Prospech Limited
ABN 24 602 043 265

8 December 2020

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(8 pages by email)

Dear Madam

COMPLETION OF 8-HOLE DIAMOND DRILLING PROGRAM

- **Initial drilling program of Bauch prospect, Hodrusa Hamre exploration licence**
- **8 diamond drill holes completed for a total of 1,353.8 metres**
- **All holes intersected quartz-vein mineralisation[1]**
- **Assaying of drill core samples in progress**

The Directors of Prospech Limited ('Prospech' or 'the Company') (ASX: PRS) are pleased to announce the completion of an 8-hole diamond drilling program on the Bauch prospect, which is within the Company's flagship Hodrusa Hamre exploration licence.

Although highly prospective and showing evidence of historical tunnelling and surface prospecting, the Bauch prospect has never been drilled nor explored by modern methods.

The Company's rock chip sampling of the exposed lode in one of the shallow historical tunnels, assayed high grade gold and silver (28.3 g/t Au and 582 g/t Ag). Another nearby in-situ pillar sample assayed 11.4 g/t Au and 565 g/t Ag.

The Bauch prospect is located 1.5 kilometres due west of the high grade, underground Rozalia Mine (3rd party ownership) which continues to operate with a head grade of approximately 12 g/t Au. The total production from Rozalia Mine is estimated to be 500,000 oz Au over a period of 20 years.

Recent advances in the geological understanding of the Rozalia Mine orebody has led to the recognition of a controlling, large-scale detachment fault or, as it is known locally, the Low Angle Normal Fault (LANF). Importantly for Prospech, it was recognised that the largest proportion of the LANF projects to surface within the Company's Hodrusa Hamre exploration licence.

The Bauch prospect, along with the Ignac prospect located 1.5 kilometres along strike to the north-east, are considered to be LANF-related and are therefore considered highly prospective for Rozalia-style mineralisation.

Ignac was drilled by the Company in 2018 and 2 of the 4 holes drilled intersected high-grade gold. In the recently completed Bauch drilling program, all holes[1] intersected wide zones of intense quartz stockwork veining which is considered consistent with Rozalia-style, LANF-hosted mineralisation.

[1] With the exception of hole BADD004 which was terminated before the target depth dues to technical drilling issues. Hole BADD006 is a re-drill of BADD004

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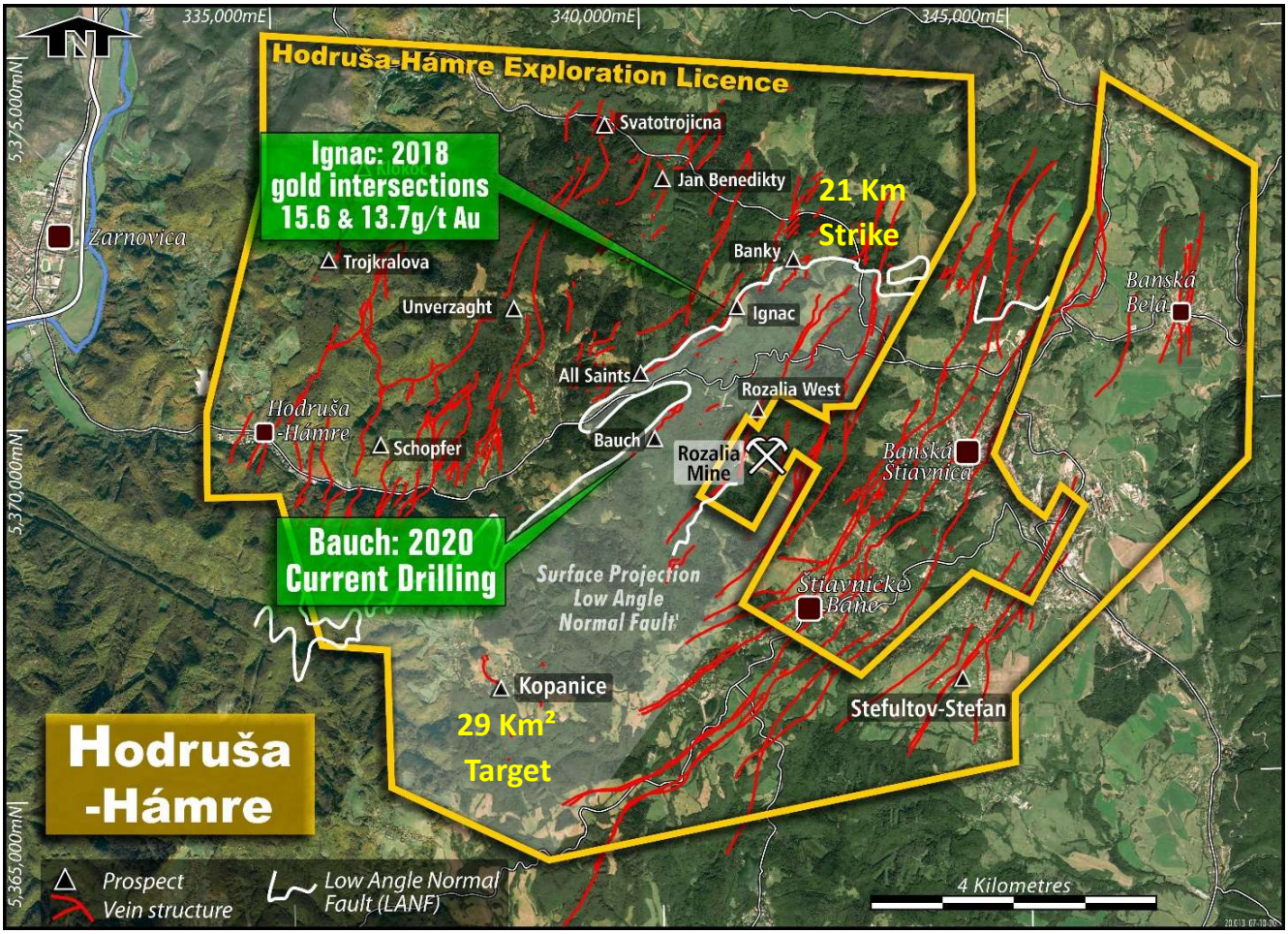
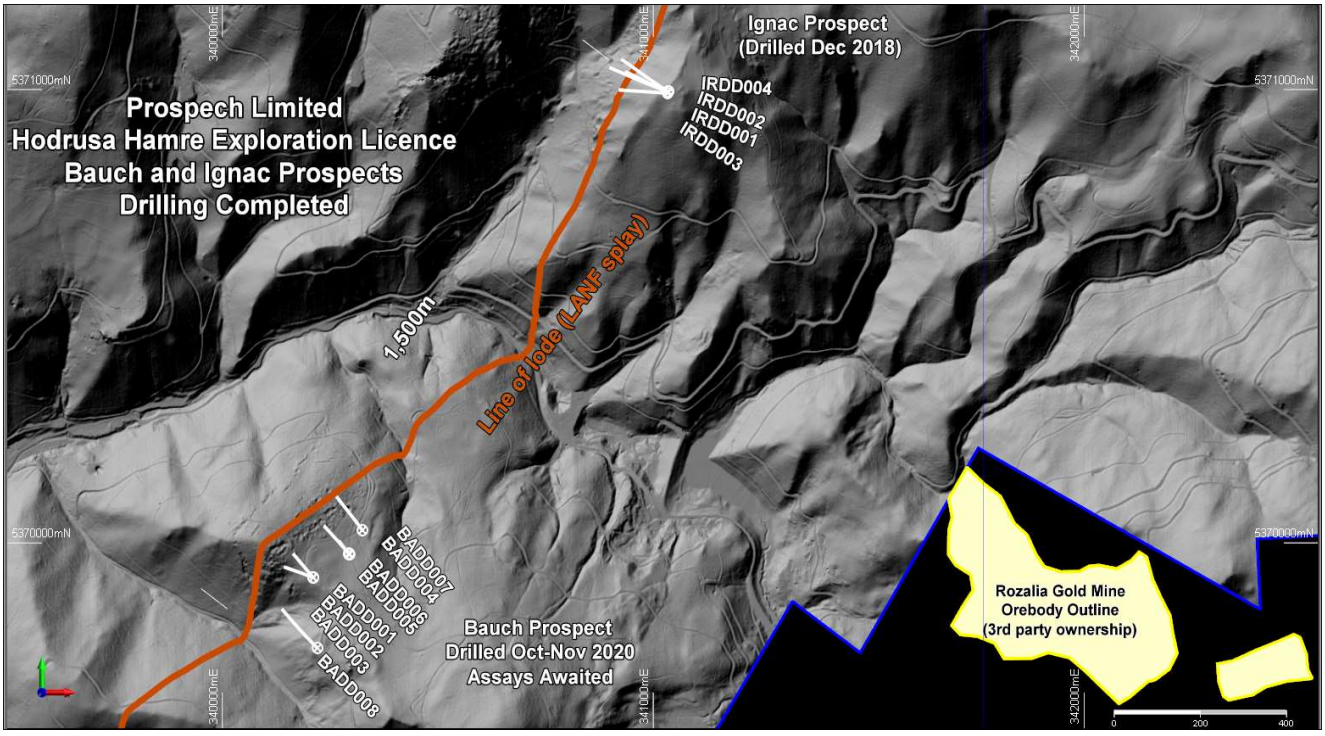


Hodrusa Hamre Exploration Licence showing the LANF surface projection and prospects



Locations of the Bauch prospect drilling relative to the nearby operating Rozalia Mine and along the line of lode to the Company's successful Ignac prospect drilling in 2018

The core from the Bauch drilling is being processed at the Company's facilities in Slovakia and will be progressively despatched to ALS, a fully certified, international standard assay laboratory in Romania.

Prospech Managing Director Jason Beckton comments:

"Recognition that the LANF-structure, which has the possibility to host high-grade Rozalia-style gold and silver deposits, projects largely into the Company's Hodrusa Hamre exploration licence has been a real game changer. In total there is an estimated 21 kilometres of LANF strike potential within Prospech's Hodrusa Hamre exploration licence.

In 2018, the Company had drilling success along the LANF at Ignac and it is very pleasing to report that this initial 8-hole Bauch drilling program has been completed successfully and shows positive geological indications."

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

For further information, please contact:

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Competent Person's Statement

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

pjn10612

JORC Code, 2012 Edition – Table 1 Bauch Prospect

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *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.*	• Rock chip grab samples were collected from outcrops, spoil heaps and accessible surface and underground workings of 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.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling HQ3 size triple tube
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core is measure in the triple tube split before laying in the core boxes to ensure minimum disturbance and most accurate calculation of core recoveries. • Overall core recoveries have been very high at XX% • Any relationship between core recovery and grade cannot be determined at this time, but due to the high core recovery, bias is considered very unlikely
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The complete core is logged in detail by qualified geologists. Core is photographed wet and dry. All core is oriented. Detail structural measurements are collected. Core logging is a combination of qualitative and quantitative information
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Approximately 1 to 2 Kg of material from each rock chip was sent to the laboratory for analysis. • All sampling done under supervision of a qualified geologist. • Core is manually split in to 2 equal halves using a diamond saw. The core is split along the core orientation reference line, where available. • Half-core is considered to be a high-quality and very representative method of sample. • Sample lengths are nominally 1 metre but vary to honour geological contacts
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations*	• Samples are stored in a secure location in Companies storage facilities and transported to the ALS laboratory in Romania for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% < 75µm. • Pulps are analyzed by ALS Romania using method code ME-ICP61, a 33 element determination using a four acid digestion and 30 gram charge fire assay with AA finish (Au-AA25) for gold. Ore grades are analysed

Criteria	JORC Code explanation	Commentary
	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.*	by OG62 – 4 acid digestion method for each element when identified.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *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.*	• Laboratory provides assay certificates, which are stored electronically both in ALS and Company's servers. • Laboratory CSV files are merged with GPS Location data files using unique sample numbers as the key. • No adjustments made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Rock chip samples are located using handheld GPS receivers with accuracy from 10-5m. • UTM projection WGS84 Zone 34N and local grid SJTSK03. Conversion between local and UTM grid is run through national certified web portal. • The topographic control, using handheld GPS, was adequate for the survey. • Drill collars are surveyed using a differential GPS or by triangulation depending of the tree cover and other environmental factors • Downhole surveys are taken at nominal 50m intervals down the hole. Excessive deviation is not generally a problem in this field and this interval is considered sufficient. Downhole azimuth readings at magnetic and converted to Grid by adding 6.6 degrees
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• It is not yet determined whether the results from this drilling will be used in a mineral resource estimate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No bias is believed to be introduced by the sampling method. • Drilling is designed to intersect the target structure as close to normal as is possible given the constraints of topography and access. In this program no holes were drilled at acute angles to the target structure.
Sample security	• *The measures taken to ensure sample security.*	• Samples were delivered to ALS Minerals laboratory in Romania by Prospech trusted contractor and were not left unattended at any time. There were no incident reports from ALS lab on sample receiver cell.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the data management system have been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Prospech Limited, through subsidiaries and contractual rights, holds 100% rights on the Hodrusa-Hamre - Banska Stiavnica, Nova Bana, Rudno, Pukanec and Jasenie 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 Prospech's environmental and permit advisors specifically engaged for such purposes. • The Company is the manager of operations in accordance with generally accepted mining industry standards and practices.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 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 license 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 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 (material imported from Hungary and Albania) was carried out. Coal, gold, silver, talc, anhydrite and magnesite (and limestone, dolomite and gravel), bentonite, zeolite and industrial minerals are being mined in Slovakia today. An underground gold mine on a third party mining lease enclosed within the HHBS exploration license, 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. • Prospech holds 100% of two exploration licences covering 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	• *Deposit type, geological setting and style of mineralisation.*	• Located on the western flanks of the Stiavnica Strato Volcano within the Central Slovakian Volcanic Belt, the Nova Bana Exploration Licence covers quartz veins with classically banded, low-sulphidation epithermal textures with sulphidic "ginguro" zones, which are commonly associated with high grades of precious metals. Native gold and silver-sulphide minerals were observed in the hand specimens.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		•

Hole_ID	UTM_Grid_ID	UTM_East	UTM_North	RL	Max_Depth
BADD001	WGS 84 Zone 34N	340,210.03	5,369,923.62	625.70	143.7
BADD002	WGS 84 Zone 34N	340,210.99	5,369,923.16	625.74	191.1
BADD003	WGS 84 Zone 34N	340,210.68	5,369,924.12	625.72	137.6
BADD004	WGS 84 Zone 34N	340,294.43	5,369,975.63	607.50	78.9
BADD005	WGS 84 Zone 34N	340,294.99	5,369,975.16	607.57	179.8
BADD006	WGS 84 Zone 34N	340,293.78	5,369,976.17	607.41	182.7
BADD007	WGS 84 Zone 34N	340,324.14	5,370,028.58	597.57	200.4
BADD008	WGS 84 Zone 34N	340,221.23	5,369,767.53	625.86	239.5

Criteria	JORC Code explanation	Commentary

Hole_ID	Depth	Dip	MAG_Azimuth	UTM_Azimuth	Tool
BADD001	0.00	-60.00	283.00	289.60	Compass
BADD001	15.00	-59.49	284.95	291.55	Nomad
BADD001	50.00	-60.26	282.94	289.54	Nomad
BADD001	100.00	-60.39	281.91	288.51	Nomad
BADD001	142.00	-60.92	280.14	286.74	Nomad
BADD002	0.00	-85.95	286.30	292.90	Nomad
BADD002	15.00	-85.95	286.30	292.90	Nomad
BADD002	22.00	-85.60	292.67	299.27	Nomad
BADD002	34.00	-86.01	293.61	300.21	Nomad
BADD002	46.00	-86.02	293.15	299.75	Nomad
BADD002	50.00	-85.95	294.20	300.80	Nomad
BADD002	53.00	-86.01	293.80	300.40	Nomad
BADD002	58.00	-85.60	290.39	296.99	Nomad
BADD002	70.00	-85.37	291.68	298.28	Nomad
BADD002	82.00	-85.38	290.97	297.57	Nomad
BADD002	94.00	-85.37	299.08	305.68	Nomad
BADD002	100.00	-85.43	295.18	301.78	Nomad
BADD002	106.00	-85.51	297.57	304.17	Nomad
BADD002	118.00	-85.32	300.55	307.15	Nomad
BADD002	130.00	-85.05	300.67	307.27	Nomad
BADD002	142.00	-85.12	296.42	303.02	Nomad
BADD002	150.00	-85.35	301.43	308.03	Nomad
BADD002	154.00	-85.43	297.11	303.71	Nomad
BADD002	166.00	-85.45	303.63	310.23	Nomad
BADD002	178.00	-85.19	298.82	305.42	Nomad
BADD002	190.00	-85.36	301.21	307.81	Nomad
BADD003	0.00	-60.00	311.00	317.60	Compass
BADD003	12.00	-60.21	311.72	318.32	Nomad
BADD003	18.00	-60.21	311.70	318.30	Nomad
BADD003	29.00	-60.50	311.16	317.76	Nomad
BADD003	41.00	-60.04	311.28	317.88	Nomad
BADD003	50.00	-59.70	311.90	318.50	Nomad
BADD003	53.00	-60.04	312.28	318.88	Nomad
BADD003	65.00	-59.72	311.52	318.12	Nomad
BADD003	77.00	-59.17	311.85	318.45	Nomad
BADD003	89.00	-58.98	311.60	318.20	Nomad
BADD003	100.00	-58.38	312.26	318.86	Nomad
BADD003	101.00	-58.63	311.59	318.19	Nomad
BADD003	113.00	-58.21	312.26	318.86	Nomad
BADD003	125.00	-57.99	312.31	318.91	Nomad
BADD003	137.00	-57.69	312.31	318.91	Nomad

Hole_ID	Depth	Dip	MAG_Azimuth	UTM_Azimuth	Tool
BADD004	0.00	-60.00	312.88	319.48	Nomad
BADD004	30.00	-61.06	312.88	319.48	Nomad
BADD004	50.00	-60.61	314.40	321.00	Nomad
BADD005	0.00	-86.00	320.00	326.60	
BADD005	15.00	-86.10	320.89	327.49	Nomad
BADD005	35.00	-85.84	320.75	327.35	Nomad
BADD005	47.00	-85.43	321.22	327.82	Nomad
BADD005	50.00	-85.60	323.26	329.86	Nomad
BADD005	59.00	-85.58	322.70	329.30	Nomad
BADD005	71.00	-85.49	321.73	328.33	Nomad
BADD005	83.00	-85.58	318.95	325.55	Nomad
BADD005	95.00	-85.70	324.03	330.63	Nomad
BADD005	100.00	-85.88	323.68	330.28	Nomad
BADD005	107.00	-85.37	323.93	330.53	Nomad
BADD005	119.00	-85.74	320.90	327.50	Nomad
BADD005	131.00	-85.36	323.77	330.37	Nomad
BADD005	143.00	-85.34	323.70	330.30	Nomad
BADD005	150.00	-85.67	326.10	332.70	Nomad
BADD005	155.00	-85.33	324.78	331.38	Nomad
BADD005	167.00	-85.43	326.90	333.50	Nomad
BADD005	179.00	-85.25	324.54	331.14	Nomad
BADD006	0.00	-61.31	310.67	317.27	Nomad
BADD006	15.00	-61.31	310.67	317.27	Nomad
BADD006	50.00	-61.73	310.77	317.37	Nomad
BADD006	100.00	-62.60	309.82	316.42	Nomad
BADD006	150.00	-62.85	309.81	316.41	Nomad
BADD006	180.00	-63.18	309.12	315.72	Nomad
BADD007	0.00	-61.02	317.26	323.86	
BADD007	23.00	-61.02	317.26	323.86	Nomad
BADD007	50.00	-61.71	313.95	320.55	Nomad
BADD007	100.00	-61.59	313.74	320.34	Nomad
BADD007	150.00	-62.23	313.89	320.49	Nomad
BADD007	200.00	-61.69	314.84	321.44	Nomad
BADD008	0.00	-60.77	307.65	314.25	
BADD008	18.00	-60.77	307.65	314.25	Nomad
BADD008	50.00	-60.18	307.76	314.36	Devishot
BADD008	100.00	-60.24	308.80	315.40	Devishot
BADD008	150.00	-59.47	310.80	317.40	Devishot
BADD008	200.00	-59.18	311.48	318.08	Devishot

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No results have been reported with aggregated intercepts.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *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').*	• No widths and intercepts have been reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The location and results received for both rock chip and drill-core samples are displayed in the attached maps and/or tables. Coordinates are UTM Zone 34N.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results for all samples collected in this program are displayed on the attached maps and/or tables.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No metallurgical or bulk density tests were conducted at the project by Prospech.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Prospech is in the processing of submitting samples of the drill core for analysis. Depending of the results, further drilling may be carried out at Bauch