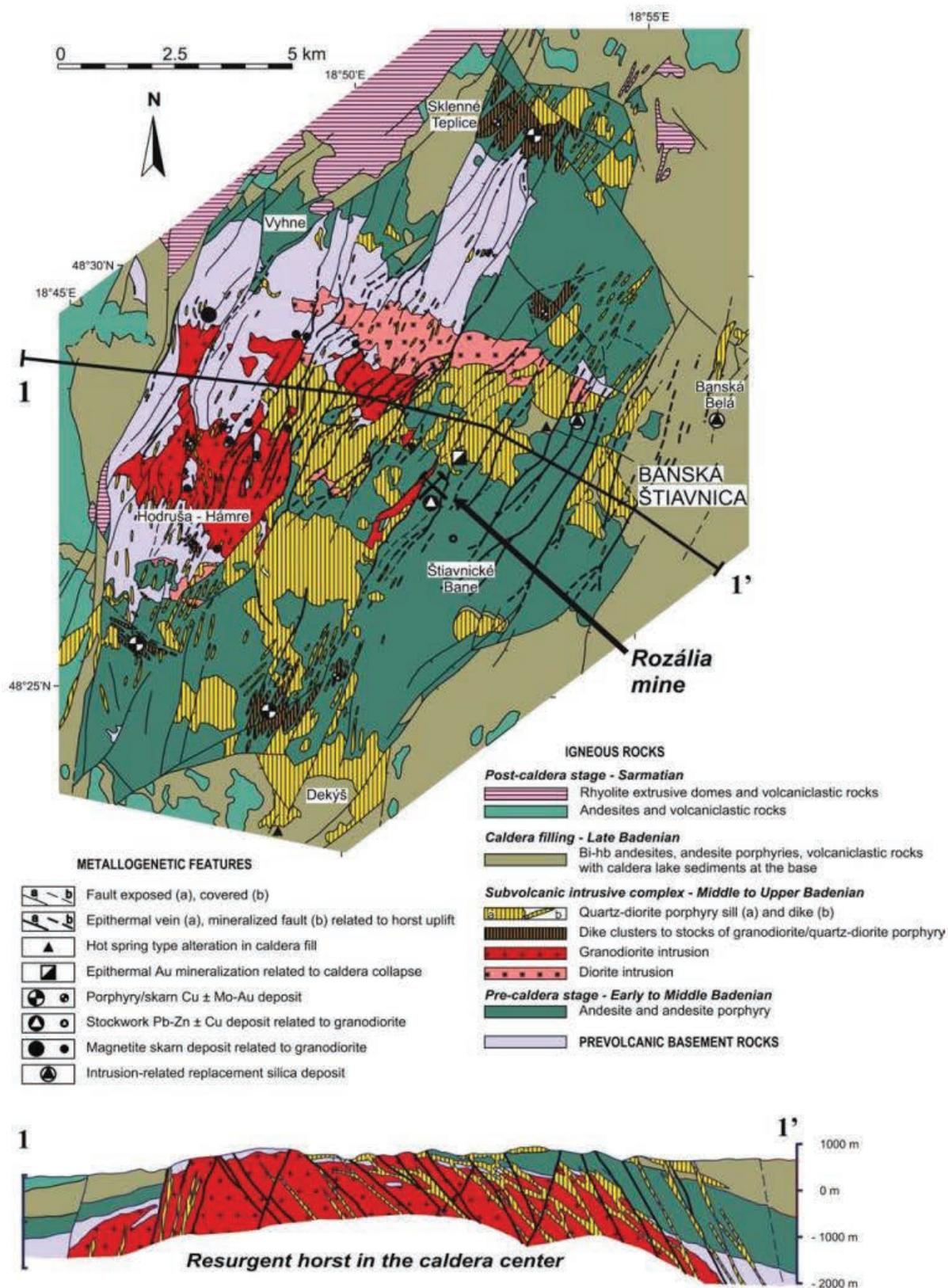


Figure 5. Simplified Geological Plan.

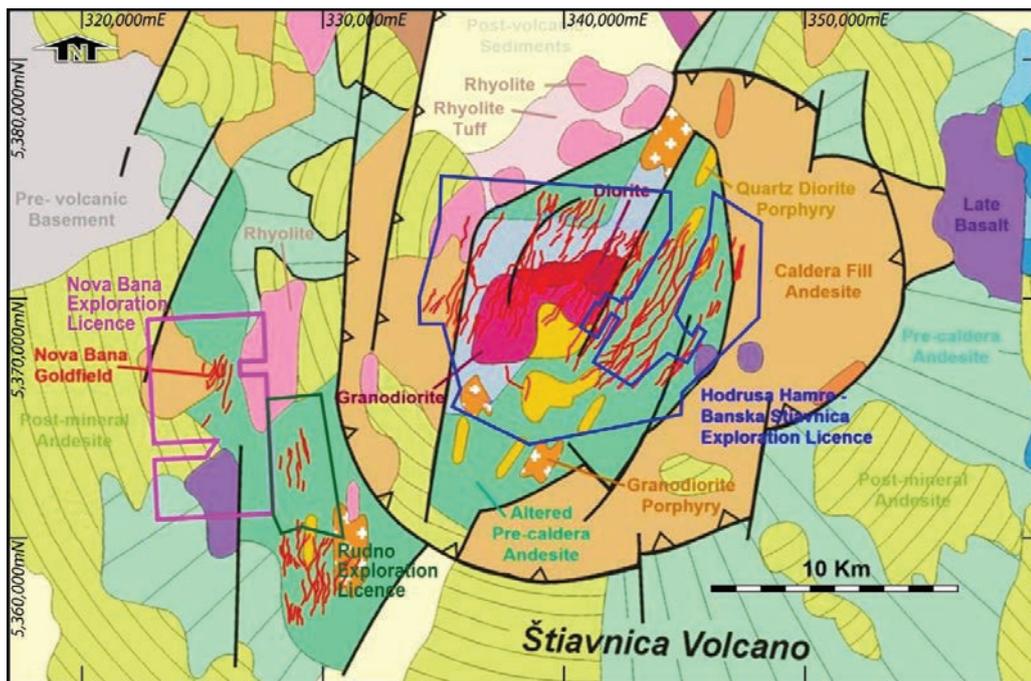
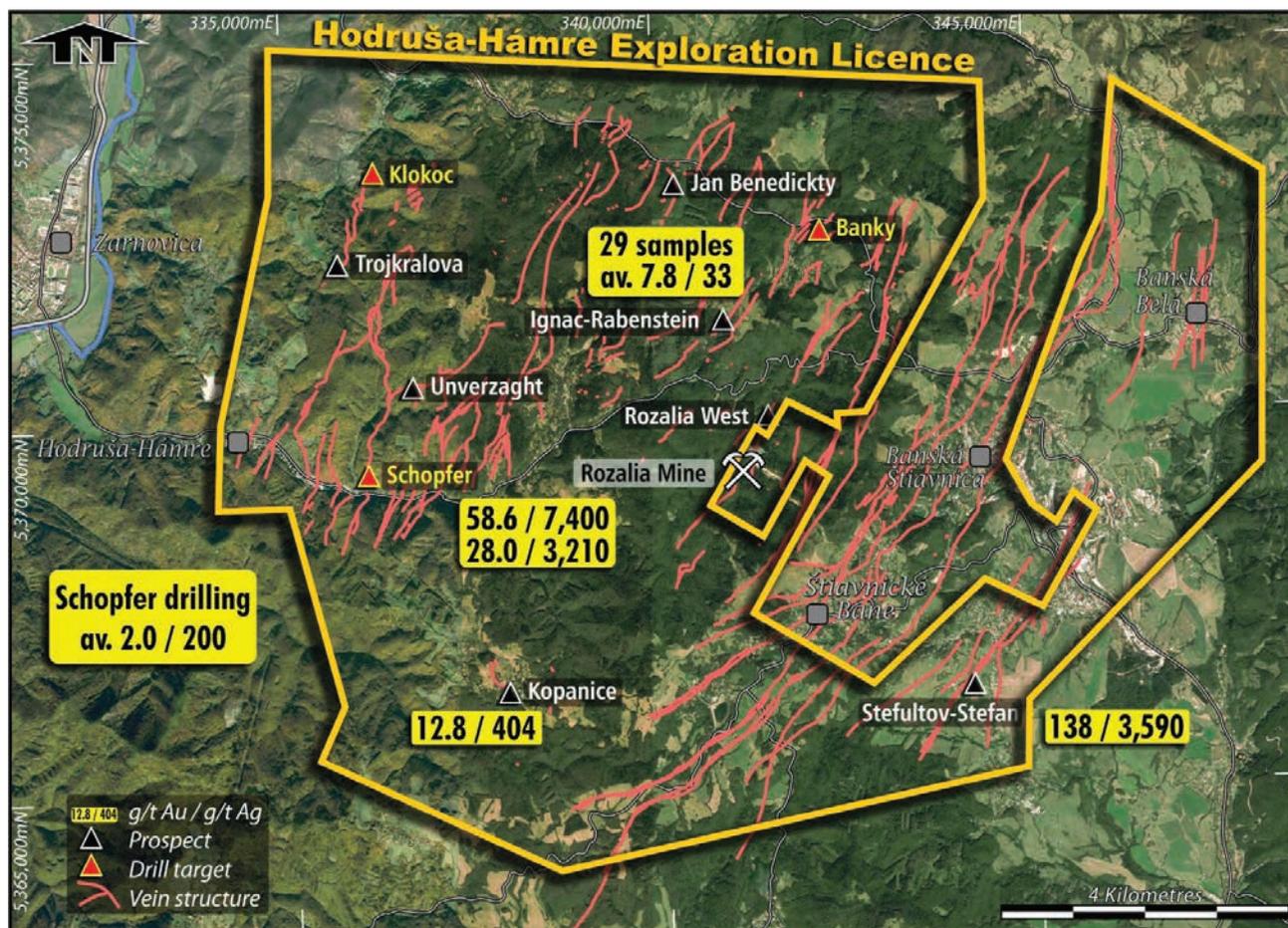
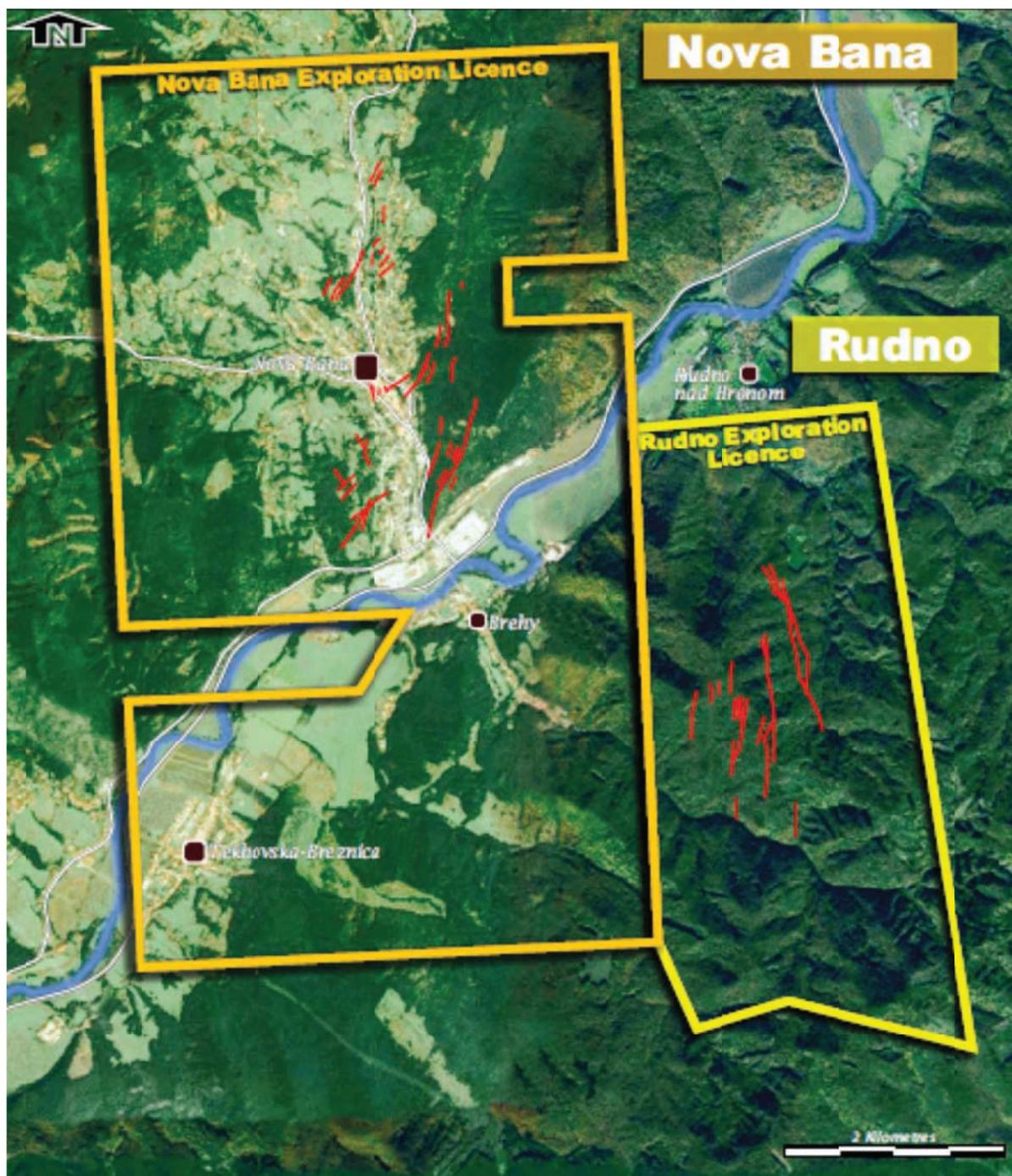


Figure 6. Hodruša-Hámre/Banská Štiavnica exploration licence and vein distribution.



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Figure 7. The Nova Bana and Tenements showing vein locations.



5 Previous Exploration

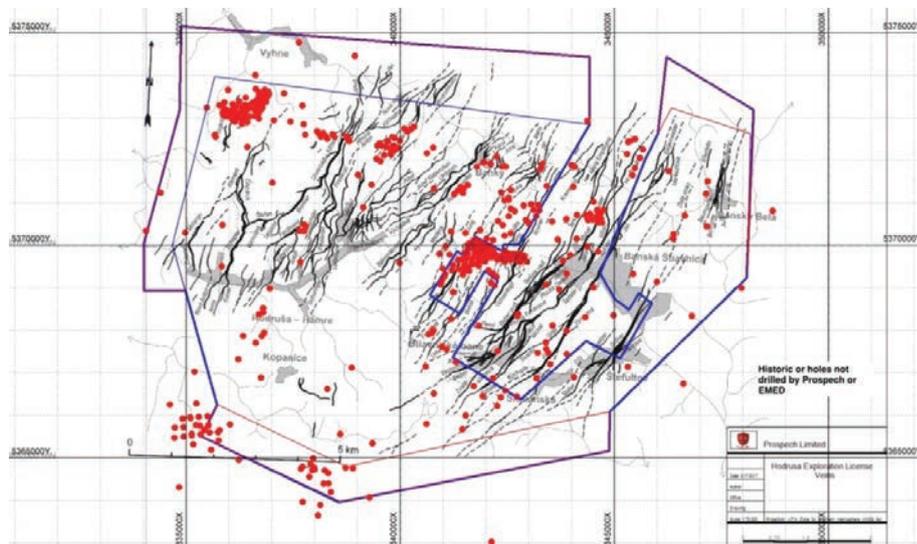
In recent years, an extensive country-wide cadastral, geological, geochemical and geophysical database has been built by the Geological Survey of the Slovak Republic. A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies and minor private exploration prior to the Atalaya exploration. In addition as part of the Earn-in Agreement the Company has also acquired the Atalaya database for the work they did prior to their decision to focus on another major project development.

5.1 Exploration prior to EMED / Atalaya.

Most exploration done prior to the end of the Second World War was done by traditional prospecting to locate outcropping veins. This was followed up with shafts and adits to locate the known veins and any blind parallel structures by underground development. There is a vast amount of original historic maps and reports held by the Slovakian Government, local council and various mining museums and universities in the country and while this is likely to be incomplete and possibly in part inaccurate it is a valuable resource to the Company for target generation. It is not within the scope of this report to go into any detail of this work. To my knowledge there was no drilling done during this time. The Hodrusa-Hamre/Banska Stiavnica mining district was previously known as the Schemnitz district in old reports.

During the communist era until 1989 there were many core holes drilled for “stratigraphic” information. Whilst some of the drill pads of these surface drill holes can be located, the location of these holes should be treated as unreliable and the historic dataset incomplete. Any available data is added to Company’s Access database as it comes to hand and all drill holes can be filtered by when and who they were drilled by, including a dedicated field named Historic Hole. All drill holes not drilled by Atalaya or Prospech are shown on Figure 8 which also include the modern underground holes at the Rozalia Mine. Communist era gold assays used in Government and private exploration programs have been proven to be unreliable and this must be taken into account when interpreting reports from that time. Presently there are 63 historic holes for a total of 29,695.5m in the database which are not attributable to Atalaya or Prospech. Of these there is only one historic hole for 2,077.5m on the Nova Bana tenement. The significant depth was due to a government sponsored stratigraphic drill program. Some of these holes or selected intervals are stored in the Slovakian Government core storage facilities.

Figure 8. All holes not drilled by Atalaya or Prospech.



5.2 EMED / Atalaya.

As part of the lead up to the present Earn-in Agreement between Prospech and Atalaya a due diligence study of the Atalaya work was completed by Prospech, (Cran 2014). This document is a good summary of the Atalaya work. A full summary of the previous work on the Nova Bana tenement was also prepared by Cran (2015).

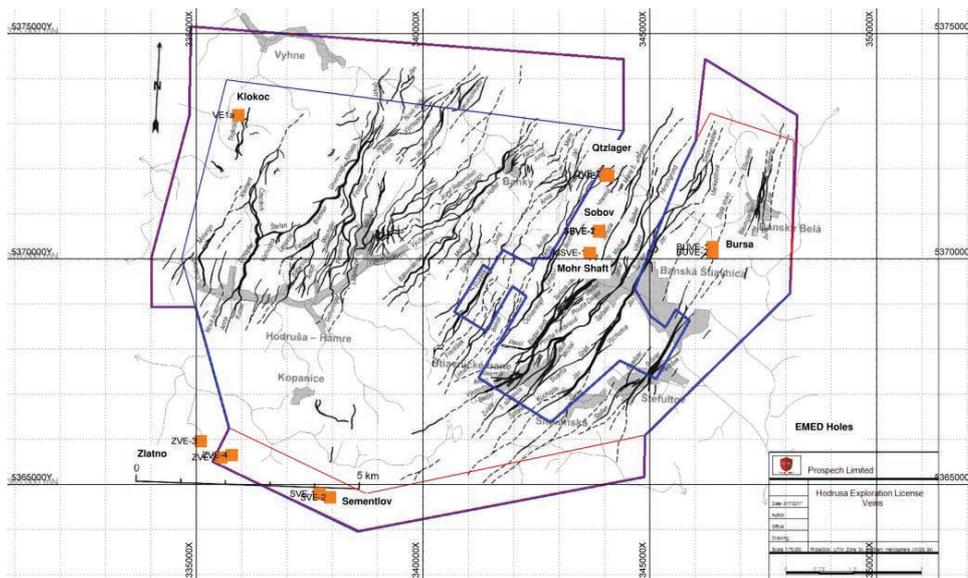
The Atalaya work involved taking over 3,000 rock chip samples and following up with drilling 27 holes for 1,612m in the Hodrusa-Hamre/Banska Stiavnica area shown in Figure 9 and one hole for 346.9m at Nova Bana shown in Figure 11. Of those holes only 13 were drilled on the current Hodrusa-Hamre/Banska Stiavnica tenement and extension. The drill holes and assays have been incorporated into a Micromine project by the author and the data was validated by the Micromine software and spatially checked for collar location errors, of which none were found.

Atalaya used an Australian standard accredited ALS laboratory in Romania for their assay work and their sampling methods were to industry standards. All drill hole details are attached as Appendix 1.

As part of the due diligence process Prospech collected 35 samples from as near as possible to the equivalent Atalaya samples. Given the obvious inherent limitations that the Prospech duplicates were not from exactly the same coordinates the results had good correlation within the range of expected variability and the conclusion is that the Atalaya assays and the laboratory which did the work are reliable.

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Figure 9. Atalaya drill hole locations.



5.3 Prospech

After initial rock chip sampling and collation of historical information, a first pass drill program has been completed over the Hodrusa-Hamre/Banska Stiavnica and Nova Bana tenements as shown on Figures 10 and 11. A total of 14 holes for 1,384.7m were drilled on the Hodrusa-Hamre/Banska Stiavnica tenement and 3 holes for 1,292.6 m on the Nova Bana tenement. The hole details are attached as Appendix 1. The drill holes and assays have been incorporated into a Micromine project by the author and the data was validated by the Micromine software and spatially checked for collar location errors, of which none were found. The Prospech database has some small errors with overlapping lithology intervals, unfinished data entry and there are some small differences in coordinates in the collar files between the master database and the user databases but these do not make a material difference to the outcome of the drill results. The Company is aware of this and the maintenance of the database is ongoing.

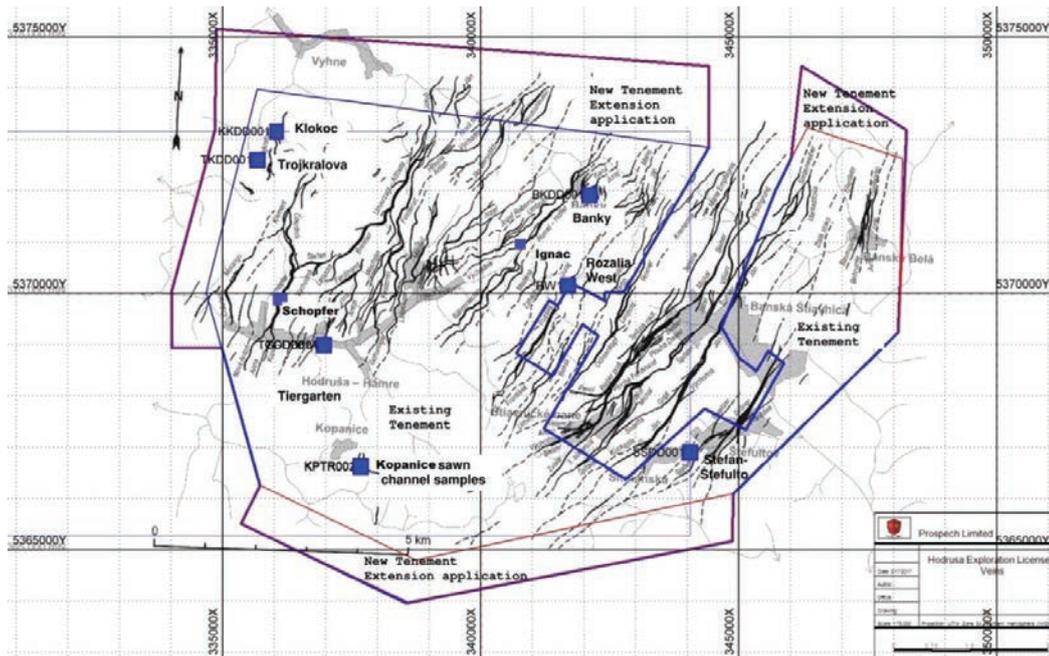
Prospech geologists have ranked the prospects in 2016 using the proximity to the Rozalia Mine (Ignac-Rabenstein, Banky, Rozalia West, Stefan) and potential to generate plus 1 million ounce gold resource outcomes (Nova Bana, Schopfer, Trojkralkova and Klokoc). These are termed Exploration Targets and are discussed below in section 6.

General drill results are tabulated below in Table 3. The best results are from Nova Bana hole NBDD002 and Klokoc hole KKDD001. Banky remains of interest because re-assaying part of a historic drill hole 175m beneath the Prospech BKDD001 collar position returned 120 g/t Au.

Results for Tiergarten, Stefan, Trojkralkova, and Rozalia West were less encouraging to the point that only Rozalia West is subject to a geological review in conjunction with mine staff. The Schopfer underground drilling results have resulted in planning for surface drilling with a medium term goal of an inferred resource.

A more detailed summary of the drilling, provided by the Company is included in this section below.

Figure 10. Prospech drill hole locations Hodrusa-Hamre/Banska Stiavnica Tenement.



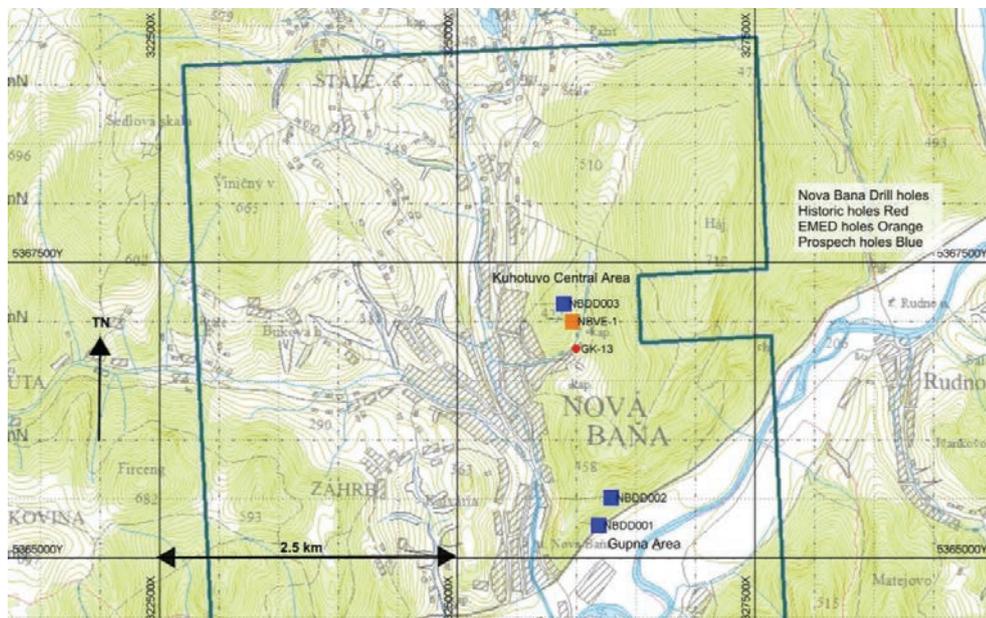
5.3.1 Nova Bana Project

The Nova Bana area was subject to historic gold and silver mining of an epithermal quartz vein system. Two holes were drilled at Gupna for 919.9m. In NBDD001 there were no significant results, possibly because the hole did not test the same zones of mineralisation encountered in nearby hole NBDD002. Drill hole locations are shown in Figure 11.

NBDD002 intersected several veins between 18.5m and 60.6m and a deeper zone of un-mineralised quartz breccias between 531.5m and 624.5m which is interpreted to be a “feeder” to the mineralised veins above. The upper, potentially mineralised part of the interpreted feeder has not been drilled. A schematic section for NBDD002 is attached as Figure 12.

NBDD003 was drilled at the Kohutovo target to test an area of extensive underground historic mining. The aim of the hole was to test the intersection of the Laurenc, Jozef and Jakub veins. A 10m zone of low grade mineralisation was encountered on the contact of the rhyolite and andesite in the interpreted down dip position of the Laurenc vein as shown in Figure 13.

Figure 11. Location of Nova Bana drill holes. The principal targets are Gupna in the south and the Kohutovo target 1 km to the north. Epithermal gold systems at both Gupna and Kohutovo were subject to historic mining which ceased in 19th century due to pumping difficulties and movement of infrastructure to the Hodrusa-Hamre / Banska Stiavnica field.



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Figure 12. Schematic section NBDD002.

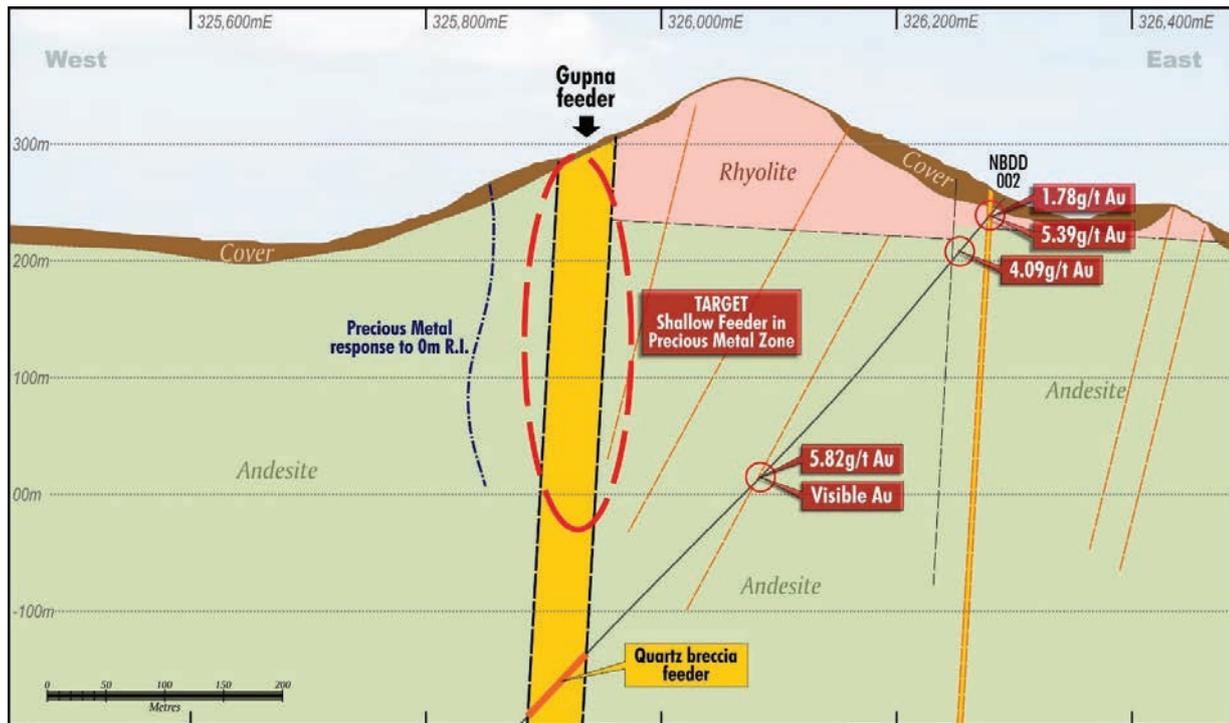
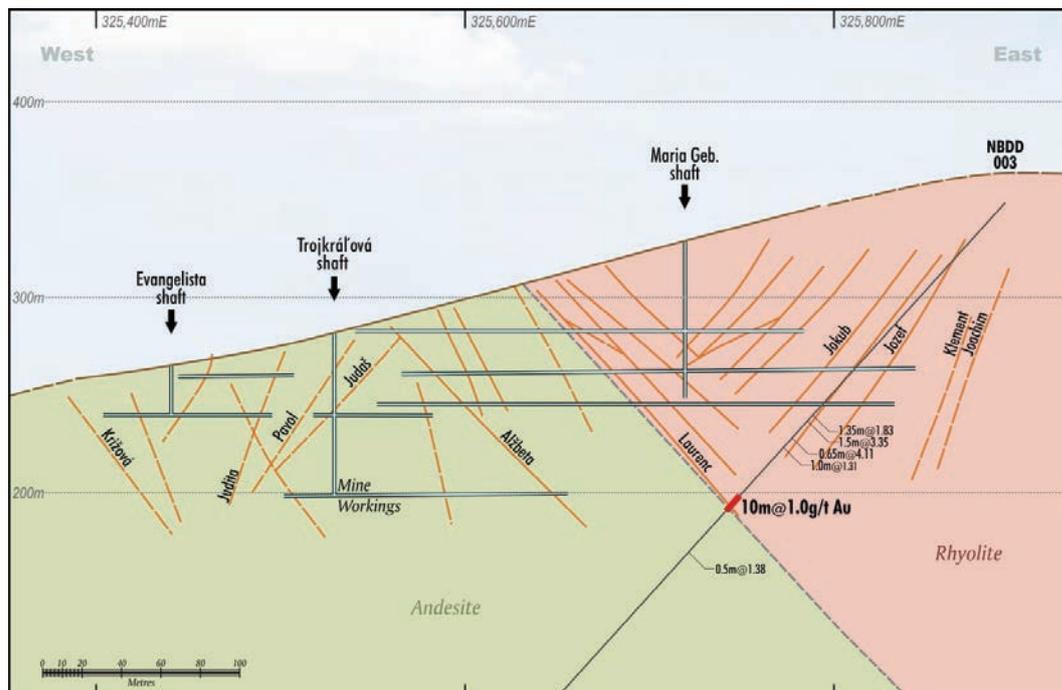


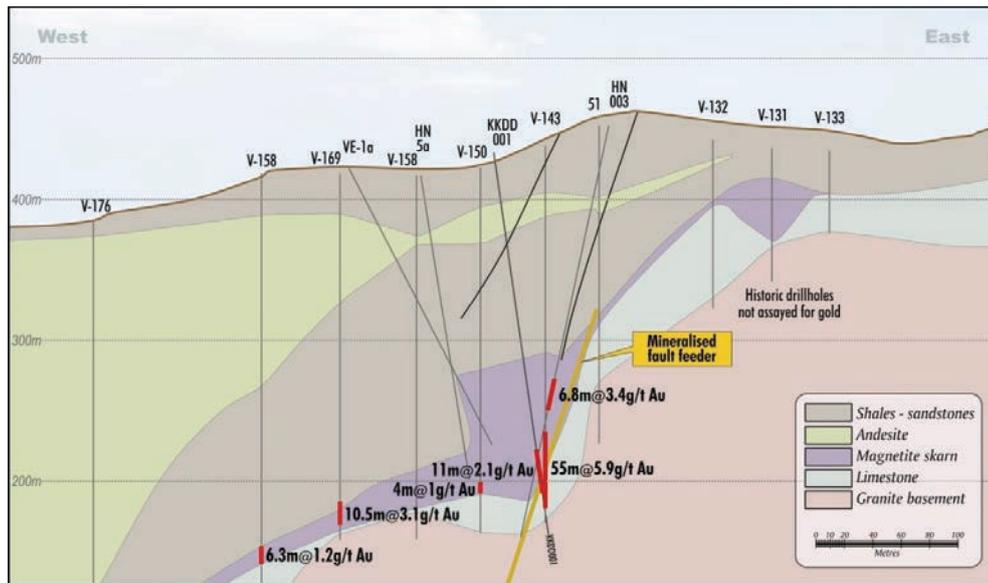
Figure 13. Schematic section NBDD003.



5.3.2 Hodrusa Project – Klokoč Prospect.

Prospect drill hole KKDD001 validated the location of previous intercepts of gold bearing, sulphide replaced magnetite skarn. Previous holes along strike include V169 with 10.5 metres @ 3.10 g/t Au and 6.5 g/t Ag, 100 metres to the west and V155 with 2.5 metres @ 61.00 g/t Au and 42.0 g/t Ag 100 metres to the south as shown on Figure 14. 3D modelling has shown that the target remains open to the north and south and because it becomes shallower to the north is amenable to shallow Reverse Circulation Percussion drilling over an area of approximately 500 metres by 250 metres.

Figure 14. Oblique section showing Prospech hole KKDD001 and previous nearby intersections.



5.3.3 Hodrusa Project – Tiergarten Prospect

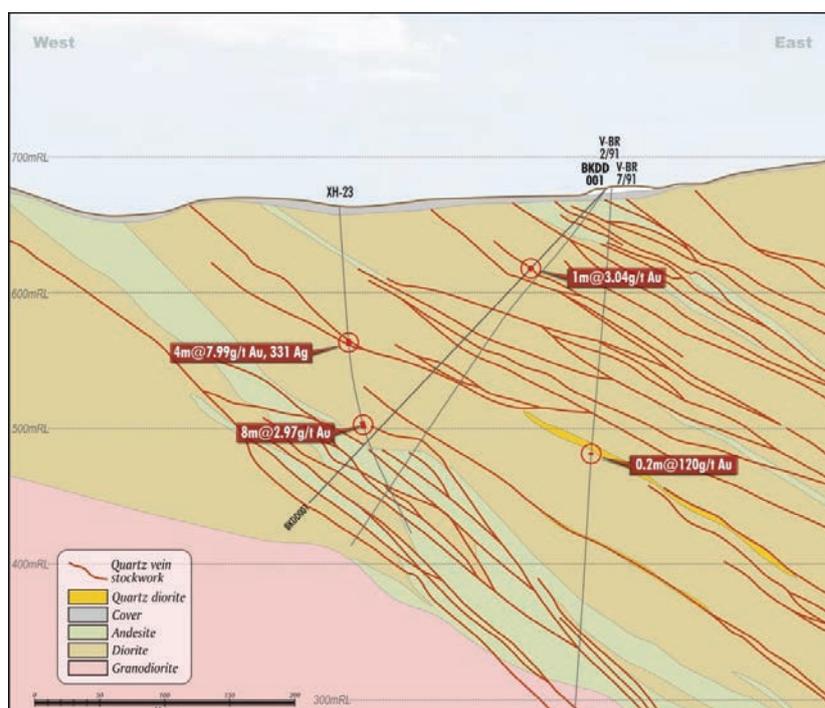
TGDD001 and TGDD002 were drilled underground at the Tiergarten vein system where historic sampling in a drainage adit reported up to 500 g/t Ag in a fault zone. Assay results from TGDD001 and TGDD002 were disappointing, however, this drilling has demonstrated that underground drilling is possible with the assistance of the Rozalia Mine allowing Prospech access to the main drainage adit from the mine when it is not being used. Important benefits are the zero surface disturbance and shorter, lower risk holes starting at or near vein zone, delivering both economic and community public relations benefits.

5.3.4 Hodrusa Project – Banky Prospect

Banky hole BKDD001 tested a series of flat lying veins with similar orientation and stratigraphic position to the orebodies at the Rozalia Mine, some 2 km to the south and within development distance of the Rozalia operations. A historic hole VBR-7 was resampled by Prospech from core held in the government core library and returned 120 g/t Au between 175.5-175.7m. Historic reporting in 1993, records only 1.31 ppm Au from the same interval. VBR-7 hole was drilled vertically from the same position as BKDD001.

The best result in BKDD001 was 1.0m of 3.04 g/t Au and 76 g/t Ag from 75m. A schematic section is shown as Figure 15.

Figure 15. Schematic section of Banky hole BKDD001 and nearby historic holes.



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5.3.5 Hodrusa Project – Rozalia West

In December 2015, a memorandum of understanding ('MoU') was entered into with Slovenská Banská s.r.o., the owner of the Rozalia Mine. Whilst the Exploration and Production Co-operation MoU is non-binding, it demonstrates a close co-operation between Prospech and the Rozalia Mine. The currently operating Rozalia Mine processing plant produces a gold and silver concentrate using cyanide free processing with modern Outotec technology. The Rozalia Mine produces approximately 20,000 ounces of gold a year at head grade of 12.5 g/t Au.

Mineral deposits discovered by Prospech may, in the future, be able to be processed using the Rozalia Mine plant and equipment.

Following the execution of the Exploration and Production Co-operation MoU, the Rozalia Mine made available all of its exploration data to the Company.

Prospech has completed one hole RW1 to test the continuance of the mine host sequence onto the Prospech tenement. Although the hole confirmed the presence of the mine sequence, sampling through the target zone was hampered due to poor core recovery. Because there are no supporting precious metal values, this potentially downgrades the target for now. It should be stated that the Rozalia Mine has a strong nugget effect with rapid changes of grade over small distances. A review of the data and design of an additional hole is underway.

5.3.6 Hodrusa Project – Schopfer

The Schopfer mine was drilled underground utilising a hand held diamond rig to test hanging and footwall positions within the Luisa Shaft area of the Schopfer Dolna Adit area. Drilling was collared into remnant blocks in both the hanging and footwall areas with grades largely confirming the 1:100 Au:Ag ratio noted from previous production up to 1949. Surface drilling is planned to test the full width of these areas started with the Luisa shaft area and possibly along the strike of the more than 1km long mineralised system. Drill results are set out in Table 3.

Figure 16. Drilling underground utilising a portable diamond rig to a maximum depth of 8m, depending on ground conditions.

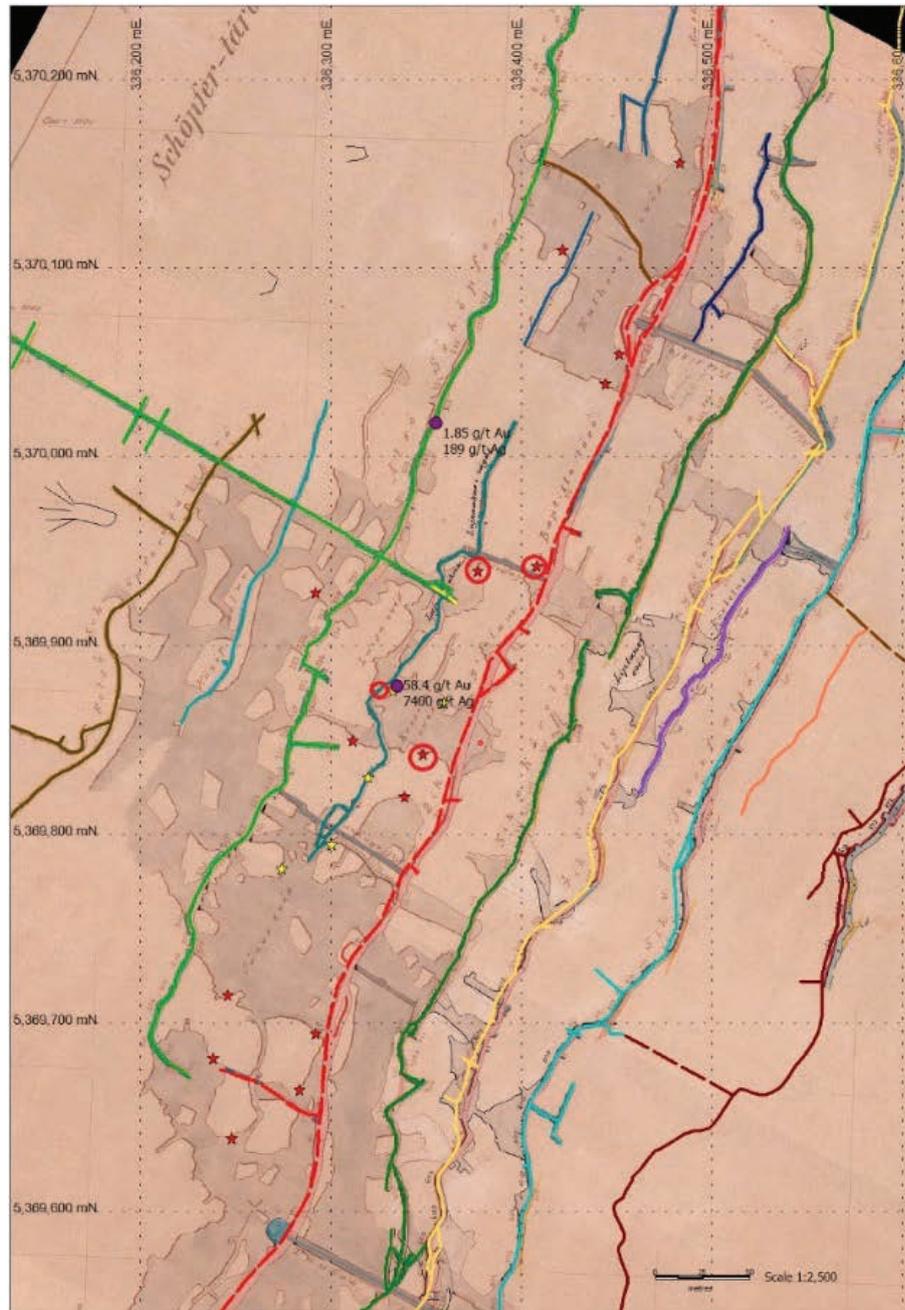


5.3.7 Hodrusa Project – Ignac Rabenstein

Recent rock chip results from Ignac-Rabenstein prospect (average 7.80 g/t gold and 33.0 g/t silver) are currently being collated with historic results. Located adjacent to the operating Rozalia Mine, these results are considered to represent an up dip equivalent of the structure currently being mined. The results have caused the Company's geologists to reconsider the geologic structure of a significant part of the Hodrusa-Hamre exploration licence area and 3D digitisation of historical mining data is underway to support drill planning for 2017 drilling of the Ignac-Rabenstein prospect.

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Figure 17. Underground drilling tested remnant mineralisation around the Luisa shaft are including previous rock chip grades of up to 58 g/t Au and 7,400 g/t Ag. Red stars depict underground drill locations with hole depth to a maximum of 7.6m.



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Figure 18. Void models have been completed in a first draft to allow drill planning in the first instance and future use in probable resource estimation objectives.

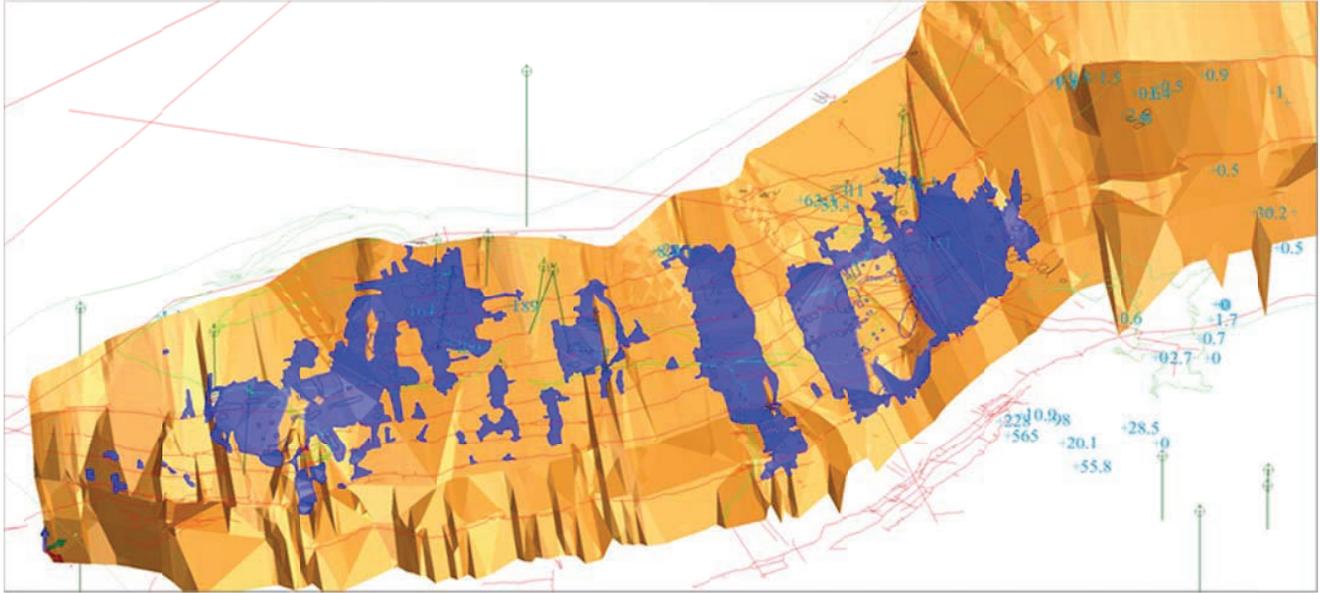
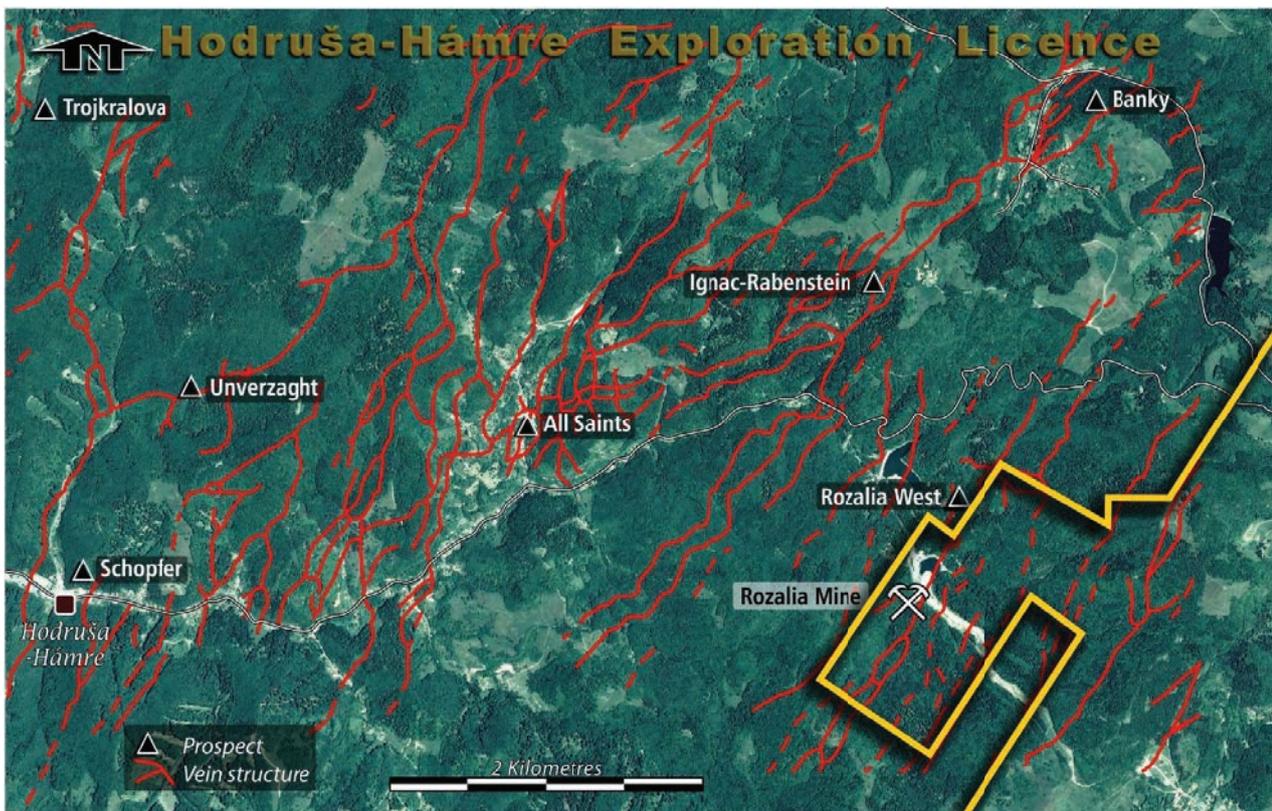


Figure 19. Ignac is part of the Rabenstein stacked vein set, in what is a stacked stockwork with interpretations and mapping of gold-silver rock chip results underway to allow future drill planning. Sampling referred to in Table 2 below.



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Table 2. Rock chips recently taken 1 km to the north east of the Rozalia Mine have returned Au and Ag values that warrant detailed follow up mapping, review of nearby historic core and probable drill planning during 2017.

Au	Ag	UTM E	UTM N	Prospect	Sample_ID	Comments
47.3	48.5	340727	5370910	Ignac	PR0142	qtz + pink carb - green qtz, sulphides
2.27	132	340728	5370910	Ignac	PR0143	Qtz vein + 5cm thick massive fine-grained galena and cpy
12.95	11.2	340729	5370910	Ignac	PR0144	Qtz + sulphides + partly oxidized Fe-Mn carb. Sulph in impregnations
6.22	31.4	340730	5370910	Ignac	PR0145	Qtz - hematite (cinopel) hdt vein breccia? + sulphides in impregnations
2.02	6.1	340731	5370910	Ignac	PR0146	Qtz brecciated vein + sulphides, Mn-ox coatings
2.02	61.8	340732	5370910	Ignac	PR0147	Qtz vein - brecciated texture, vuggy with kaolinite in vugs, hematite, sulphides
9.95	127	340733	5370910	Ignac	PR0148	Qtz vein - qtz matrix + lithic fragments, nests of black sulphides, Cu-sec. minerals
2.76	78.4	340734	5370910	Ignac	PR0149	Suggary bladed qtz + fine black sulph. Impregnations + banded qtz - sulphide veining
2.26	16.2	340735	5370910	Ignac	PR0150	Brecciated qtz - hematite vein, low sulph content, fine-grained gal
0.11	37.2	340736	5370910	Ignac	PR0151	qtz breccia + Mn-carb and Mn-ox
0.08	0.7	340737	5370910	Ignac	PR0152	Qtz-hematite (hem>qtz) breccia, hem in matrix approx. 30 lithic fragments 70
3.13	38.1	340738	5370910	Ignac	PR0153	brecciated qtz-hem vein with sulphide impregnations
16.7	20.3	340739	5370910	Ignac	PR0154	Qtz hem-py with minor Mn-carb and sulphides
0.08	1.9	340740	5370910	Ignac	PR0155	drusy (vuggy) qtz, strongly oxidised - Fe-Mn ox, minor sulph
0.13	29.1	340741	5370910	Ignac	PR0156	Porous, qtz breccia with sulphides/hematite
3.22	21.2	340742	5370910	Ignac	PR0157	qtz-sulph brecciated vein; high % of sulphides (Kristof type?)
1.63	24.8	340743	5370910	Ignac	PR0158	qtz vein / banded + cockade texture, low sulph/hem
2.71	69.3	340744	5370910	Ignac	PR0159	Qtz-sulph brecciated vein + hem, sph, gal, bladed qtz in fragments
3.02	47.1	340745	5370910	Ignac	PR0160	qtz vein, banded, rich sulphides in bands (sph, gal)
2.15	140	340585	5370977	Rabenstein	PR0161	vuggy qtz with sulph. Dissemination, mostly PY
0.26	54.1	340586	5370977	Rabenstein	PR0162	Fe-ox, Mn-ox, qtz breccia
2.24	225	340587	5370977	Rabenstein	PR0163	Bx-qtz clasts, pink staining hem?, sulphide dissemination (py, gal?)
3.75	209	340588	5370977	Rabenstein	PR0164	silicified? Vein, Mn-Fe -ox, minor py
5.57	371	340589	5370977	Rabenstein	PR0165	
0.31	30.3	340590	5370977	Rabenstein	PR0166	Mn, Fe ox, qtz
3.18	313	340591	5370977	Rabenstein	PR0167	Mn, Fe-ox, hem. Staining, qtz, vuggy qtz
0.26	22.8	340592	5370977	Rabenstein	PR0168	bx, strong py disseminataion, angular clasts
4.26	193	340593	5370977	Rabenstein	PR0169	porous, leached qtz, minor py, Fe staining
4.43	231	340721	5371032	Rabenstein	PR0170	qtz vein, Fe, Mn oxides, bx, vuggy
0.98	93.5	340723	5371020	Rabenstein	PR0171	bx vein, dark grey qtz, on margin white qtz clasts/darker matrix, +- sulphides
1.08	24.6	340766	5370929	Ignac	PR0172	fine grained grey silica with py dissemination, local white qtz veinlets
0.01	0.6	340978	5370324	Ignac	PR0173	
0.02	3.6	341069	5370533	Juraj	PR0174	silicified bx with abundant sulph (py, gal)
0.99	5.9	341069	5370533	Juraj	PR0175	bx andesite clasts cemented by qtz, sph, gal, py
1.94	33.8	340815	5371013	Juraj	PR0176	cinopel bx with sulphides
0.17	12.1	340937	5370328	Ignac	PR0177	Kristof type vein
0.04	44.5	340952	5370320	Ignac	PR0178	gal, sph nests + qtz
0.01	3.5	340950	5370320	Ignac	PR0179	bx, qtz vein with sulph. nests(py, gal) hem. Stain
0.03	3.2	340951	5370320	Ignac	PR0180	silicified bx, impregnation of gal, sph
0.01	1.6	340952	5370320	Ignac	PR0181	silicified bx, low sulph.
0.04	1.3	340953	5370320	Ignac	PR0182	massive qtz, disseminated py

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Au	Ag	UTM E	UTM N	Prospect	Sample_ID	Comments
14.75	17.1	340727	5370910	Ignac	PR0183	Qtz + sulphides gal, sph, py, black FeMn coating
16.9	23.8	340728	5370910	Ignac	PR0184	Silicified bx andesite Mn/Fe coating, gal, sph, py clasts or/and impregnations
8.76	31	340729	5370910	Ignac	PR0185	bx vein with sulphides
33.6	214	340730	5370910	Ignac	PR0186	massive sulphidic vein gal, py, cpy, sph, vuggy porous qtz with leached car
5.93	79.9	340731	5370910	Ignac	PR0187	bx vein with clast of andesite, xx qtz with sulph - gal, py, locally qtz amethyst

Table 3. Prospech drill hole intersections in drill sequence. The intersections are weighted averages.

Prospech Limited 2016-17 Drill Results - weighted average intersections.								
Project	Prospect	Hole	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)	Comments
Hodrusa	Klokoc	KKDD001	187	191	4	2.45	7.6	Magnetite skarn
			199	200	1	1.66	9.1	Magnetite skarn
			203	204	1	1.31	6.5	Magnetite skarn
			213	231	18	1.51	7.5	Magnetite skarn
			Including	220	226	6	2.82	4.5
Hodrusa	Tiergarten	TGDD001	No significant results					500 g/t Ag historic sample
Hodrusa	Banky	BKDD001	75	76	1	3.04	75.9	Quartz vein
			192	193	1	1.47	2.3	Quartz vein
			219.6	238	18.4	0.33	9.1	Quartz stockwork
Hodrusa	Stefan	SSDD001	108.3	111	2.7	0.13	22	Clay fault 50m below historic 138 g/t Au assay result
Hodrusa	Rozalia West	RW1	No significant results					Sulphide rich host sequence - not auriferous
Hodrusa	Trojkrálova	TKDD001	No significant results					30m wide quartz carbonate system
Nova Bana	Gupna	NBDD001	No significant results					Strong alteration below target zone
Nova Bana	Gupna	NBDD002 including	18.5	21.5	3	2.21	56.4	Visible gold Feeder zone
			19.8	20.5	0.7	5.39	30	
			59.5	60.6	1.1	4.09	59.3	
			75	75.3	0.3	2.28	14	
			317	322.7	5.7	1.05	1.25	
			including	317	317.8	0.8	5.82	
531.5	624	8.6	NSR-	-				
Nova Bana	Kohutovo	NBDD003	155	156.3	1.3	1.83	5.5	Targeting Josef, Jakub and Laurenc
			159	160.5	1.5	3.35	9.4	
			172.3	173	0.7	4.11	9.9	
			216	226	10	1.02	5.1	
Hodrusa	Schopfer	SCDD001	0.7	4.0	3.3	2.13	145	Ag/sulph, Py Massive qz/Cc vein with trace Ag Disseminated Ag/sulph
	Schopfer	SCDD002	0.0	0.9	0.9	1.85	188	
	Schopfer	SCDD003	0.0	3.0	3.0	2.46	233	
	Schopfer	SCDD004	0.0	1.5	1.5	5.57	258	

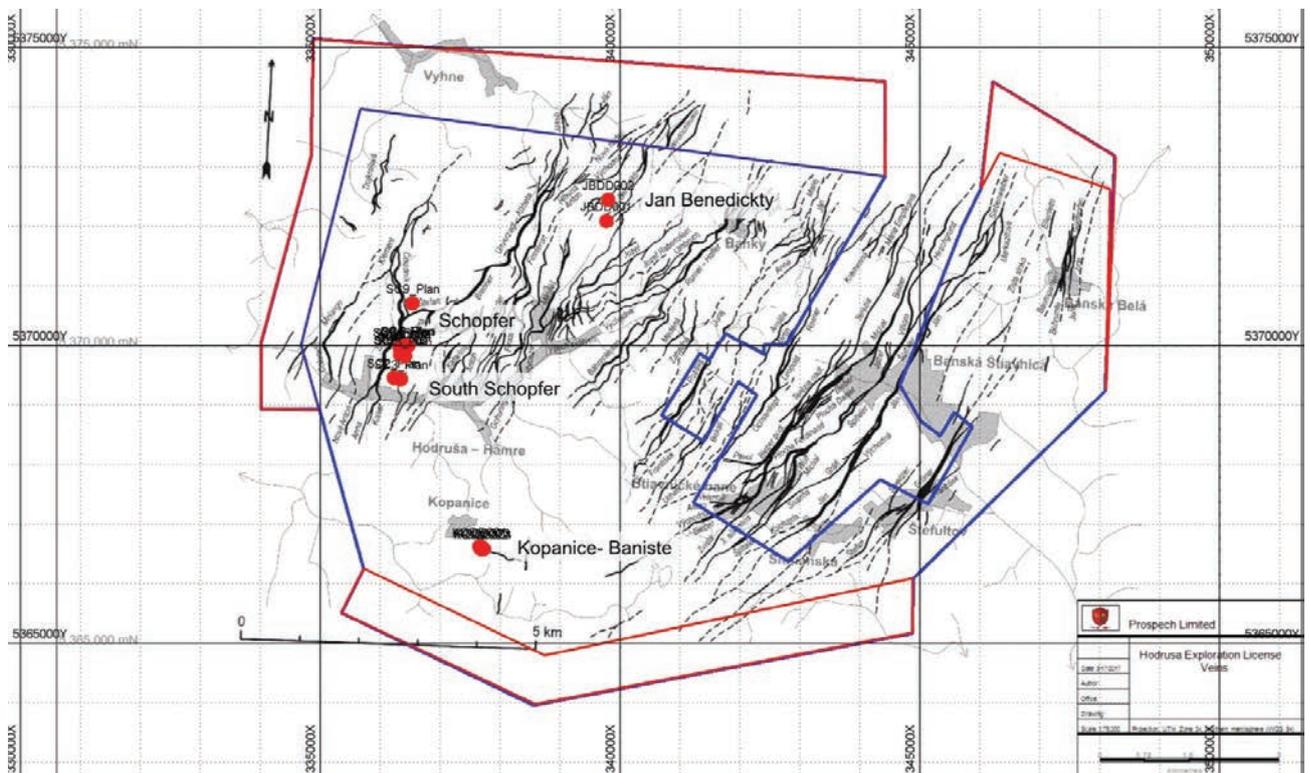
6 Proposed Work 2017

The Company has used a large amount of historic and recent geological data to generate a series of exploration targets which will be the focus of ongoing and future work. A combination of historic production grades, modern drill and or rock-chip results were used to quantify grades and volume estimates based on production widths and or outcropping widths. The table, attached in Appendix 2 shows a list of targets. Some targets have a higher level of information but certainly none are JORC inferred. The Company does not currently have any Mineral Resources defined in accordance with a professional code such as the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Exploration Target estimates referred to reflect corporate objectives based on previous mining and estimates of Slovak and predecessor reports.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

From the list of Exploration Targets the Company has prioritised the top four for drilling in 2017. A detailed summary of each area and a full list of the proposed holes are attached in Appendix 4. The location of the proposed holes and the targets they will test are shown in Figures 16 and 17. A total of 18 holes for 2850m are proposed.

Figure 20. Location of the targets and proposed 2017 drill holes on the Hodruša-Hámre / Banská Stiažnica Tenement.



The Company is aiming for a JORC compliant inferred resource estimate for Schopfer vein including modelling remnant ore in pillars and unmined areas as well as underground and surface drilling. A total of 12 holes for 1,990m are proposed.

The previous drilling at the Gupna prospect on the Nova Bana tenement will be followed up with shallow holes targeting the upper portion of a proposed feeder structure in a vertical range which is known from previous mining to be capable of depositing precious metals. A total of 4 holes for 400m are proposed as shown in Figure 21.

Rock chip samples taken by the Company from outcrops in the shallow workings at Kopanice have confirmed gold and silver mineralisation is present. Drill pad locations have been permitted for 4 shallow (<100 metre) drill holes using a small diamond gopher rig into the known 30 metre wide stockwork system.

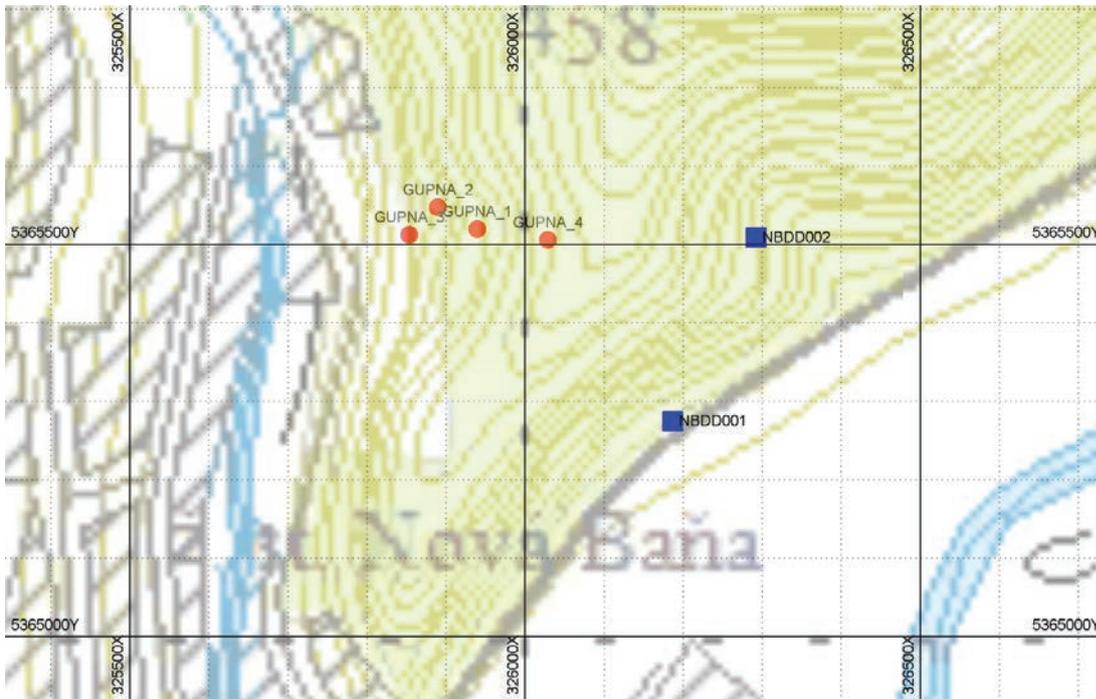
9. Independent Geologist Report

At the Jan Benedicky prospect, previous drilling and underground sampling by the Slovakian Geological Survey whilst exploring for copper lead and zinc produced some unexpected gold results. From that work in 1992 the Geological survey produced a non JORC compliant resource estimate of 68,081 tonnes of 3.17 g/t Au and 7.2 g/t Ag. The Company plans to drill 2 holes for 300m to confirm if the area has potential. The geological setting is thought to be similar to the Rozalia Mine.

The 2017 to 2019 exploration budget of A\$5,050,000 will be subject to modification on an ongoing basis depending on the exploration results as they progress. The proposed funds raised by the IPO will be sufficient to cover the exploration budget and licence obligations as set by the Slovakian Government.

The proposed exploration program and budget in Appendix 4 appears to be based on sound geologic principals and supported by reliable data.

Figure 21. Location of the Gupna targets and proposed 2017 drill holes on the Nova Bana Tenement. Previous holes in blue and proposed holes are in red.



7 References

- Cran, J. 2104. Hodrusa Project Due Diligence. 30-11-2014. Geo Data Pty Ltd report for Prospech.
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- Štefan Ferenc, Peter Koděra and Rastislav Demko. Epithermal precious metals mineralization at Nova Bana-Gupna occurrence. (Pohronsky-Inovec Mts., Slovak Republic). Published at the Central European Mineralogical Conference Skalasky Dvur Czech Republic 2014.

Appendix 1.

Atalaya and Prospech Drill Hole Details.

Collar Details

Hole_ID	Company	UTM_Grid_ID	UTM_East	UTM_North	AHD_RL	Max_Depth
BKDD001	Prospech	WGS 84 Zone 34N	342109.3	5371916.19	671.22	297.5
BUVE-1	Atalaya	WGS 84 Zone 34N	346383.6	5370261.5	564.15	163.8
BUVE-2	Atalaya	WGS 84 Zone 34N	346380.5	5370148.3	579.22	199.8
KKDD001	Prospech	WGS 84 Zone 34N	336026.5	5373153.99	432.8	274.8
KPTR001	Prospech	WGS 84 Zone 34N	337675	5366630	731	10
KPTR002	Prospech	WGS 84 Zone 34N	337676	5366619	728	8
KPTR003	Prospech	WGS 84 Zone 34N	337675	5366611	728	1
NBDD001	Prospech	UTM-34N/WGS84	326187	5365275	205	274.4
NBDD002	Prospech	UTM-34N/WGS84	326292	5365509	254	645.5
NBDD003	Prospech	UTM-34N/WGS84	325893	5367150	381	397.7
NBVE-1	Atalaya	UTM-34N/WGS84	325969.3	5366999.11	340.06	346.9
RW1	Prospech	WGS 84 Zone 34N	341692	5370143	595	298.5
SVE-1	Atalaya	WGS 84 Zone 34N	337718.7	5364790	686.4	256.8
SVE-2	Atalaya	WGS 84 Zone 34N	337950	5364710	687.41	103.6
SSDD001	Prospech	WGS 84 Zone 34N	344060.2	5366893.91	580.81	150
SCDD001	Prospech	WGS 84 Zone 34N	336367	5369910	350	4.4
SCDD002	Prospech	WGS 84 Zone 34N	336373	5369920	350	7.42
SCDD003	Prospech	WGS 84 Zone 34N	336367	5369910	350	7.4
SCDD004	Prospech	WGS 84 Zone 34N	336365	5369895	350	7.15
TGDD001	Prospech	WGS 84 Zone 34N	336958	5368986	219.34	33
TGDD001A	Prospech	WGS 84 Zone 34N	336958	5368986	219.34	13.2
TKDD001	Prospech	WGS 84 Zone 34N	335675	5372599	599	272.5
VVE1a	Atalaya	WGS 84 Zone 34N	335930.5	5373188.6	422	220.4
ZVE-2	Atalaya	WGS 84 Zone 34N	335553.4	5365597.5	597.3	203.1
ZVE-4	Atalaya	WGS 84 Zone 34N	335783.8	5365649.9	645.5	118.1

Drill hole surveys.

Hole_ID	Depth	Dip	MAG_Azimuth	UTM_Azimuth
BKDD001	0	-60	290.2	296.2
BKDD001	55	-58	295	301
BKDD001	106	-58	293	299
BKDD001	151	-58	292	298
BKDD001	219.6	-59	295	301
BKDD001	251.8	-58	301	307
BUVE-1	0	-56	298	302.9
BUVE-1	49	-56	297	301.9
BUVE-1	105.5	-57	298	302.9
BUVE-1	162.5	-57	297	301.9

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Hole_ID	Depth	Dip	MAG_Azimuth	UTM_Azimuth
BUVE-2	0	-50	300	304.9
BUVE-2	60.5	-51	299	303.9
BUVE-2	99.5	-51	299	303.9
BUVE-2	150.5	-52	299	303.9
BUVE-2	198.5	-54	296	300.9
KKDD001	0	-78	156	162
KKDD001	75.6	-80	158	164
KKDD001	105	-80	158	164
KKDD001	142	-80	155	161
KKDD001	270.6	-80	147	153
RW1	0	-75	306	310
RW1	52	-77	306	312
RW1	104	-77	315	321
RW1	109	-77	305	311
RW1	149.5	-77	311	317
RW1	150	-78	317.5	323.5
RW1	198	-78	315	321
RW1	209.5	-77	318	324
RW1	249	-78	317	323
SCDD001	0	26	130	136
SCDD002	0	-40	300	306
SCDD003	0	-50	240	246
SCDD004	0	-60	300	306
SSDD001	0	-60	110	116
SSDD001	49	-58	103	109
SSDD001	100	-58	103	109
SSDD001	148	-52	100	106
SVE-1	0	-50	85	89.9
SVE-1	156	-53	89.5	94.4
SVE-1	248	-54	88	92.9
SVE-2	0	-50	267	271
SVE-2	37.6	-53	268	272
SVE-2	101.6	-53	264	268
TGDD001	0	-10	305.2	311.2
TGDD001A	0	-15	305.2	311.2
TKDD001	0	-80	119	125
TKDD001	50	-76	116	122
TKDD001	100	-77	129	135
TKDD001	103	-78	132.5	138.5
TKDD001	148	-77	132.5	138.5

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Hole_ID	Depth	Dip	MAG_Azimuth	UTM_Azimuth
TKDD001	198	-76	127.5	133.5
TKDD001	252.3	-78	129	135
TKDD001	270.4	-78	126	132
VVE1a	0	-63	121	124.7
VVE1a	50	-62	122	125.7
VVE1a	100	-63	120	123.7
VVE1a	150	-63	127	130.7
VVE1a	200	-63	126	129.7
VVE1a	0	-50	85	89
VVE1a	0	-50	345	349
VVE1a	200	-63	126	129.7
ZVE-4	0	-50	345	349

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Appendix 2. Exploration Targets.

Datasets used to determine the grade and tonnage ranges in the Exploration Target included historical production records, surface sampling, modern drilling results and, in cases where data is sufficient, 3D modelling of voids and interpreted solids of interpreted vein zones.

[Project]	Prospect	Evaluation Stage				
Hodrusa	Vyhne-Klokoč	Drilled and 3D modelled				
Hodrusa	Grúner-main vein	3D modelled				
Hodrusa	Grúner-footwall (Štefan Maria Shaft)	3D modelled				
Hodrusa	Ochsenkopf (Roxner) vein	Surface sampled and 3D modelled				
Hodrusa	Collorado (Ignác, Melango) vein	3D modelled				
Hodrusa	Schöpfer vein	Surface sampled and to be drilled				
Hodrusa	Alžbeta and Univerzal (Unverzagt) veins	3D modelled and to be surface sampled				
Hodrusa	Brenner vein	3D modelled and to be surface sampled				
Hodrusa	“New” Ján Benedický vein	3D modelled - drill permitted for drilling				
Hodrusa	Banky vein system (Juraj, Rummel-Hoffer, Olovená, Jozef, Rabenstein, Ignac veins)	3D modelled and historically drilled				
Hodrusa	Banská Belá vein system (Goldfahrten, Baumgarten, Juraj veins)	2D collation				
Hodrusa	Kopanice (Hlavná and Zlatá veins)	3D modelled - drill permitted for drilling				
Hodrusa	Trojkráľová vein	Drilled and 3D modelled				
Nova Bana	Nova Bana Gupna	Drilled, 3D modelled and permitting for drilling				
Nova Bana	Nova Bana Kohutovo	Drilled, 3D modelled and permitting for drilling				
Nova Bana	Nova Bana Brehy	2D collation				
Nova Bana	Nova Bana Rudno	2D collation				
Jasenie	Jasenie Gold Tungsten	2D collation				
		Exploration Target (Tonnes)	Grade (Au g/t)	Grade (Ag g/t)	Million Ounces (Au)	Million Ounces (Ag)
Exploration Target Range Minimums		25,000,000	3.5	100	2.8	81
Exploration Target Range Maximums		30,000,000	7.0	300	6.8	290

Exploration Target. The potential quantity and grade is conceptual in nature in that there has been insufficient exploration to estimate a mineral resource and that it is uncertain if further exploration will result in the estimation of a mineral resource (JORC clause 17).

Appendix 3. JORC Code 2012 Statements.

JORC Code, 2012 Edition – Table 1 CSVF (Central Slovakian Volcanic Field (including Nova Bana and Hodrusa Hamre) EXPLORATION PROGRAM REPORT:

A. Rock Chip Sampling – Surface and Underground

B. Sawn Channel Sampling

C. Diamond Drill Sampling

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<p>Rock chip sampling:</p> <ul style="list-style-type: none"> Rock chip samples were collected from outcrops and accessible both surface and underground workings of sulphide bearing quartz veins, and zones of silicification, within Neogene volcanics under the supervision of a qualified geologist. Sample locations were surveyed with a handheld GPS and marked into sample books. <p>Diamond saw and core sampling:</p> <ul style="list-style-type: none"> Sawn channel samples were collected of several sulphide bearing quartz veins, and zones of silicification, within Neogene volcanics under the supervision of a qualified geologist. Sample locations were surveyed with a handheld GPS. Representative sawn cut samples of 2-3kg weight were taken across the strike of the outcrop over 1 metre intervals except where noted. Intervals were cut at right angles to assist in later more accurate surveying duties. Drill core samples were taken from ½ split core in mostly 1m interval samples or shorter when required and properly marked into sample books with depth intervals. Certified standards inserted every 25 samples and photographs taken of each interval or core tray.
Drilling techniques	<ul style="list-style-type: none"> 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). 	Diamond drilling with PQ, HQ3 and NQ2 core.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	Standard overshot recovery of diamond core in wireline system. No recovery grade relationship.

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Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Sawn channel samples were geologically logged by a qualified geologist. Diamond core standard geotechnical logging of recoveries and RQD and lithological logging of whole core. All metres marked and photographed wet and dry prior to diamond saw sampling of core.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Core cut to half in all sizes – half core remains as reference, half analysed (PQ 4-6kg/sample, HQ 3-4kg/sample, NQ 1-2kg/sample). All sampling done under supervision of a qualified geologist.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples are stored in a secure location in the Company's 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. Pulps are analysed by ALS Romania using method code ME-ICP61, a 33 element determination using a four acid digestion and Au-AA25 for gold. Ore grades are analysed by OG62 – 4 acid digestion method for each element when identified.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Laboratory provides assay certificates, which are stored electronically both in ALS and Companies servers. Laboratory CSV files are merged with GPS Location data files using unique sample numbers as the key. No adjustments made to assay data.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Rock-chip samples are located using handheld GPS receivers with accuracy from 10-5m. • Drill holes are surveyed using differential GPS by licensed surveyor within 10cm accuracy. • UTM projection WGS84 Zone 34N and local grid SJTSK03. Conversion between local and UTM grid is run through national certified webportal. • The topographic control, using handheld GPS, was adequate for the survey.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Reconnaissance sampling of available outcrop. • Results will not be used for resource estimation. • No compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No bias is believed to be introduced by the sampling method.
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples were delivered to ALS Minerals laboratory in Romania by trusted contractors and were not left unattended at any time. There were no incident reports from ALS lab on sample receiver cell.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • No audits or reviews of the data management system have been carried out.

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Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Company, through subsidiaries and contractual rights, holds rights to the Hodrusa-Hamre and Nova Bana tenements. In December 2014, the Company has entered into an agreement ('Earn-in Agreement') to earn up to an 81% interest in Slovenské Kovy, s.r.o. ('SLOK'), a 100% owned Slovakian subsidiary company of EMED Mining Public Limited (subsequently renamed Atalaya Mining plc, 'Atalaya'), the 100% holder of to the Hodrusa-Hamre and Nova Bana tenements. The laws of Slovakia 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 Slovakian mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by the Company's environmental and permit advisors specifically engaged for such purposes. Since December 2014, the Company has satisfied the following Earn-in Agreement milestones: <ul style="list-style-type: none"> Stage 1: €200,000 exploration expenditure over not more than 6 months to earn 30% of SLOK. Stage 2: a further €200,000 exploration expenditure over not more than 1 year after Stage 1 to increase to 51% of SLOK. Stage 3: a further €600,000 exploration expenditure over not more than 2 years after Stage 2 to increase to 81% of SLOK. Effective 31 December 2016, the Company had satisfied the Stage 1, Stage 2 and Stage 3 conditions of the Earn-in Agreement and earned an 81% interest in, and control of, SLOK. The Eran-in Agreement was replaced by a Joint Venture Agreement. On 24 May 2017, the Company and Atalaya entered into a Share and Rights Sale and Purchase Agreement under which the Company has rights to acquire Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement. The Rundo nad Hronom and Jasenie exploration licences are owned 100% by the Company. The Company is the manager of operations in accordance with generally accepted mining industry standards and practices.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Anciently, the target was silver, the currency of the day, and more recently, during the Communist era, the targets were industrial base metals, copper, lead, zinc and others. As a result, much of the country, including the Company's exploration licence areas, has not been subject to modern western exploration methodology or exploitation. Slovakia has a known mining history dating to Celtic times and earlier. Tools used by prehistoric miners at Spania Dolina, near Banská Bystrica are dated as early as 2000-1700 BC. Major production of metals (primarily copper and silver) occurred during the medieval period. The second oldest mining institute in the world is located at Banská Stiaavnica (in the Hodrusa-Hamre exploration licence area) and the local population is proud of their mining heritage, holding a three day mining festival every year. The mint at nearby Kremnica has operated for over six hundred years and continues today. Communist era base metal and coal production was substantial and smelting of aluminium and nickel (ore imported from Hungary and Albania) was carried out. Coal, gold, silver, talc, anhydrite and magnesite (and limestone, dolomite and gravel) are being mined in Slovakia today. An underground gold mine on a third party mining lease enclosed within the Hodrusa-Hamre exploration licence, the Rozalia Mine, continues in operation today, trucking a gravity/flotation concentrate to a smelter in Belgium. Communist era gold assays used in Government and private exploration programs have been proven to be unreliable and this must be taken into account when interpreting reports from the Communist era. Atalaya introduced the use of internationally accredited foreign assay laboratories in 2005 (initially in Australia and then in Romania), providing the first reliable gold assay results for the Hodrusa-Hamre and Nova Bana project areas. In recent years, an extensive country-wide cadastral, geological, geochemical and geophysical database has been built by the Geological Survey of the Slovak Republic.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • A significant archive of historical exploration data has been acquired by the Company, including drilling results, numerous government studies, minor private exploration prior to Atalaya's involvement and Atalaya's exploration prior to their decision to focus on another major project development. • The two exploration licences held by SLOK cover approximately 115 square kilometres in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield where more than 1,000 years of historical production is estimated to have totalled 2.4 million ounces of gold, 120 million ounces of silver, 70,000 tonnes of zinc, 55,000 tonnes of lead and 8,000 tonnes of copper. • The Hodrusa-Hamre/Banska Stiavnica mining district and the Nova Bana goldfield are located approximately 180 kilometres east of Bratislava in Slovakia, a country member of the European Union and Eurozone.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>Epithermal veins –. The presence of stockwork style veins is targeted, including Schopfer vein which has been identified and sampled during due diligence study carried out by the Company in 2014. Intensive stockwork hosted in granodiorite was sampled close to the entrance to Jan Baptista adit on II level of Schopfer Mine. The sample of amethyst stockwork (EMR_L02921) returned 0.07 g/t Au and 4.4 g/t Ag, however, the sample was taken from hanging wall of Schopfer vein exposed in cave-in and the vein was not mined in this part of the mine.</p> <p>Sample M660146 collected from footwall of the stope between I and II level close to the Main Inclined Shaft returned 58.6 g/t Au and 7400 g/t Ag and represents footwall splay of Schopfer vein, that was not subject of historical mining. Presence of high grade material in the footwall of stope indicate presence of high grade stockwork around previously mined high grade ore shoots. Historical production from Schopfer main vein is estimated to 1,000 kt of ore grading 4 g/t Au and 400-500 g/t Ag for a total 130 koz Au and 13-17.5 Moz Ag.</p> <p>Rozalia style - Pivovarská valley prospect– potential for Rozália style Au-rich stockwork. Au rich epithermal stockwork was discovered only in 1988 during exploration for additional Cu resources on horst-graben veins (Rozalia and Bakali veins). The stockwork is mined since 1992 and yielded more than 8 tons (270 koz) Au and 7 tons (220 koz) Ag till now at approximately 10 g/t Au and 9 g/t Ag grade. The area was in the past subject of very limited mining activities. Despite presence of large alteration system, the old prospectors were not able to locate a bedrock mineralisation due to number of large landslides resulting from steep terrain and strong argillic alteration of andesite. Landslides of strongly argillic altered andesite are very important surface feature and similar to the surface expression of immediate hanging-wall of precious metal system at Rozalia Mine. The only small exploration works in the area are visible along strike of Barenleuten vein system with intensively pyritized and silicified andesites on the waste dumps.</p> <p>Vyhne – Klokoč prospect – Fe-rich skarn in a footwall of big granodiorite intrusion, explored in 1960s for magnetite. Later in 1990s the old core was re-assayed for Au and returned high Au grades up to 55.2 g/t Au. The skarn is located in structural position favorable to host Rozalia style Au-rich stockwork. Moreover, Trojkralova vein, historically mined for Au-Ag is located nearby and based on results of Prospech's drill hole KKDD001 it looks like the grade is carried in a stockwork of thin quartz-sulphide epithermal veins, most likely related to Trojkralova vein. The best intercepts of KKDD001 hole include 2.06 g/t Au and 2.7 g/t Ag over 11m from 220m depth and 2.44 g/t Au and 8.0 g/t Ag over 4m from 187m depth. This prospect may provide additional resource to Trojkralova-Treibolc trend as is likely to host bonanza Au grades precipitated on geochemical barrier (magnetite) for the fluids escaping from cooling granodiorite intrusion in the footwall.</p> <p>Jasenie - A gold-tungsten project located approximately 90 kilometres northeast of the Hodrusa-Hamre licence area on the southern side of the Nízke Tatry mountains, north of Jasenie village. The history of modern mining starts at the end of 1950s, when an 18 kilometre long and 400 metre to 1,000 metre wide scheelite-gold anomaly was identified on the southern slopes of the Nízke Tatry mountains. Exploration adits with a total length of 13 kilometres were driven in the 1980s. The highest reported gold assays come from rock chips collected in Spiglova valley (72.00 - 77.50 g/t gold). The average gold grade out of 33 rock chips collected during the latest, 1980's exploration is reported to be 9.07 g/t gold.</p>

9. Independent Geologist Report

Criteria	JORC Code explanation	Commentary					
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. All holes drilled by the Company are on grid WGS84, UTM34N. 	Hole_ID	UTM_East	UTM_North	AHD_RL	Max_Depth	
		BKDD001	342109.3	5371916.19	671.22	297.5	
		KKDD001	336026.5	5373153.99	432.8	274.8	
		KPTR001	337675	5366630	731	10	
		KPTR002	337676	5366619	728	8	
		KPTR003	337675	5366611	728	1	
		NBDD001	326187	5365275	205	274.4	
		NBDD002	326292	5365509	254	645.5	
		NBDD003	325893	5367150	381	397.7	
		RW1	341692	5370143	595	298.5	
		SSDD001	344060.2	5366893.91	580.81	150	
		SCDD001	336367	5369910	350	4.4	
		SCDD002	336373	5369920	350	7.42	
		SCDD003	336367	5369910	350	7.4	
		SCDD004	336365	5369895	350	7.15	
		TGDD001	336958	5368986	219.34	33	
		TGDD001A	336958	5368986	219.34	13.2	
		TKDD001	335675	5372599	599	272.5	
		Survey Information; Prospecch Drilling 2016 – 2017					
				Hole_ID	Depth	Dip	MAG_Azimuth
		KKDD001	0	-78	156	162	
		KKDD001	75.6	-80	158	164	
		KKDD001	105	-80	158	164	
		KKDD001	142	-80	155	161	
		KKDD001	270.6	-80	147	153	
		RW1	0	-75	306	310	
		RW1	52	-77	306	312	
		RW1	104	-77	315	321	
		RW1	109	-77	305	311	
		RW1	149.5	-77	311	317	

Criteria	JORC Code explanation	Commentary				
		Hole_ID	Depth	Dip	MAG_Azimuth	UTM_Azimuth
		RW1	150	-78	317.5	323.5
		RW1	198	-78	315	321
		RW1	209.5	-77	318	324
		RW1	249	-78	317	323
		SCDD001	0	26	130	136
		SCDD002	0	-40	300	306
		SCDD003	0	-50	240	246
		SCDD004	0	-60	300	306
		SSDD001	0	-60	110	116
		SSDD001	49	-58	103	109
		SSDD001	100	-58	103	109
		SSDD001	148	-52	100	106
		TGDD001	0	-10	305.2	311.2
		TGDD001A	0	-15	305.2	311.2
		TKDD001	0	-80	119	125
		TKDD001	50	-76	116	122
		TKDD001	100	-77	129	135
		TKDD001	103	-78	132.5	138.5
		TKDD001	148	-77	132.5	138.5
		TKDD001	198	-76	127.5	133.5
		TKDD001	252.3	-78	129	135
		TKDD001	270.4	-78	126	132

9. Independent Geologist Report

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Gold equivalent (AuEq) calculations are based on a 65:1 (silver:gold) ratio. No results have been reported with aggregated intercepts
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<p>Mineralisation is epithermal vein related. Also there is flat lying mineralization which is feed by afore mentioned epithermal feeder zones. Mineralised intervals are between 0.5m and 10m width as is mined in the local area at the Rozalia Mine or previously elsewhere in the field. Low-sulphidation epithermal vein mineralisation is related to presence of large granodiorite intrusion in the footwall of volcanic setting. First stage (Rozalia style) mineralisation occurs in immediate hanging-wall of granodiorite, forming generally flat-lying stockwork of 10 to 100m width and 20-50m thickness and discrete veins 0.1-5m thick related to formation of regionally important shear zone. Later stage epithermal veins are generally steep and are related to a horst-graben formation after caldera collapse. Other mineralisation styles (skarns, metasomatic carbonate replacement deposits, porphyries and high-sulphidation epithermal bodies) were recognized within the Hodrusa-Hamre-Banska Stiavnica tenement as well and may become exploration targets in the future. All intercept lengths are reported as down hole lengths.</p>
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The location and results received for both rock-chip and drill-core samples are displayed in the attached maps and/or tables.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Results for all samples collected in this program are displayed on the attached maps and/or Tables.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No metallurgical or bulk density tests were conducted at the project by Prospech, however the ore from the third party owned Rozalia Mine is using conventional flotation/gravity methods to treat the ore resulting in 90-95% recoveries for Au, 80-85% for Ag, Pb and Cu. Use of cyanides in the metallurgical process is banned by law in Slovakia. Concentrates are treated in standard electro winning cells in Hoboken Belgium.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Further work is dependent on management review of the existing data.

Appendix 4. Proposed 2017-2018 Exploration Program.



Proposed Drilling for 2017-2018

J. Beckton

9. Independent Geologist Report

EXECUTIVE SUMMARY

A program is proposed with all drilling on current SLOK properties Hodrusa Hamre (HH) and Nova Bana (NB). Priority is currently Schopfer surface drilling followed by Gupna, Kopanice and Jan Benedickty. Drill planning is underway for the Rozalia Equivalent Ignac-Rabenstien target with 3D historical collation underway prior to proposal.

Hole_id	East	North	Elevation	Dip	Depth	Azi Grid	Prospect
SC2_Plan	336231	5369465	523	-66	200	312	HH -South Schopfer
SC3_Plan	336350	5369440	474	-72	250	303	HH - South Schopfer near Mayer
SC4_Plan	336445	5370006	528	-65	220	303	HH - Schopfer Top of 28 Au g/t Zone
SC5_Plan	336419	5369828	580	-66	300	297	HH - Schopfer 58 g/t Au zone pierce point
SC6_Plan	336472	5370004	534	-66	220	280	HH - Schopfer 58 g/t Au zone pierce point
SC7_Plan	336472	5370004	534	-74	250	338	HH - Schopfer 28 g/t Au zone pierce point
SC8_Plan	336329	5369984	537	-74	220	306	HH - Schopfer 28 g/t Au zone pierce point
SC9_Plan	336545	5370714	574	-85	250	264	HH - Schopfer 28 g/t Au zone pierce point
GUPNA_1	325940	5365520	296	-55	100	90	NB - Gupna
GUPNA_2	325890	5365548	283	-55	100	90	NB - Gupna
GUPNA_3	325854	5365513	262	-55	100	90	NB - Gupna
GUPNA_4	326029	5365506	336	-55	100	90	NB - Gupna
KODD001	337661	5366628	727	-90	50	0	HH - Kopanice - Baniste
KODD002	337683	5366591	727	-90	50	0	HH - Kopanice - Baniste
KODD003	337700	5366617	732	-90	60	0	HH - Kopanice - Baniste
KODD004	337734	5366590	720	-90	80	0	HH - Kopanice - Baniste
JBDD001	339777	5372097	740	-45	150	315	Jan Benedickty
JBDD002	339805	5372453	760	-45	150	315	Jan Benedickty
					Total	2,850	

HH - SCHOPFER

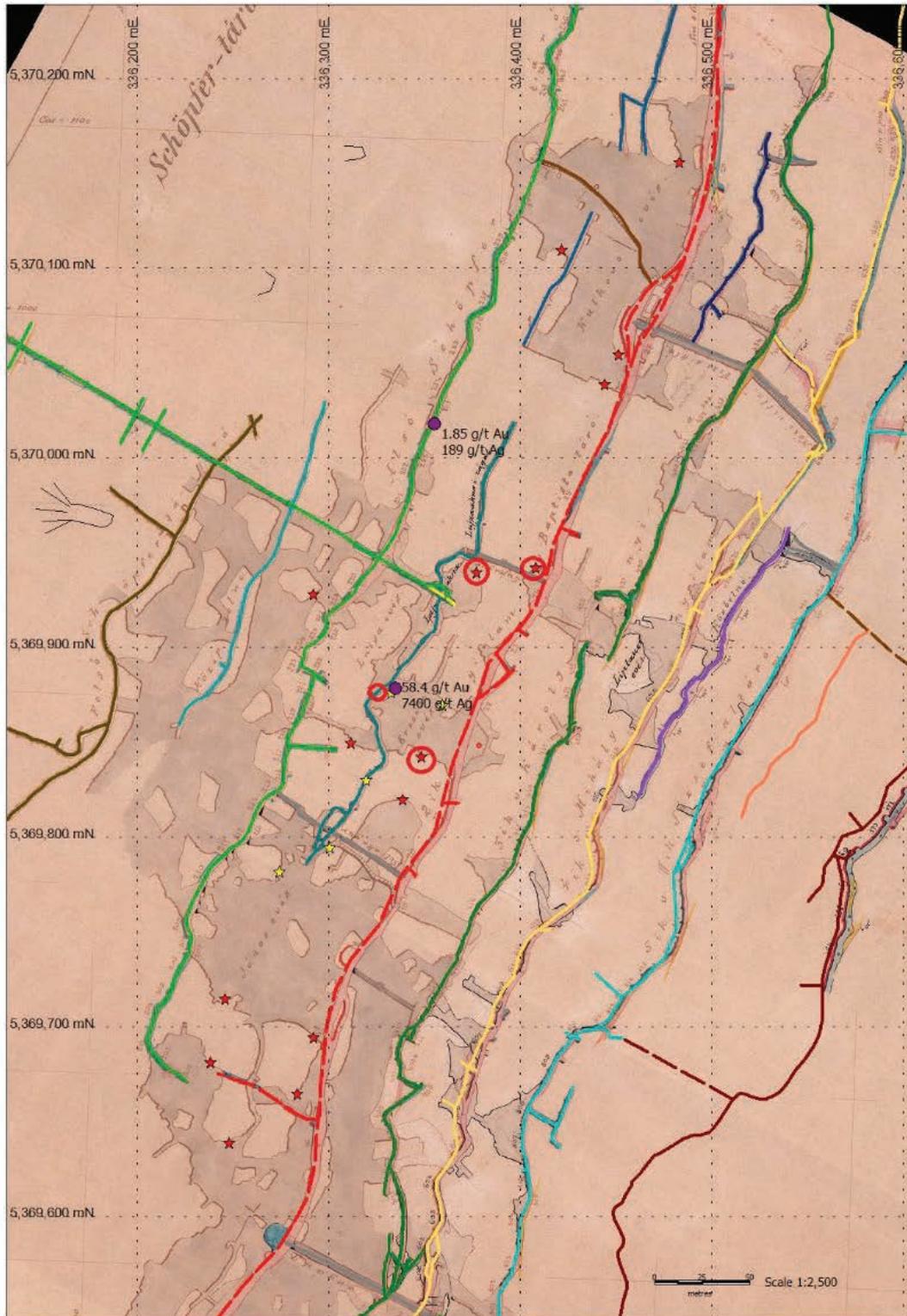
The Schopfer system is the largest historic producer of gold and silver within the later (post Rozalia style) horst/graben vein sets:

- 1) Testing known stockwork and footwall splays of the main Schopfer vein sampled in underground workings in the ore shoots.
- 2) Testing the concept of untested stockwork mineralisation accompanying the main Schopfer vein.

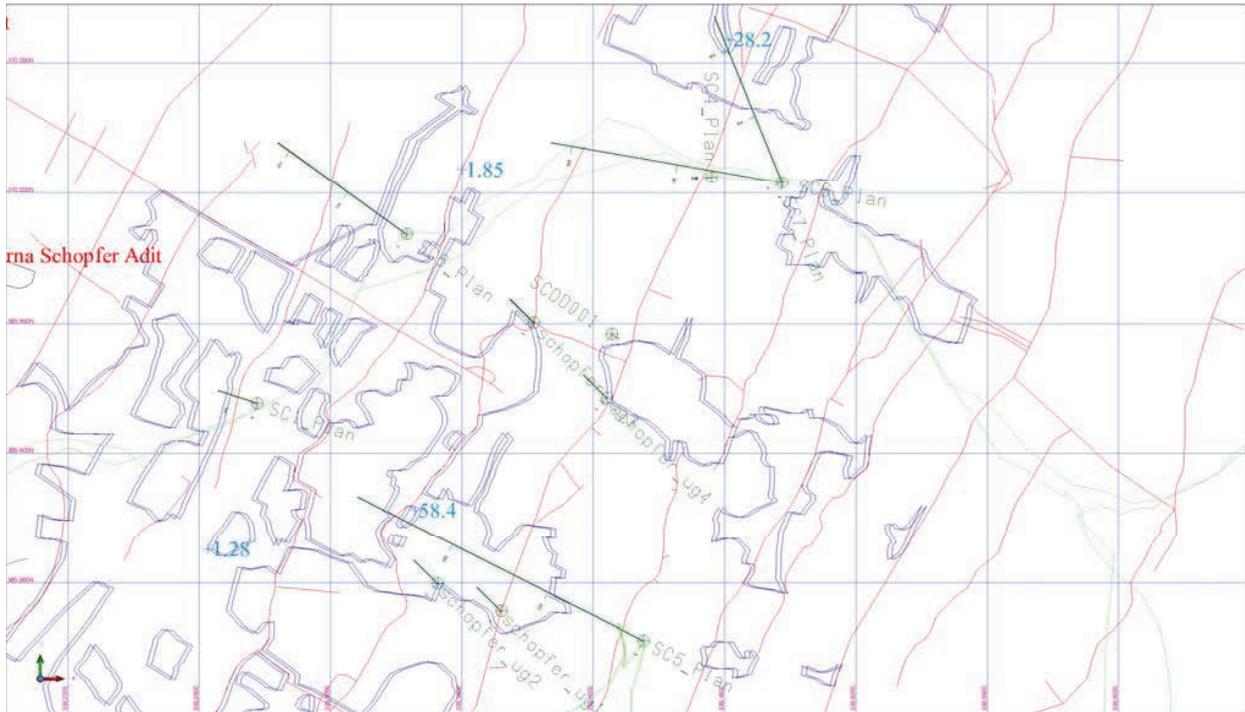
Schopfer vein is an attractive target with estimated historical production of 1,000 kt of ore grading 4 g/t Au and 400-500 g/t Ag for a total 130 koz Au and 13-17.5 Moz Ag. Mining finished here in the 1950s.

Sample M660146 collected from footwall of the stope between I and II level close to the Main Inclined Shaft returned 58.6 g/t Au and 7400 g/t Ag and represents footwall splay of Schopfer vein, that was left behind in the footwall of the main vein during historical mining. Discovery of high grade material in the footwall of stope indicate presence of high grade stockwork around previously mined high grade ore shoots.

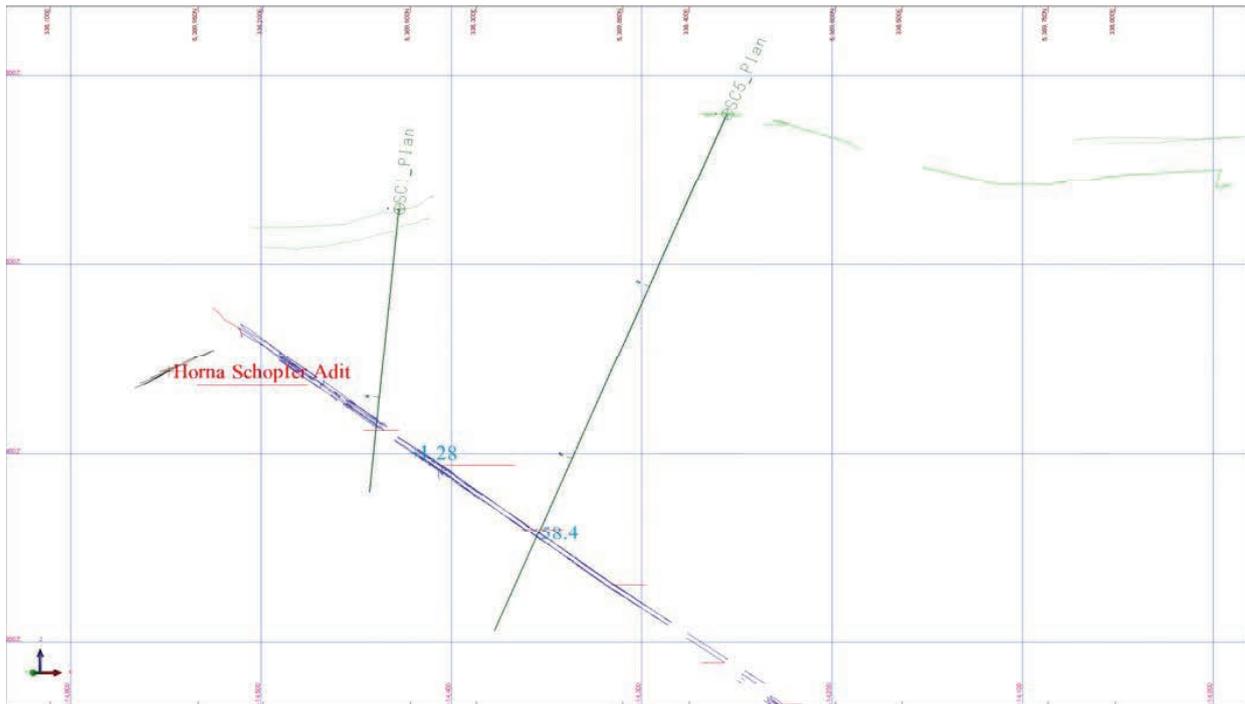
9. Independent Geologist Report



Underground drilling confirmed the grade of remnant mineralisation around the Luisa shaft are including previous rock chips grades of up to 58 g/t Au and 7,400 g/t Ag. Surface drilling will enable more accurate estimate of tonnage for the Schöpfer prospect.



Completed underground sampling has been matched with proposed surface drill locations. Medium term goal of the program is a resource estimate combining historic and modern data.

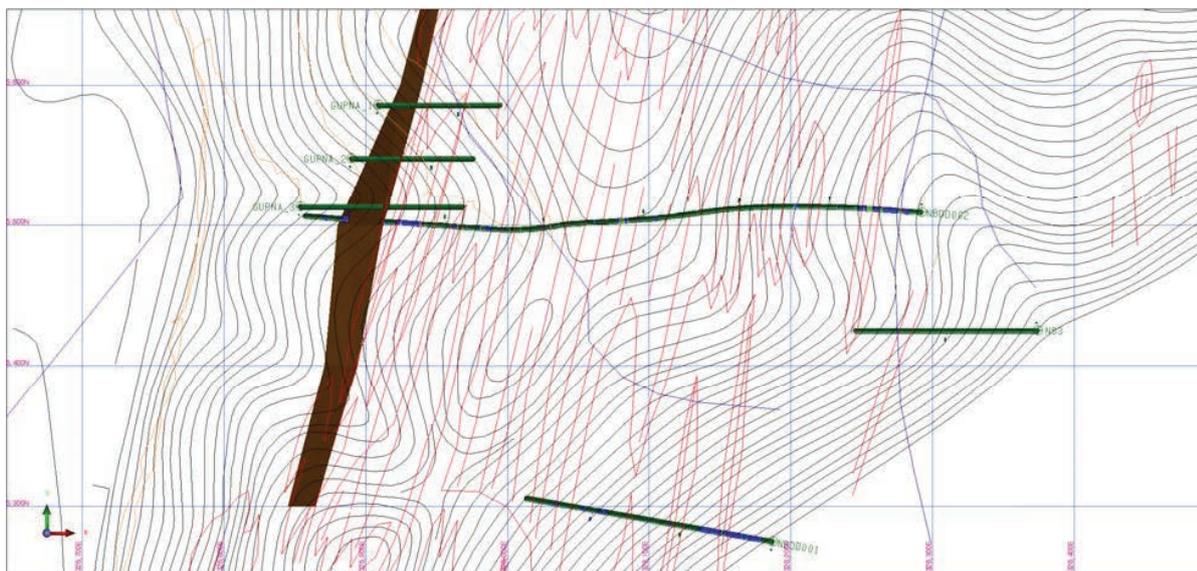


High grade locations will be tested by 3D targeting of known high grade stockworks.

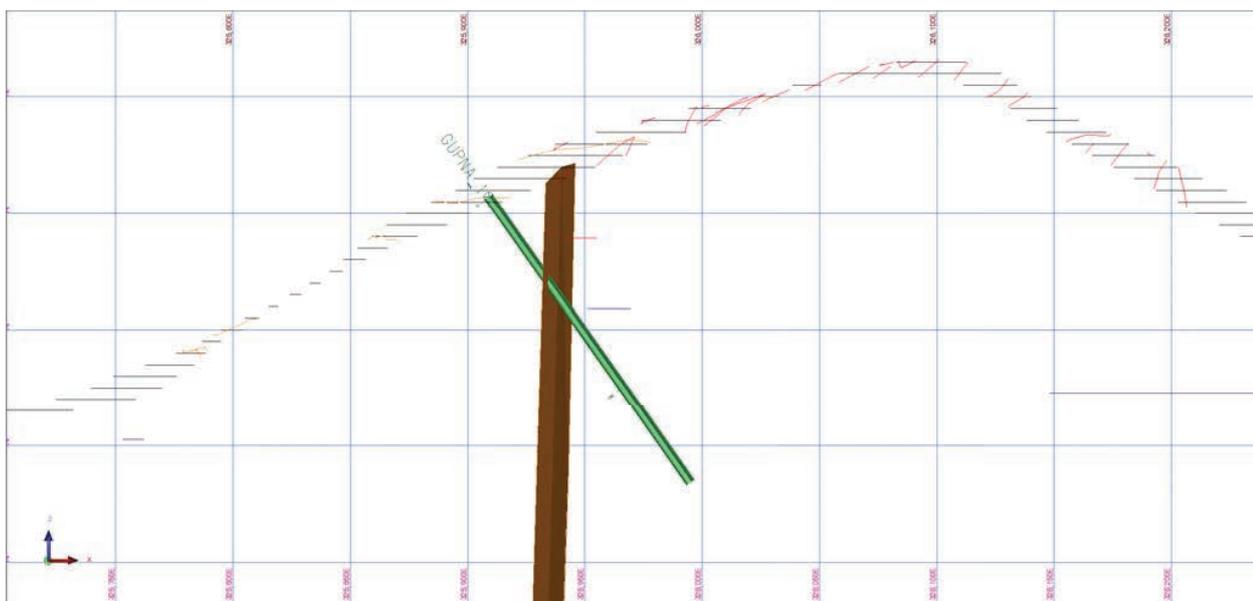
9. Independent Geologist Report

NB – GUPNA SHALLOW

Drill grades seen in NBDD002 including up to 5 g/t Au are not from the feeder but probable splays and it is proposed to test for the first time the feeder zone at the precious metal zone by use of shallow drilling.



NBDD002 discovered a feeder system for the large area of workings above the sheeted vein stockwork. Gupna 1 to 3 are shallow holes designed to test the probable surface expression of the feeder as intercepted at depth in NBDD002.



Feeder zone discovered at Gupna is interpreted to be the main cause of the extensive workings found on the Gupna prospect.

HH - KOPANICE

A drill program of 4 holes, totalling 240m, is proposed at Kopanice, with the aims of:

- 1) Testing known mineralisation sampled in underground workings and known from historical records at Kopanice.
- 2) Testing the concept of untested stockwork mineralisation.

Deliverable

The proposed drilling is expected to result in up to four high grade silver and gold intersections over significant widths (> 20m). Drilling is proposed to be by a portable rig and average depth will be 50m.

Exploration Target

The targets of the proposed drilling are high grade epithermal gold, silver veins, along strike and down dip from known historical production. Previous reporting describes Rozalia style mineralisation. Previous drill testing by the Slovak Government was focused on stratigraphy.

Hlavna (Main) vein is outcropping at Baniste hill up to 4 metres in thickness. Vein dipping 40° to the E and shallower dip in the depth. Thickness varies from 1.5 - 4m. From the Hlavna vein, there are several sub-parallel connecting veins including the Nadlozna (hanging wall) vein dipping 60-70 to SE.

Between Hlavna and Nadlozna veins, there are several crossing-connecting veins, which cross-cut the host rock between these two veins. Ore was mined at South Jarcova vein.. Some examples of surface sampling are listed below.

Sample	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Sb (ppm)	As (ppm)
KC-1	2.84	1432	0.008	0.007	0.009	25	31
KC-2	17.32	1720	0.002	0.004	0.006	29	16
KC-3	0.14	42	0.010	0.008	0.004	22	44
average	6.76	1064	0.007	0.006	0.006	25	30

JAN BENEDICKTY

Executive Summary

A drill program of 2 holes totalling 300m is proposed at Jan Benedickty, with the aims of:

- 1) Testing shear zone related epithermal veins for Au-Ag content identified in Konciar adit during exploration for base metals in 1990s.
- 2) Testing the concept of Rozalia style mineralisation in the footwall setting.

Intensive exploration carried out in 1990s (surface and underground drilling, exploration adit) aimed on defining base metals resource encountered precious metal mineralisation in two parts of underground development at Konciar adit and in a series and underground drill holes. The general setting is favourable for Rozalia style mineralisation – including close proximity to footwall granodiorite intrusion, low Ag:Au ratio in assayed samples.

The ore body has reportedly ESE-WNW strike, dips 70° to SSW and is parallel to the main Jan Benedickty vein, however the individual structures on the geological map are also of NE-SW strike, steeply dipping to SE (60-70°). These structural parameters are similar to the structures found in Rozalia Mine. However, it must be stressed that primary focus of the exploration undertaken by Geological Survey was on base metals, precious metals grades were identified but not evaluated.

Exploration Target

The target of the proposed drilling is low-sulphidation epithermal Au-Ag veins (1:1 to 1:10 Au-Ag ratio), in the footwall of volcanic setting. This setting is typical for Rozalia style mineralisation mined at Rozalia Mine for more than 20 years with overall production of circa 300 koz Au @ 10 g/t Au. Anomalous Au content has been identified in drillcore (up to 6.6 g/t Au) as well as in historical underground channel samples (up to 11 g/t Au). More recent sampling confirmed presence of gold in mullock sample (MS660255 8.48 ppm Au, 22.7 ppm Ag) and resampling of skeletal core in the geological survey archive confirmed anomalous Au values, although only very little core has been preserved for resampling.

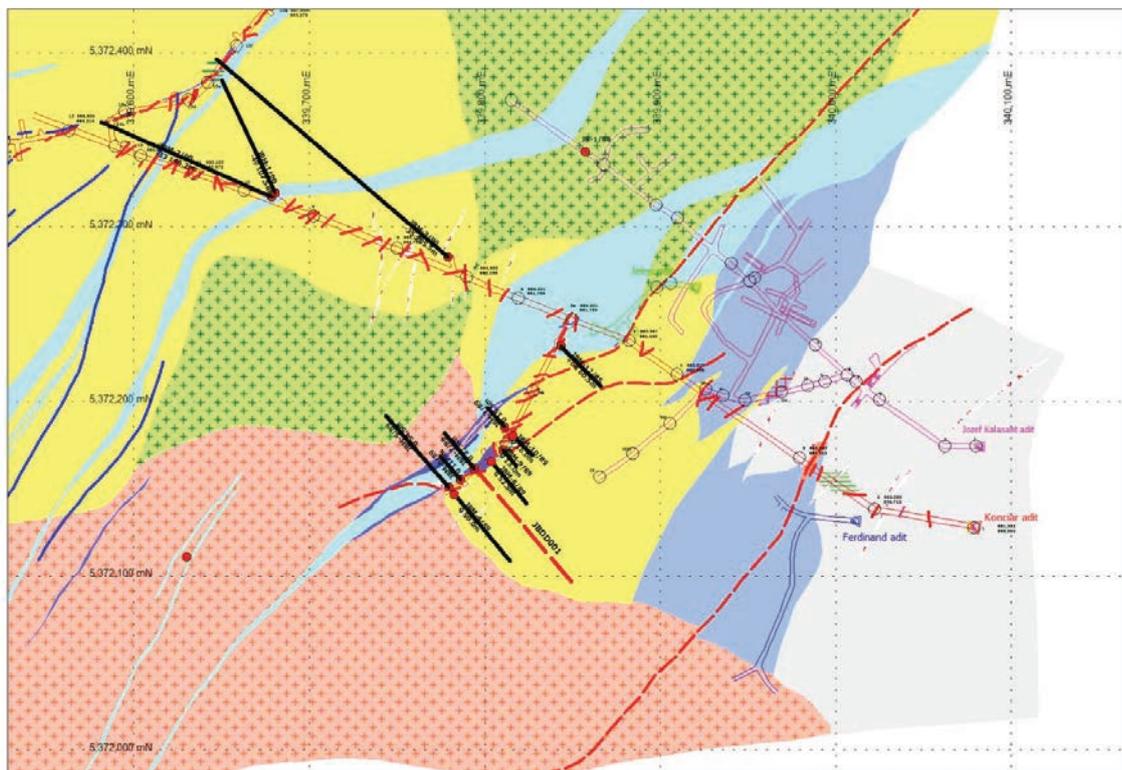
Summary of historical drill core and underground channel sample assays >0.1 g/t Au from Jan Benedickty exploration by State Geological Survey (Slovak, 1992).

Assay no.	from (m)	to (m)	width (m)	Au g/t	Au 2 g/t	Ag g/t	Ag:Au ratio	Cu %	Pb %	Zn %	S %
JB-V-30	channel sample		1.52	0.4		2.4	6.00	0.002	0.019	0.022	1.17
JB-V-30/A	channel sample		1.27	11.22	10.76	60.4	5.38	0.008	0.031	0.054	2.7
JBM-8/1	0	1.6	1.6	1.2	1.42	9.2	7.67	0.116	0.052	0.082	2.23
JBM-8/2	1.6	2.6	1	0.68	0.88	1.2	1.76	0.004	0.003	0.11	0.9
JBM-8/3	2.6	4.8	2.2	3.6	4.08	13	3.61	0.152	0.006	0.018	2.1
JBM-7/1	2.5	3.1	0.6	5.76	6.62	4.8	0.83	0.003	0.005	0.007	1.11
JBM-7/2	14	15	1	3.16	4.36	2.2	0.70	0.003	0.009	0.011	0.97
JBM-6/2	4.9	5.3	0.4	2.68	6.2	6.2	2.31	0.009	0.02	0.021	1.09
JBM-6/3	12	14	2	1.26	1.16	0.8	0.63	0.004	0.004	0.008	1.96
JBM-6/4	14	16.5	2.5	1.24	1.16	1.4	1.13	0.004	0.009	0.016	1.33

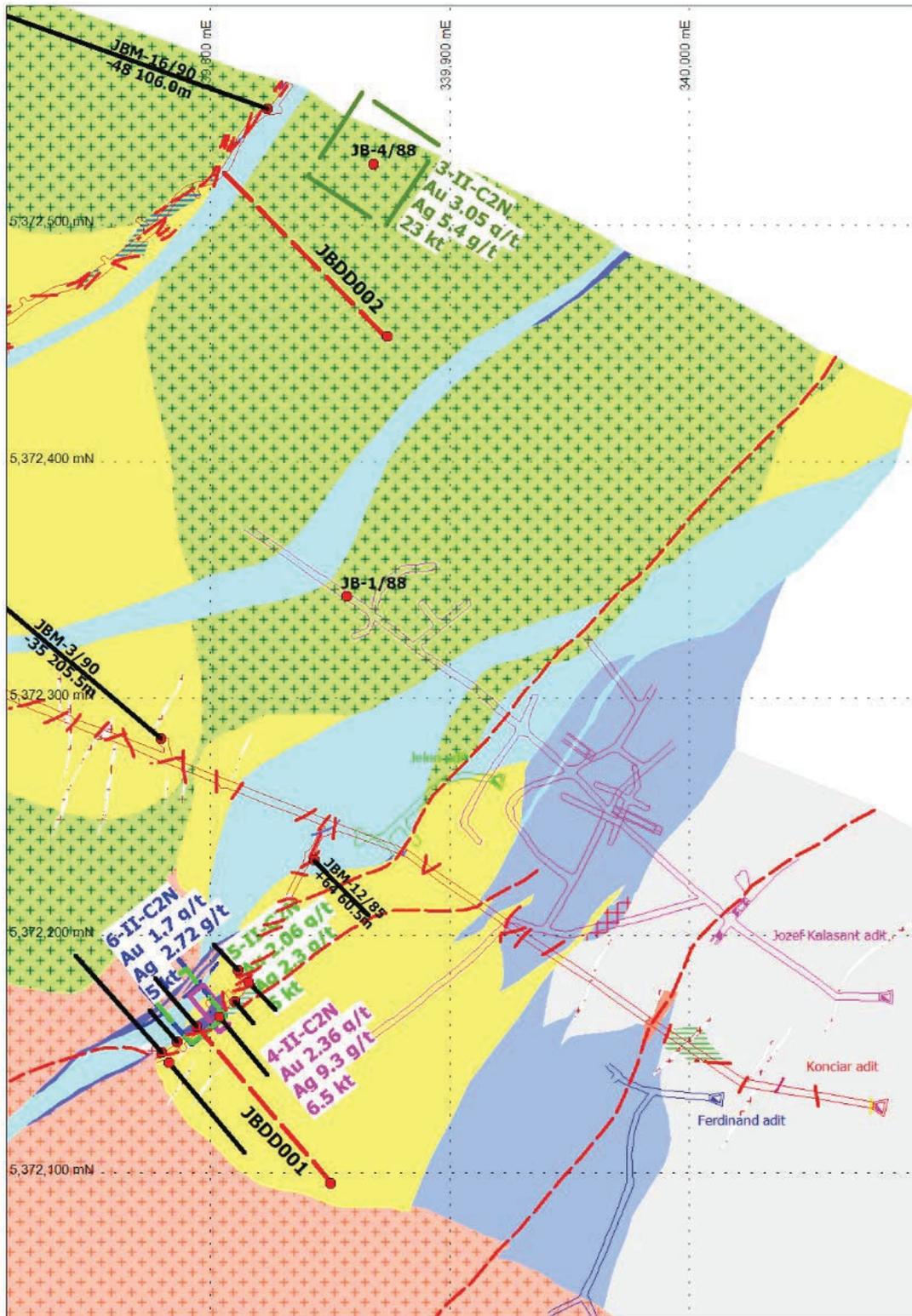
9. Independent Geologist Report

Summary assay results of archive drill core resampling and positive rock chip sample collected at Konciar exploratory adit mullock by Prospech in 2016.

Sample ID	drillhole no.	from (m)	to (m)	width (m)	Au g/t	Ag g/t	Ag:Au ratio
M660370	JB-4	195.0	196.0	0.40	2.56	2.6	1.02
M660372	JBM-1	77.0	78.0	1.00	2.97	8.1	2.73
M660373	JBM-1	81.0	81.2	0.15	1.97	9.1	4.62
M660374	JBM-1	84.7	85.5	0.70	0.09	1	11.11
M660376	JBM-8	2.7	4.2	0.35	1.77	5.4	3.05
M660255	Konciar adit mullock	rock chip sample			2.79	8.48	22.7



Jan Benedicky proposal has been reviewed in 3D and will test known high grade areas of the prospect worked including a new adit.



Some local average grades from underground sampling have been determined by the geological survey of the Slovakian Government.

9. Independent Geologist Report

Budget breakdown for Year 1

Category	Item	12 Month Total \$	Subtotals \$
Salaries	Country Manager	65,000	345,500
	Admin Assistants - Drill Supervisor	70,000	
	Salaries - Exploration Management	120,000	
	Consultant - Mine Geologist	55,500	
	Junior Geologist	35,000	
Travel	Travel Prospech Directors	9,000	42,730
	Travel SLOK Managers	24,800	
	Travel Airport to Site	1,450	
	Meals Field	5,480	
	Hotel Accommodation	2,000	
Rent	Office	3,600	20,400
	Core Shed	9,600	
	Apartment	7,200	
Services / Statutory	Legal Costs Slovakia	5,520	28,620
	Accounting Costs Slovakia:	4,100	
	Tenement Rentals	19,000	
Capital	Core Saw and Blades	2,200	6,100
	Computer Hardware Plotter, 2 Monitors, 2 Laptops	3,500	
	Computer Software	400	
Field	Assaying	20,000	813,716
	Sample Freight	3,500	
	Earth Moving - Site Preparation, Rehabilitation	1,600	
	Drill Rig Mobilisation / Demobilisation	0	
	Diamond Drilling (including core trays)	750,000	
	Surveying	1,000	
	Field Equipment	26,216	
	Drill Permitting Landowner Compensation	6,600	
	Vehicle Running, Fuel, Parking, Tyres, Registration, Insurance, Repairs	4,800	
Other	Office Costs	3,600	9,600
	Miscellaneous	6,000	
	CUMULATIVE TOTAL EURO	1,266,666	
	Exchange Rate Month Average AUD/EURO	1.5000	
	CUMULATIVE TOTAL AUD	\$1,900,000	

Appendix 5. Glossary of Terms.

Term	Description
adit	A horizontal passage or tunnel leading into a mine or prospect for the purposes of access or drainage.
Ag	Silver a precious metal.
alteration	Rock that has been subject to hot fluids mainly water in which the minerals have changed from their original compositions to new minerals which were more stable under those conditions.
Andesite	A volcanic rock, of intermediate composition, between basalt and dacite, and ranges from 57 to 63% silicon dioxide (SiO ₂).
anomaly	Metal composition in rock or soil that is higher than what is standard, normal, or expected.
assays	The test results of a geologic sample to determine its elemental composition and quality.
Au	Gold a precious metal.
auriferous	Containing gold.
background	The metal composition in rock or soil that is considered standard, normal, or expected.
base metal	A base metal is a common and inexpensive metal, as opposed to a precious metal such as gold or silver.
basement metamorphic rocks	Older rocks below a sequence of prospective younger rocks which have undergone changes caused by heat and pressure prior to the deposition of the younger rocks.
blind structures	Veins or fault structures which cannot be seen at surface.
Boiling zone model	The theory that gold and silver mineralisation is deposited when the hot water they are carried in solution begins to boil.
breccia	A rock consisting of angular rock fragments cemented together with finer grained material.
cadastral	A map or survey plan showing varying features including ownership of land.
caldera	A large cauldron-like depression that forms following the evacuation of a magma chamber/reservoir when large volumes of magma are erupted over a short time period and the structural support for the crust above the magma chamber is lost.
carbonate	A mineral containing the carbonate ion CO ₃ . Commonly Calcite.
Carpathian	A mountain range system formed by volcanic activity in an arc roughly 1,500 km long across Central and Eastern Europe.
Clay fault	A long planar fracture formed by geologic pressure in which clay has been deposited.
coal	A flammable black sedimentary rock used as a solid fossil fuel.
Copper	A non-precious ductile, coloured metal that has very high thermal and electrical conductivity.
core holes	A drill hole from which a continuous cylindrical core sample of rock is taken.
Core recovery	The amount of drill core that is recovered from a core hole over a given interval expressed as a percentage.
cover	Younger sediment or volcanic material which sits above an older prospective rock sequence.
Cyanide	A chemical used to dissolve gold.
database	A structured set of data held in a computer.
Diamond drilling	A drilling technique utilising diamonds set in a drill bit to grind away a circular portion of rock on the outside of the hole to recover a core sample from the centre.
diamond gopher rig	A small man portable diamond drill that recovers a core sample.
Diorite	An intrusive igneous rock composed principally of the silicate minerals plagioclase feldspar (typically andesine), biotite, hornblende, and/or pyroxene.
Drainage adit	A very gently sloping tunnel designed to drain water from an underground mine.
drill pads	A prepared area designed to accommodate a drill rig.
Epithermal gold system	Gold mineralisation deposited from warm waters at rather shallow depth under conditions in the lower ranges of temperature and pressure.
Epithermal quartz vein	A quartz vein deposited from warm waters at rather shallow depth under conditions in the lower ranges of temperature and pressure.
Epithermal vein	A vein of any composition but usually quartz deposited from warm waters at rather shallow depth under conditions in the lower ranges of temperature and pressure.
Exploration adit	A horizontal passage or tunnel leading into a prospective mineralised area underground for the purposes of exploring the mineralisation.
Extrusive	Volcanic material which has reached the earth's surface.

9. Independent Geologist Report

Fault zone	A long planar fracture formed by geologic pressure.
feeder	The geological conduit through which mineralising fluids can pass to deposit ore minerals elsewhere.
flat lying veins	Quartz or other vein types that have an angle to the horizontal of less than 45 degrees.
fluid inclusion	Small sealed cavities containing fluid and possibly gas and mineral phases which are used to determine the temperature and pressure conditions of the fluid at the time of deposition.
g/t	Grams per tonne.
geochemical	The chemical composition of geological materials.
geophysical	The physical properties of geological materials.
Gold	A yellow precious metal.
gold and silver concentrate	An industrial concentration of minerals, usually sulphides which contain economic quantities of gold and silver and generally requiring further refinement.
grade	The richness of an element of interest in a specified amount of material.
granite	A common type of crystalline, igneous rock consisting mainly of quartz, mica, and feldspar with an average silica content of 72%.
Granodiorite	A common type of crystalline, igneous rock consisting mainly of quartz, mica, and feldspar and is distinguished from granite by its having more plagioclase feldspar than orthoclase feldspar.
gravity/flotation concentrate	An industrial concentration of minerals, usually sulphides which contain economic quantities of gold and silver and generally requiring further refinement.
head grade	The average grade of ore produced from a mine before it is processed.
Hydrothermally altered	Rock that has been subject to hot fluids mainly water in which the minerals have changed from their original compositions to new minerals which were more stable under those conditions.
Intermediate sulphidation	A type of Epithermal vein deposit in which the sulphidation state of the hydrothermal fluid is capable of depositing moderate amounts of sulphides including pyrite and chalcopyrite but not bornite or pyrrhotite.
intersection	An interval of mineralisation of economic interest in a drill hole or continuous number of samples.
Intrusive	Magmatic rock which has not reached the earth's surface.
Iron	Iron is a metallic chemical element with symbol Fe with atomic number 26.
lead	Lead is a metallic chemical element with atomic number 82 and symbol Pb.
limestone	A sedimentary rock with a high carbonate content.
lithology intervals	The intervals of different rock types in a drill hole.
Low sulphidation	A type of Epithermal vein deposit in which the sulphidation state of the hydrothermal fluid is capable of depositing small amounts of sulphides.
magnetite skarn	A type of contact metamorphic alteration of limestone in which magnetite replaces the limestone.
Micromine project	A geologic software program where data can be analysed in 3 dimensions.
mid Miocene	A geologic period 16.2 to 10.5 million year old.
mine host sequence	The rocks within a mine in which the ore is formed.
mineralisation	The presence of economically important minerals in either economic or un-economic concentrations.
Neogene	A geologic period that spans 20.45 million years from the end of the Paleogene Period 23.03 million years ago (Mya) to the beginning of the present Quaternary Period 2.58 Mya. The Neogene is sub-divided into two epochs, the earlier Miocene and the later Pliocene.
nugget effect	The uneven distribution of high concentrations of gold over small areas which results in very erratic assay results.
oblique section	A drawing of a slice through the earth's crust that is not in an east west or north south direction.
orebodies	A number of economically viable deposits of minerals.
outcropping	A body of rock which can be seen at the surface of the earth.
Outotec technology	The corporate name of various industrial techniques used in the processing of ore which has been rated by the EU as Best Available Techniques (BAT) thanks to their energy-efficiency and low emissions.
pillars	Blocks of ore left in a mine to support and provide stability to the mine walls.
porphyry copper	A type of mineralisation consisting a number of small veins and fractures containing copper minerals in an intrusive rock.
Precious metal	Metals that are considered to be rare and or have a high economic value including gold and silver.
Precipitation	The deposition of a solid phase from a liquid.

9. Independent Geologist Report

Quartz diorite	An intrusive igneous rock composed principally of the silicate mineral plagioclase and the presence of greater than 5% quartz.
Quartz vein	A planar tabular body composed principally of the mineral quartz.
remnant ore	Ore within a mine that has not yet been mined.
Resurgent Horst	An uplifted portion of a solidified magma chamber in the central part of a caldera.
Reverse Circulation Percussion drilling	A drilling technique in which the rock is pulverised by the drill bit and carried to the sample collection area at the surface inside the drill rods, thereby reducing contamination.
Rhyolite	An igneous, volcanic rock, of felsic (silica-rich) composition (typically > 69% SiO ₂).
rock chip sample	A sample of one or more rock samples from a single location combined into one bag for mineral analysis.
sandstone	A sedimentary rock composed of sand sized grains.
scheelite	A common ore mineral of Tungsten with the composition CaWO ₄ .
Sericite-adularia	A type of hydrothermal alteration associated with epithermal vein deposits.
shaft	A vertical tunnel used to gain access to a mine.
shale	A fine grained finely stratified sedimentary rock that formed from consolidated mud or clay.
silver	A precious metal. Silver is a metallic element with symbol Ag and atomic number 47.
smelter	An industrial installation or factory for smelting and refining a metal from its ore minerals.
Stockworks	A network of many small veins with different orientations.
Strata-bound	A mineral deposit confined to a single stratigraphic unit.
stratigraphic	The subdivision of a sequence of rock strata into mappable units, determining the time relationships that are involved.
stratovolcano	A large, steep volcano built up of alternating layers of lava and ash or cinders.
strike	The direction of the line formed by the intersection of a rock surface with a horizontal plane.
sulphide replaced	The replacement of pre-existing minerals by sulphide minerals such as pyrite.
surface holes	Drill holes which are drilled from the earth's surface.
target zone	The area in a drill hole or mine where there is a reasonable expectation of encountering mineralisation in either economic or uneconomic concentrations.
traditional prospecting	The technique of following up small fragments of mineralisation up stream or uphill from where they are found to locate their source. Once the source is found samples of rock are usually crushed and panned to look for visible signs of potentially valuable minerals.
Tungsten	A chemical element with symbol W and atomic number 74.
underground holes	Drill holes which are drilled from below the earth's surface such as a mine or tunnel.
unmineralised	Without any significant content of economic minerals.
Vein system	A number of planar tabular bodies composed of the mineral quartz.
visible gold	Grains of gold in a rock or drill core sample which can be seen by the naked eye.
Volcanic arc	A curved chain of volcanoes in the overriding tectonic plate of a subduction zone. Volcanic arcs form as the result of rising magma formed by the melting of the down going plate.
volcano	A mountain or hill, typically conical, having a crater or vent through which lava, rock fragments, hot vapour, and gas are or have been erupted from the earth's crust.
Zinc	A metallic chemical element with the symbol Zn and atomic number 30.

12 June 2017 in Bratislava

TO:

Prospech Limited
Level 2, 66 Hunter Street
Sydney, NSW 2000
Australia

FROM:

LEGAL GROUP s.r.o.
Trnavská cesta 27/B
831 04 Bratislava
Slovakia

CAPITAL RAISING BY PROSPECH LIMITED – REPORT ON SLOVAKIA EXPLORATION LICENCES

1.1 INTRODUCTION

We have prepared the following report for inclusion in a Prospectus to be issued by Prospech Limited (ABN 24 602 043 265) (*the Company*) to raise capital by way of an offer of shares by a Prospectus to be issued under the Corporations Act 2001 (Cth) (*Corporations Act*) as in force in Australia (*the Offer*).

1.2 SCOPE OF REPORT

1. We have been asked to:
 - 1.1. provide a summary overview of the legislative regime governing exploration and mining in Slovakia;
 - 1.2. advise on the status of Slovakian Minerals Exploration Licence interests held by the Company's subsidiaries Slovenské Kovy s.r.o. (SLOK) and Prospech Slovakia, s.r.o. (PS) in Slovakia.
2. We are instructed that:
 - 2.1. On 22 December 2014, the Company and Atalaya Mining plc (ATYM) entered into an earn-in Agreement (EA) which provided for the Company to earn up to an 81% interest in SLOK on a staged basis as follows:
 - Stage 1: € 200,000 exploration expenditure over not more than 6 months to earn 30% of SLOK.
 - Stage 2: a further € 200,000 exploration expenditure over not more than 1 year after Stage 1 to increase to 51% of SLOK.

- Stage 3: a further € 600,000 exploration expenditure over not more than 2 years after Stage 2 to increase to 81% of SLOK.
- 2.2. At the time of the EA, SLOK owned rights to the exploration licences numbered P8/15, and P22/15, respectively known as the Hodruša-Hámre – Banská Štiavnica (HHBS) exploration licence, and the Nová Baňa (NB) exploration licence.
 - 2.3. In October 2015, the NB exploration licence was transferred to PS, a wholly owned subsidiary company of the Company, and an Addendum to the EA was entered into by the Company and ATYM where by the ownership percentages of the NB exploration licence, as set out in the EA, will be maintained.
 - 2.4. Pursuant to the EA and the Addendum to the EA, the Company has earned an 81% interest in SLOK and the NB exploration licence and the EA has been replaced with a Joint Venture Agreement (JVA).

Materials considered

3. For the purposes of this report we have reviewed and considered the following materials:
 - 3.1. The information publicly available on the register of exploration licences maintained by Slovakian State Geological Institute of Dionýz Štúr (SGIDS), an organization supervised by Ministry of Environment of the Slovak Republic (MOE), as at 12 June 2017 including a copy of the HHBS exploration licence, issued by a MOE certificate no. 8005/2016-5.3 effective on 18 January 2017, a copy of the NB exploration licence, issued by MOE certificate no. 7537/2015-7.3 effective on 30 November 2015, a copy of the Rudno exploration licence, issued by MOE certificate no. 3711/2017 – 7.3 effective on 9 May 2017 and a copy of the Jasenie exploration licence issued by MOE certificate no. 4127/2017-5.3 effective on 24 May 2017.

Matters not considered or dealt with in this report

4. We have not reviewed, and this report does not comment or advise, on:
 - 4.1. The acquisition by the Company of an 81% interest in SLOK and the NB exploration licence pursuant to the EA. We understand that the EA and subsequent JVA are separately reported on and summarised in the Prospectus of which this report forms part and we refer all persons reading this report thereto.
 - 4.2. The Offer and any obligations in respect of the Offer including under the Corporations Act.
 - 4.3. The requirements under the Mining Act, the Geological Act, Environmental Act or any other legislation to be satisfied before mining activities may be carried out in relation to any minerals that may be delineated within the areas of the exploration licences.

CONFIRMATION

5. Based solely on our review of the material referred to in section 3 of this report, we confirm that as at 12 June 2017, the details of the exploration licences as set out in Schedule 1 to this report are current and accurate.



1.3 OVERVIEW OF LEGISLATIVE REGIME GOVERNING EXPLORATION AND MINING

IN SLOVAKIA

Administration of Geology and Mining in Slovakia

Slovakia has a mining history dating back to at least Celtic times and substantial production of metals (primarily copper, gold and silver) occurred during the medieval period. Base metal and coal production was substantial during the Soviet era with coal, gold, silver, magnesite, limestone, dolomite and gravel being mined today. One of the oldest mining institutes in the world is located at Banská Štiavnica and the population is proud of their mining heritage.

Geological exploration in Slovakia is administered and supervised by the MOE and its Division of Geology and Natural Resources.

Mining is administered by the Ministry of Economy and its supervisory body, the Central Mining Bureau with its 5 regional offices.

Foreign investment legislation

The Commercial Code states that any foreigner may undertake business activities on the territory of Slovakia under equal conditions and with equal scope as Slovak nationals. Any individuals or legal entities residing abroad deemed to be foreign persons and having the right to do business abroad, are deemed entrepreneurs by the Commercial Code and qualify to do business by employing a domestic partner resident in Slovakia. Movement of money into Slovakia (investment) and out of Slovakia (dividends or capital returns) is unrestricted by law.

Geological and Mining legislation

Mining legislation in Slovakia is almost as old as the mining industry. Regional mining rights named after major mining districts (Kremnica, Legnica, Banská Štiavnica) were effective before the year 1570. Maximilian mining rights of the Austro-Hungarian Monarchy were in effect during next 280 years. A new General Mining Code of the Austro-Hungarian Monarchy was published in the year 1854. This mining code survived the downfall of the monarchy in 1918 and was used without significant changes in Czechoslovakia up to 1948, when it was changed due to nationalization of the mining industry that effectively abolished all previous mineral ownership legacies.

At present, all geological and mining activities in Slovakia are regulated by three acts that define the essential rights and obligations of legal entities and individuals carrying out exploration and mining operations.

Geological Act 569/2007 Coll., empowers the Ministry of Environment to issue licences to undertake geological work and govern the following:

- conditions for the issue of licences to undertake geological work and certificates of professional competence;
- rules governing the granting and transfer of exploration licences;
- role, position and activities of the state administration in geology - Division of Geology and Natural Resources of the Ministry of Environment; and
- role and duties of the state geological survey.

The Act of the Slovak National Council No. 44/1988 on the protection and exploitation of mineral resources (Mining Code), as amended by later regulations and on change and amendment of certain acts determines the:

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- ownership and administration of mineral resources;
- principles of protection and rational exploitation of mineral wealth;
- conditions for mining and mining licences; and
- compensation for damage due to mining activities.

The Act of the Slovak National Council No. 51/1988 Coll. amended by later regulations and on change and amendment of certain acts determine the:

- conditions under which mining activity can be carried out, in particular safety regulations, environmental protection, and rational exploitation of mineral deposits;
- conditions for the use of explosives; and
- State mining administration.

Exploration for minerals, which are the property of the State, may only be carried out in exploration areas granted by the MOE. The size of one exploration area is limited to 250 km².

An exclusive exploration area for a specified mineral commodity is granted for up to 4 years and, on application by the exploration licence holder, is renewable for another 4 years and subsequently an additional 2 years. If the 10-year period is not sufficient, the licence holder can apply for the extension to a date inevitable for completing the exploration works.

The fee per km² is 100 Euros per year during the first 4-year period, 200 Euros per year during the second 4-year period, 350 Euros per year during the last 2-year period and 700 Euros per year for the additional period.

The first application registered for a given exploration area has priority.

Exploration areas are transferable.

The right to mine a mineral deposit is given by granting a mining lease and by permission to perform mining activity. Both are issued by regional mining offices of the Ministry of Economy. The holder of an exploration licence has priority to apply for a mining lease within 1 year from the approval of the mineral reserves by the State Commission for Classification of Reserves, at the Ministry of Environment, and the issue of a certificate on a protected mineral deposit. Mining has to start within three years from granting of the mining lease for surface mining and 5 years for underground mining. An annual fee for the mining lease is 200 Euros per km² per year.

A system of royalties related to production is also used. The royalty rate is calculated taking into account base rate for the commodity (gold 5%, silver 5%) and this base rate is discounted by operating and capital costs required for the production of the commodity. Foreign companies have the same rights and obligations as domestic companies.

Cyanide leaching of ore is banned by article 30, Mining Law Act. No 44/1988 Coll.

In order to harmonise the Slovak legislation in the field of environmental impact assessment with the legislation of the European Union, the Act No. 391/2000 Coll. amending the Act No. 127/1994 Coll. of the National Council of the Slovak Republic on environmental impact assessment was adopted in 2000.

Act No. 24/2006 Coll. amended by later regulations and on change and amendment of certain acts on environmental impact assessment and on amendments to certain was adopted in 2006. It regulates the environmental impact assessment, strategic documents assessment and impact assessment of

10. Solicitor's Report on Tenements

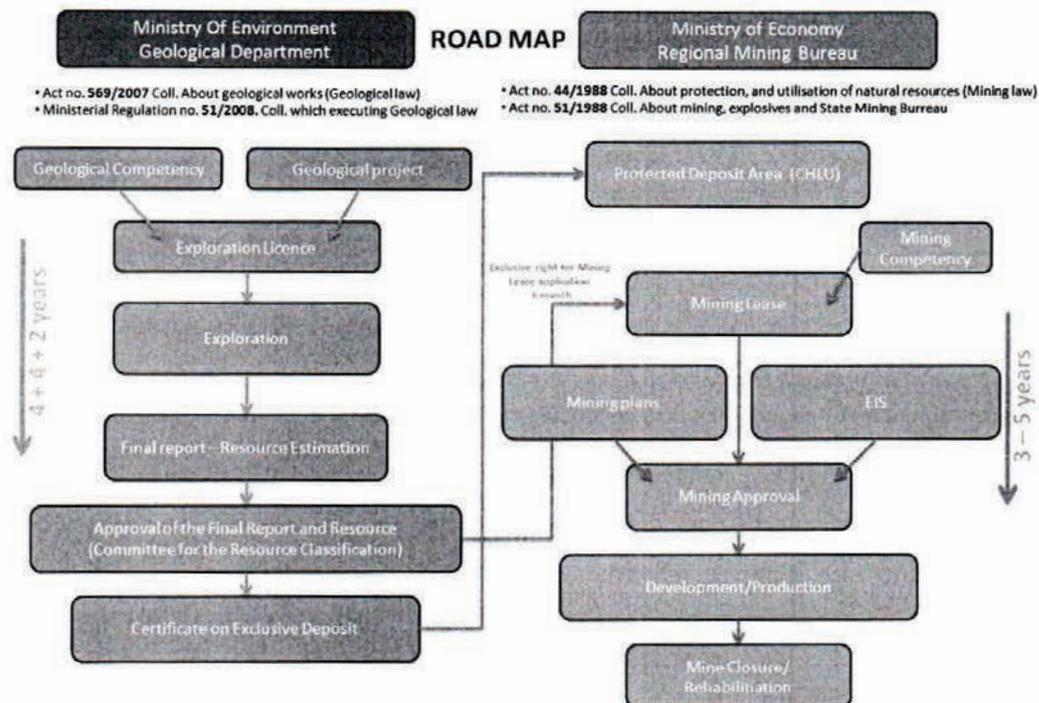
constructions, installations and other activities on the environment. The Decree No.113/2006 Coll. of the Ministry of Environment regulates the details of the professional qualification for the purposes of environmental impact assessment.

Act No. 543/2002Coll. amended by later regulations and on change and amendment of certain acts covers protection of the environment and the country. This defines the basic terms and establishes the basic principles of environmental protection and the obligations of legal entities and individuals in protecting and improving the environmental situation when exploiting natural resources. Its aim is to support the measures taken to preserve variety and forms of biodiversity, to create conditions for maintaining, regeneration and rational use of the natural resources, to protect natural heritage and characteristic scenery of the country and to attain and maintain ecological stability. Five levels of environmental protection are in effect. The degree of restriction increases with the increasing level of protection. Level One protection level is a general protection measure applicable to the whole territory of Slovakia whilst Level Two through to Level Five protection levels apply to various environmentally protected areas and protected zones.

The exploration licences held by PS and SLOK are generally located in Level One and Level Two environmental protection levels, however, as detailed below, some small areas within the licences are covered with higher protection levels. Level One and Level Two environmental protection levels allow for exploration and mining activities, with Level Two areas being subject to consultation with the Regional Environmental Office.

Law 514/2008 Coll. amended by later regulations and on change and amendment of certain acts regulates the disposal of mine wastes.

A simplified road map from exploration stage to mine closure is shown below:



SCHEDULE 1**STATUS OF MINERALS EXPLORATION LICENCES HELD BY THE COMPANY IN SLOVAKIA dated to 12 June 2017**

Exploration Licence	Area (km ²)	Period	Annual rental fee (EUR)	Environmental Protection Level	Licence Holder	Comments
Hodruša-Hámre – Banská Štiavnica	103.53	1 st 4-year term to 15 May 2019	€10,400	Level Two *	SLOK	
Nová Baňa	38.08	1 st 4-year term to 30 November 2019	€3,900	Level One **	PS	
Rudno	14.26	1 st 4-year term to 9 May 2021	€1,500	Level Two ***	PS	
Jasenie	29.41	1 st 4-year term to 24 May 2021	€3,000	Level Two ****	PS	
Lubietová	14.24	-	€1,500	Level One	PS	Under Application

* HHBS exploration licence is located in the Protected Nature Area of Banska Stiavnica Hills and the entire licence is in a Level Two protection area. However within the licence, there are several small areas which are subject to Level Five protection where all exploration and mining activities are banned.

** NB exploration licence is located mostly in a Level One protection area with a small portion located in the Protected Nature Area of Banska Stiavnica Hills, a Level Two protection area and a small part, "Putikov vrsok", a Level Five protection area.

*** Rudno exploration licence is located in the Protected Nature Area of Banska Stiavnica Hills, a Level Two protection area.

**** Jasenie exploration license is located within buffer zone of a Low Tatras National Park, a Level Two protection area.

Annual reporting – all requirements fulfilled to date

The holder of exploration licences has an obligation to file an Annual Report on exploration activities with the summary of geological works conducted in previous calendar year and receipts of financial expenditures on the geological exploration works within six weeks after the calendar year for which the report is filed. These requirements for the exploration licences held by the Company have been fulfilled.

Valid incorporation

Based on publicly available information and information obtained from companies SLOK and PS, both Companies are validly incorporated and in good standing.

10. Solicitor's Report on Tenements

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Third party interests or claims in respect of the exploration licences or any minerals in the land

Based on publicly available information and information provided by the companies SLOK and PS, there are no known third party interests or claims in respect of Prospech's exploration licences.

The minerals outlined in the exploration licences are property of the Slovak Republic as set out in the Constitution.

1.4 CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of Prospectus. We consent to the inclusion of this report in the Prospectus and consent to be named in the Prospectus. We acknowledge that the Prospectus will be lodged with the Australian Securities and Investments Commission and the Australian Securities Exchange and that it will be publicly available.

Yours faithfully,


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LEGAL GROUP, s.r.o.

Mgr. Tomáš Rusiňák, LL.M.

advokát a konateľ

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11.1 Earn-in Agreement

On 22 December 2014 the Company entered into the Earn-in Agreement with EMED Mining Public Limited (subsequently renamed Atalaya Mining plc) (**Atalaya**) to earn up to an 81% interest in Slovenské Kovy, s.r.o. (**SLOK**), a 100% owned Slovakian subsidiary company of Atalaya and the 100% holder of the Hodrusa-Hamre and Nova Bana exploration licences, then covering an area of approximately 115km² in the Hodrusa-Hamre/Banska Stiavnica mining district and the nearby Nova Bana goldfield of Slovakia.

In October 2015, the Nova Bana exploration licence was transferred to a wholly owned subsidiary company of the Company and an Addendum to the Earn-in Agreement was entered into by the Company and Atalaya. In accordance the Addendum to the Earn-in Agreement, the Company and Atalaya ownership percentages of the Nova Bana exploration licence as set out in the Earn-in Agreement will be maintained.

The Earn-in Agreement provides for the Company to earn up to an 81% interest in SLOK on a staged basis as follows:

- Stage 1: €200,000 exploration expenditure over not more than 6 months to earn 30% of SLOK.
- Stage 2: a further €200,000 exploration expenditure over not more than 1 year after Stage 1 to increase to 51% of SLOK.
- Stage 3: a further €600,000 exploration expenditure over not more than 2 years after Stage 2 to increase to 81% of SLOK.

As part of the Stage 1 earn-in expenditures, the Company paid €86,000 to Atalaya for the right to access all of Atalaya's geologic data (including maps, plans, drilling data, core samples, assays and other geological, geophysical, geochemical, technical data etc.) and for 2015 licence renewal costs.

Effective 1 January 2016, the Company had satisfied the Stage 1 and Stage 2 conditions of the Earn-in Agreement and earned a 51% interest in, and control of, SLOK. Effective 31 December 2016, the Company had satisfied the Stage 3 exploration expenditure requirement of the Earn-in Agreement and now holds an 81% interest in SLOK.

Following the completion of the Stage 3 earn-in, the Company and Atalaya entered into a Joint Venture Agreement. Refer to section 11.2 for further details.

11.2 Joint Venture Agreement

Following the completion of the Stage 3 earn-in, the Company and Atalaya entered into a Joint Venture Agreement, providing for the conduct of operations with the parties contributing to funding requirements in accordance with their participating percentage interests in the joint venture. In the event that one party elects not to contribute their share of a funding requirement, they will dilute down. In the event that Atalaya's participating interest dilutes down to 5% or less and a bankable feasibility study recommends the commencement of mining, Atalaya shall have the option to transfer its participating interest to the Company in return for a 1% net smelter royalty for a 5% participating interest, on a pro-rata basis.

Following the successful completion of the Offer and quotation of the Company's securities on the ASX, the Company will acquire Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement and the Joint Venture Agreement will be superseded.

11.3 Share and Rights Sale and Purchase Agreement

On 24 May 2017, the Company and Atalaya entered into a Share and Rights Sale and Purchase Agreement under which whereby the Company has the right to acquire Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement for 833,333 Shares and 416,667 options with the same terms and conditions as the Loyalty Options.

A condition precedent to completion of the Company's acquisition of Atalaya's remaining 19% interest in SLOK and Atalaya's rights under the Joint Venture Agreement is that the Company completes an initial public offering and has its shares listed for official quotation on the ASX by 30 September 2017.

11. Material contracts

11.4 Exploration licences

The Hodrusa-Hamre and Nova Bana exploration licences were renewed in 2015 and an extension of the Hodrusa-Hamre exploration licence area, the Rudno nad Hronom and Jasenie exploration licences were granted to the Company in May 2017.

Exploration licences have tenure of 10 years after which the licences can be converted to mining leases or an application made for an additional renewal of the exploration licence period. Exploration licence area reductions are not compulsory and annual rental fees are calculated as follows:

	Period	Rental Fee (€/Km ²)
Initial application	4 years	100
First renewal	4 years	200
Second renewal	2 years	350
All subsequent renewals	1 year – subject to approval	700

11.5 Rozalia Mine Exploration and Production Co-operation MoU

In December 2015, the Company entered into a non-binding Exploration and Production Co-operation Memorandum of Understanding (**MoU**) with Slovenská Banská s.r.o., the owner of the Rozalia Mine. The MoU provides for co-operation between both parties in a manner which maximizes efficiency between the Company's exploration activity and results and the operating capacity of Rozalia Mine's personnel, mining equipment and processing plant.

11.6 Lead Manager Mandate Letter

The Company entered into a mandate letter with Triple C Consulting Pty Ltd (**Lead Manager**) on 7 November 2016 pursuant to which the Lead Manager was appointed as lead manager to provide services to the Company with respect to the IPO (**Mandate Letter**).

Under the terms of the Mandate Letter, the Company will pay to the Lead Manager a management fee of 1% of the funds raised under the Offer and a placement fee of 5% of funds raised under the Offer. The fees are exclusive of GST. The Lead Manager will also be paid a signing fee in the form of 7,000,000 Lead Manager Options, on the same terms as the Loyalty Options as set out in section 12.4.

Additionally the Company has agreed to pay the Lead Manager a monthly retainer of \$10,000 per month, for a period of 12 months, commencing on the successful completion of the Company's listing on the ASX, for the purpose of providing corporate advisory services to the Company during the 12 month period.

The Lead Manager is entitled to be reimbursed for its reasonable costs and expenses associated with the performance of its services under the Mandate Letter.

11.7 Managing Director Executive Consultancy Agreement

The Company has entered into an executive consultancy agreement with a company associated with Managing Director, Mr Jason Beckton, in which the consultancy company agrees to make Mr Beckton available to perform the duties and responsibilities of the role of Managing Director. Terms of the agreement are set out in section 5.3.

11.8 Chief Financial Officer/Executive Director Executive Consultancy Agreement

The Company has entered into an executive consultancy agreement with a company associated with its Chief Financial Officer and Executive Director, Mr Peter Nightingale, in which the consultancy company agrees to make Mr Nightingale available to perform the duties and responsibilities of the role of Chief Financial Officer and Executive Director. Terms of the agreement are set out in section 5.3.

11.9 Non-Executive Director Engagement Letters

The Company has entered into a letter of engagement with each Non-Executive Director confirming their appointment and terms of engagement. Terms of the agreements are set out in section 5.3.

11.10 Service Agreement with MIS

The Company has entered into a corporate and administrative services agreement with MIS Corporate Pty Ltd ('MIS'), an entity in which Peter Nightingale holds an interest, for MIS to provide a range of corporate and administrative services to the Company, including rental accommodation, administrative staff, services and supplies. The Company has agreed to pay MIS a fee of \$5,000 per month. The fee will be reviewed on a quarterly basis by MIS and the Company.

11.11 No other material contracts

Other than as disclosed in this section and elsewhere in this Prospectus, there are no other material contracts relating to the Company or its business.

12. Additional information

12.1 Incorporation

The Company was incorporated in New South Wales as a public company limited by shares on 26 September 2014.

12.2 Balance Date

The accounts for the Company will be made up to 31 December annually.

12.3 Rights attaching to shares

The shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company.

The rights attaching to Shares are:

- (a) set out in the Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, Listing Rules, ASX Settlement Operating Rules and the general law.

A summary of the significant rights attaching to the Shares on Offer pursuant to the Prospectus and a description of other material provisions of the Constitution is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

Voting at a general meeting

Subject to any rights or restrictions for the time being attached to any class or classes of shares in the Company (at present, there is only one class of shares), whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

Meetings of members

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act or the Listing Rules.

Dividends

The Board may from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

Transfer of Shares

Subject to the Constitution and to any restrictions attached to a member's Shares, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, Listing Rules or ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares:

- (a) only if that refusal would not contravene the Listing Rules or the ASX Operating Rules;
- (b) subject to the Corporations Act, the Listing Rules and the ASX Operating Rules, if the registration of the transfer would create a new holding of an unmarketable parcel of Shares;
- (c) subject to section 259C of the Corporations Act, to a subsidiary of the Company; and
- (d) if the Corporations Act, the Listing Rules or the ASX Operating Rules forbid registration.

If the Board refuses to register a transfer, the Company must, within five Business Days after the date on which the transfer was delivered to it, give the lodging party notice of the refusal and the reasons for the refusal.

Issue of further Shares

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.

Winding up

If the Company is wound up, then subject to any rights or restrictions attached to a class of Shares, any surplus assets of the Company remaining after payments of debts must be divided amongst Shareholders in proportion to the number of Shares held by them.

Unmarketable parcels

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

Share buy-backs

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, the Company may buy back Shares in itself.

Variation of class rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (b) by a special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Directors – appointment and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three.

Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding any managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. Alternatively, if the Board appoint a casual vacancy, that Director may not hold office without re-election beyond the next general meeting.

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors entitled to vote on the resolution. In the case of an equality of votes on a resolution, the chairman of the meeting does not have a second or casting vote and the matter is decided in the negative.

Directors – remuneration

The Constitution provides that Non-Executive Directors are entitled to such remuneration as determined by the Directors but which must not exceed in aggregate the maximum amount determined by Shareholders at a general meeting. The maximum amount determined by Shareholders at a general meeting is \$150,000.

Variation of the Constitution

The Constitution can only be amended by special resolution passed by at least 75% of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company. The Company must give at least 28 days' written notice of a general meeting of the Company's members.

12. Additional information

12.4 Rights attaching to the Loyalty Options

The terms of issue of the Loyalty Options are:

- (a) the Loyalty Options are issued for nil consideration;
- (b) upon vesting and subject to the terms of exercise of the Loyalty Options, each Loyalty Option entitles the holder to be issued one Share for each Loyalty Option;
- (c) each Loyalty Option has an exercise price of \$0.25;
- (d) the Loyalty Options are subject to a vesting condition that the Loyalty Option holder holds Shares on the date that is three months following the commencement of trading of the Company's Shares on the ASX (**Vesting Date**);
- (e) up to the Vesting Date, the Loyalty Options are non-transferable. The Company will seek to have the Loyalty Options quoted on the ASX from the Vesting Date, and they will be thereafter be freely tradeable;
- (f) the number of Loyalty Options to vest will be the lesser of:
 - (i) the number of Loyalty Options held by the holder on the Vesting Date; and
 - (ii) the number of Shares held by the holder on the Vesting Date divided by 2;
- (g) each Loyalty Option expires two years from the Vesting Date (**Expiry Date**). The Loyalty Options may be exercised at any time after the Vesting Date and prior to the Expiry Date, in whole or part, upon payment of the exercise price per Loyalty Option;
- (h) the Company will provide to each Loyalty Option holder a notice that is to be completed and delivered to the Company on exercise of the Loyalty Options. Loyalty Options may be exercised by the Loyalty Option holder in whole or in part by completing and delivering the notice of exercise to the Company prior to the Expiry Date. The notice of exercise must be accompanied by payment in full for the relevant number of Shares being subscribed for on exercise of the Loyalty Options;
- (i) all Shares issued on exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Loyalty Options;
- (j) the Loyalty Options have no participating rights or entitlements and the holders will not be entitled to participate in new issues, pro rata issues or bonus issues of capital to Shareholders during the term of the Loyalty Options unless the holder has first exercised the Loyalty Options and is registered as a holder of Shares; and
- (k) the rights of the Loyalty Option holder in respect of any reconstruction of capital of the Company (including consolidation, subdivision, reduction or return of capital) will be adjusted in accordance with requirements of the ASX Listing Rules.

12.5 Rights attaching to the Lead Manager Options

The terms of issue of the Lead Manager Options are the same as the Loyalty Options as set out in section 12.4.

12.6 Rights attaching to the Existing Options

The terms of issue of the Existing Options are:

- (a) the Existing Options were issued for nil consideration;
- (b) the vesting date was 28 November 2016;
- (c) each Existing Option has an exercise price of \$0.25;
- (d) each Existing Option entitles the holder to be issued one Share for each Existing Option; and
- (e) the expiry date of the Existing Options is the earlier of 31 December 2020 and the date which is 2 months after the date of ceasing to be an employee of the Company (other than due to the occurrence of a special circumstance, being total and permanent disablement, death or other circumstance as determined by the Board of Directors).

12.7 Escrow arrangements

The Shares issued under this Prospectus will not be subject to escrow restrictions and will be transferable from the date of their issue.

Existing Securities classified by ASX as 'restricted securities' will be required to be held in escrow for a period determined by ASX and will not be able to be sold, mortgaged, assigned or transferred for the escrow period without the consent of the ASX.

The Company expects that, if it is admitted to the Official List of the ASX, the following Securities will be required to be held in escrow for the period of time as set out below:

Period of Restriction	Shares	Options
24 months from admission to the Official List	25,387,000	25,000,000

12.8 Incentive Option Plan

The summary below outlines the key terms of the Company's Incentive Option Plan (**Plan**). Copies of the Plan's terms and condition (**Rules**) are available on request to the Company. Capitalised terms in the following summary are as defined in the Rules. No options have been issued under Company's Incentive Option Plan.

(a) Background

The Company has adopted the Plan to assist in the reward, retention and motivation of the following individuals:

- (i) full-time or part-time employees of any company in the Group who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan;
- (ii) directors of any company in the Group who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan; and
- (iii) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan,

(each an **Eligible Employee**).

(b) Issue Price

Options will be issued for consideration comprising the services that are expected to be provided by an Eligible Employee to or for the benefit of the Company. However, no further monetary or other consideration will be payable in respect of the issue of an option under the Plan.

(c) Plan Limit

Options must not be granted under the Plan if the total number of outstanding options issued under the Plan exceed 10% of the Company's total number of issued Shares at that time, unless the prior approval of Shareholders has been obtained.

(d) Offer of Options

Subject to the Rules, the Board of the Company or any committee of the Board to which power to administer the Plan has been delegated by the Board may from time to time make an offer of options to any Eligible Employee.

(e) Exercise Period

Unless otherwise determined by the Board, the options will be exercisable during the period ending on the earlier of:

- (i) the date 10 years after the date of the options being granted; or
- (ii) any other date determined by the Board and as specified in the Invitation,

(the **Expiry Date**), after which the Options will automatically lapse.

(f) Exercise Price

The exercise price in respect of an option will be the amount specified by the Board in the Invitation.

(g) Acceptance of Offer

An Eligible Employee may accept an offer under the Plan by giving to the Company an application form within the period specified in the offer. An offer not accepted in accordance with the Rules will lapse unless the Board determines otherwise.

(h) Shares

Subject to the Rules, each option confers on its holder the entitlement to subscribe for and be issued one fully paid Share in the Company at the Exercise Price.

Subject to the Rules and, if applicable, the ASX Listing Rules, the Company must issue a Share on the exercise of an option. Shares issued on the exercise of options will rank equally with all existing Shares in the Company (on and from the date of issue) in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

12. Additional information

(i) Transfer of Options

Under the Rules, options held by a Participant are personal to him or her and may not be exercised by any other person. However, the Plan provides for the transfer of options in certain circumstances, including in relation to the death of the Participant or with the prior consent of the Board.

(j) Lapse of Options

Generally, an option lapses on the earlier of:

- (i) the Participant becoming a Good Leaver or Bad Leaver, in the sole and absolute discretion of the Board;
- (ii) a Forfeiture Condition set out in an Invitation Letter being met;
- (iii) a change of control event occurring, unless the Board determine otherwise in its sole and absolute discretion;
- (iv) an applicable Performance Hurdle and/or Vesting Condition not being achieved by the relevant time, or the Board determining they cannot be met prior to the Expiry Date; or
- (v) the Expiry Date.

(k) Quotation

The Company will not seek official quotation of any options issued under the Incentive Option Plan. The Company must apply to the ASX for quotation of Shares issued on the exercise of options if other Shares of the Company are officially quoted by the ASX at that time.

12.9 Indemnification of Directors and officers

The Company, to the extent permitted by the Corporations Act, indemnifies each Director against any liability incurred by that person as an officer of the Company or its Related Bodies Corporate including as a liability incurred as a result of appointment or nomination by the Company or subsidiary as trustee or as an officer of another corporation, unless the liability arises out of conduct involving a lack of good faith.

The Company, subject to the Corporations Act, may enter into, and pay premiums on, a contract insuring a Director against any liability incurred by that person as an officer of the Company or its Related Bodies Corporate.

12.10 Related party interests

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into the following agreements with related parties of the Company:

- (a) Appointment Agreements between the Company and each Director and the Company Secretary;
- (b) a services agreement between the Company and MIS Corporate Services Pty Limited, a company associated with Peter Nightingale; and
- (c) consultancy agreements between the Company and companies associated with Mr Beckton and Mr Nightingale.

Agreements with Directors are summarised in section 5.3.

Other than the agreements outlined above, there are no related party transactions in respect of the Company or its business.

12.11 Taxation implications of investing under the Offer

The taxation obligations and the effects of participating in an Offer can vary depending on the circumstances of each individual investor. Investors who are in doubt as to their taxation position should seek professional advice. It is sole responsibility of potential Applicants to inform themselves of their taxation position resulting from participation in an Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants.

The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to investors.

12.12 Interests of experts and advisors

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- (a) has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- (b) has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Triple C Consulting Pty Ltd has acted as the Lead Manager to the Company in respect of the Offer. The Company has paid or agreed to pay to the Lead Manager a management fee of 1% of the funds raised under the Offer and a capital raising fee of 5% of the funds raised under the Offer, as well as a signing fee of 7,000,000 Lead Manager Options in accordance with the terms set out in sections 2.3 and 12.4.

RSM Corporate Australia Pty Ltd has acted as the Investigating Accountant to the Company and provided the Investigating Accountant's Report under the heading "Investigating Accountant's Report" in section 8. The Company has paid or agreed to pay an amount of approximately \$10,000 in respect of these services.

M.J. Houston and Associates Pty Ltd has acted as the independent geologist to the Company and provided the Independent Geologist Report in section 9. The Company has paid or agreed to pay an amount of approximately \$12,000 in respect of these services.

DLA Piper Australia has acted as the Australian legal advisor to the Offer, performing work in relation to due diligence enquiries on Australian legal matters. The Company has paid or agreed to pay an amount of \$58,000 (plus disbursements) in respect of these services. Further amounts may be paid to DLA Piper Australia in accordance with time-based charges.

Legal Group s.r.o. has acted as an independent consultant to the Company and has provided the Solicitor's Report on Tenements in section 9. The Company has paid or agreed to pay an amount of approximately €5,000 in respect of these services.

12.13 Offer expenses

The Company will pay all of the costs associated with the Offer.

The table below outlines the expenses of the Offer.

Estimated cost (exclusive of GST)	Minimum Subscription \$5,000,000	Maximum Subscription \$7,500,000
Capital raising costs ¹	\$300,000	\$450,000
ASX and ASIC Fees ²	\$80,000	\$82,000
Accounting, legal and other advisor fees	\$90,000	\$90,000
Printing, design and miscellaneous	\$30,000	\$38,000
Total	\$500,000	\$660,000

Notes:

1. Capital raising fees are payable to the Lead Manager and calculated by reference to the amount of capital raised under the IPO.
2. ASX fees are based on the issue price of the shares and the anticipated issued share capital of the Company after allotment of the Shares.

12. Additional information

12.14 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Each of the parties referred to below has not caused the issue of this Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

Name of entity	Named as	Reports or statements
Triple C Consulting Pty Ltd	Lead Manager	No
RSM Corporate Australia Pty Ltd	Investigating Accountant	Investigating Accountant's Report on Historical and Pro forma Financial Information in section 8
KPMG	Auditor of the Company	No
DLA Piper Australia	Australian legal advisor to the Offer	No
Legal Group s.r.o	Independent Consultant	Solicitor's Report on Tenements in section 10
M.J. Houston and Associates Pty Ltd	Independent Geologist	Independent Expert Geologist, Technical Assessment Report in section 9
Computershare Investor Services	Share Registry for the Company	No

12.15 Litigation

The Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

12.16 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Share Registry on 1300 059 029 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30am and 5:00pm AEST and the Share Registry will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

12.17 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

12.18 Statement of directors

The Directors report that after due enquiries by them, in their opinion, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company by:



Thomas J. Mann
Chairman

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires:

\$	Australian dollar.
€	The euro, the official currency of the eurozone.
A\$	The lawful currency of Australia.
AEST	Australian Eastern Standard Time in Sydney.
Allotment Date	The date on which Shares are allotted under the Offer.
Applicant	Person who submits a valid Application Form pursuant to this Prospectus.
Application	A valid application to subscribe for Shares under the Offer pursuant to this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus for investors.
Application Monies	Money submitted by applicants under the Offer in respect of their applications for Shares.
Appointment Agreements	Agreements with each Director and the Company Secretary setting out details of each officer's appointment, term, duties, responsibilities and remuneration.
ASIC	The Australian Securities and Investments Commission.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	The settlement rules of the settlement facility provided by ASX Settlement.
ASX	ASX Limited (ABN 98 008 624 691) or the securities market it operates, as the context requires.
ASX Corporate Governance Principles	The ASX Corporate Governance Principles and Recommendations (3rd Edition) of the ASX Corporate Governance Council as at the date of this Prospectus.
Board	The board of Directors of the Company.
Chairman	The chairman of the Board, Thomas Mann.
CHESS	The Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement.
Closing Date	The date the Offer closes.
Company	Prospech Limited ACN 602 043 265.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Directors	Directors of the Company as at the date of this Prospectus.
Executive Director	A Director appointed as an executive director of the Company.
Existing Holders	Those persons or entities who are holders of securities of the Company as at the date of this Prospectus.
Existing Option	means an option issued in accordance with the terms set out in section 12.6.
Exposure Period	The seven day period after the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of up to seven days.
Group	The Company and all its subsidiaries.
GST	Goods and services tax, being a tax charged on the sale of most goods and services in Australia.
IPO	The Company's initial public offering of its Shares.
Lead Manager Option	means an option issued in accordance with the terms set out in section 12.5.
Letters of Appointment	The letter of appointment entered into by each of the Non-Executive Directors.
Listing Rules	The official Listing Rules of the ASX as amended from time to time.

13. Glossary

Loyalty Option	means an option issued in accordance with the terms set out in section 12.4.
Maximum Subscription	The maximum subscription amount being sought by the Company under the Offer, being \$7,500,000.
Minimum Subscription	The minimum subscription amount being sought by the Company under the Offer, being \$5,000,000.
Non-Executive Director	A Director appointed as a non-executive director of the Company.
Offer	The invitation in this Prospectus to subscribe 25,000,000 Shares at \$0.20 per Share to raise up to \$5,000,000, along with 12,500,000 free attaching Loyalty Options on a 1:2 basis, with provision to accept subscriptions of up to a further 12,500,000 Shares, with up to a further 6,250,000 attaching Loyalty Options, to raise up to an additional \$2,500,000.
Offer Information Line	The offer information line operated by the Share Registry being 1300 059 029 (from within Australia) or +61 3 9415 4295 (from outside Australia), Monday to Friday, between 8:30am and 5:00pm AEST.
Offer Period	The period during which investors may subscribe for Shares under the Offer.
Offer Price	\$0.20 per Share.
Opening Date	The date the Offer opens.
Option	An option to acquire a Share.
Prospectus	This Prospectus, dated 16 June 2017 for the issue of a maximum of 37,500,000 Shares.
Related Body Corporate	Has the meaning ascribed to that term in the Corporations Act.
Shareholder	A holder of Shares.
Shares	Shares of fully paid common stock in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited of Level 4, 60 Carrington Street, Sydney NSW 2000 Australia.
Solicitor's Report on Tenements	The report set out in section 10.

For an explanation of technical and industry terminology used in this Prospectus please refer to the glossary at the end of section 9 (Independent Geologist's Report).

Prospect Limited

ACN 602 043 265

Return your form to:

Prospect Limited
c/- Triple C Consulting Pty Ltd
PO Box 8539
Perth BC WA 6849

For all enquiries:

within Australia 1300 059 029
outside Australia +61 3 9415 4295
Monday to Friday 9.00am - 5.00pm (Sydney time)

Application Form

The Offer closes 5.00pm (Sydney time) on Friday, 25 August 2017.

This Application Form relates to an invitation to apply for Shares with free attaching Loyalty Options in Prospect Limited (ACN 602 043 265) (**Company**), made under the Prospectus lodged with ASIC on 16 June 2017 (or any supplementary or replacement Prospectus) (**Prospectus**). The Prospectus will expire 13 months after 16 June 2017. You should read the Prospectus carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus (whether in paper or electronic form).

The Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. The Prospectus has been prepared for publication in Australia. The Shares to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of a U.S. Person. This Application Form is important. If you are in doubt as to how to deal with it, please contact your financial or other professional adviser. You should read the entire Prospectus carefully before completing this Application Form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus. Capitalised terms have the same meaning given to them in the Prospectus.

By applying under the Offer, you make the acknowledgements, declarations, representations and warranties set out in the Prospectus.

STEP 1 Amount applied for

Enter the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares (i.e. A\$2,000). Enter the Application Amount. To calculate this amount, multiply the number of Shares applied for by the subscription price which is A\$0.20.

STEP 2 Applicant name(s) and postal address

Enter the full name you wish to appear on the confirmation statement. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table overleaf for the correct forms of registrable title(s). Applications using the wrong form of names may be rejected. CHES participants should complete their name identically to that presently registered in CHES. Enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered. Enter your contact name and telephone number. This information may be used to communicate other matters to you subject to the Company's privacy statement. This is not compulsory but will assist us if we need to contact you.

STEP 3 CHES holdings only

The Company will apply to the ASX for Shares to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of the ASX. In CHES, the Company will operate an electronic CHES subregister of shareholdings and an electronic issuer sponsored subregister of shareholdings.

Together, the two subregisters will make up the Company's principal register of Shares. The Company will not be issuing certificates to applicants in respect of Shares allotted.

If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES subregister, enter your CHES HIN.

Otherwise, leave the section blank and on allotment you will be sponsored by the Company and an SRN will be allocated to you.

Please note that if you supply a CHES HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHES, your Application will be deemed to be made without the CHES HIN, and any Shares issued will be held on the issuer sponsored subregister.

STEP 4 Application Amount

Application Monies must be paid by electronic transfer, cheque(s) or bank draft(s). If paying electronically please send your applications via scan/email to admin@tripleccc.com.au or fax on +61(0)8 9227 7158.

To pay electronically please make payment to the below bank account, suing your surname/company name/super fund name as a reference.

Bank: Macquarie Bank Limited
Name: Triple C Consulting Pty Ltd Trust Account
Swift Code: MACQAU2SXXX
BSB: 182512
Account: 962369112

Applicants under the Offer must return this Application Form and Application Amount to Triple C Consulting Pty Ltd. The Offer is expected to close at 5.00pm (Sydney time) on Friday, 25 August 2017.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in the Company is upon and subject to the terms of the Prospectus and the Constitution of the Company, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate.

By submitting this Application Form:

- I/we declare that this application is complete and lodged according to the Prospectus, and any relevant supplementary Prospectus,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of the Company.

The Offer opens on Monday, 26 June 2017 and is expected to close at 5.00pm (Sydney time) on Friday, 25 August 2017. The Company and the Lead Manager may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

Company

Prospech Limited
ACN 602 043 265
Level 2, 66 Hunter Street
Sydney NSW 2000 Australia

Board of Directors

Name	Position
Thomas Mann	Non-Executive Chairman
Jason Beckton	Managing Director
Peter Nightingale	Executive Director, CFO
John Levings	Non-Executive Director

Company Secretary

Richard Edwards

Proposed ASX Code

PRS

Lead Manager

Triple C Consulting Pty Ltd
5 Lindsay Street
Perth WA 6000 Australia

Investigating Accountant

RSM Corporate Australia Pty Ltd
8 St. George's Terrace
Perth WA 6000 Australia

Auditor

KPMG
Level 16, Riparian Plaza
71 Eagle Street,
Brisbane QLD 4000 Australia

Lawyer to the Offer

DLA Piper Australia
1 Martin Place
Sydney NSW 2000 Australia

Share Registry

Computershare Investor Services Pty Limited
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