Prospech Limited
ABN 24 602 043 265

23 July 2021

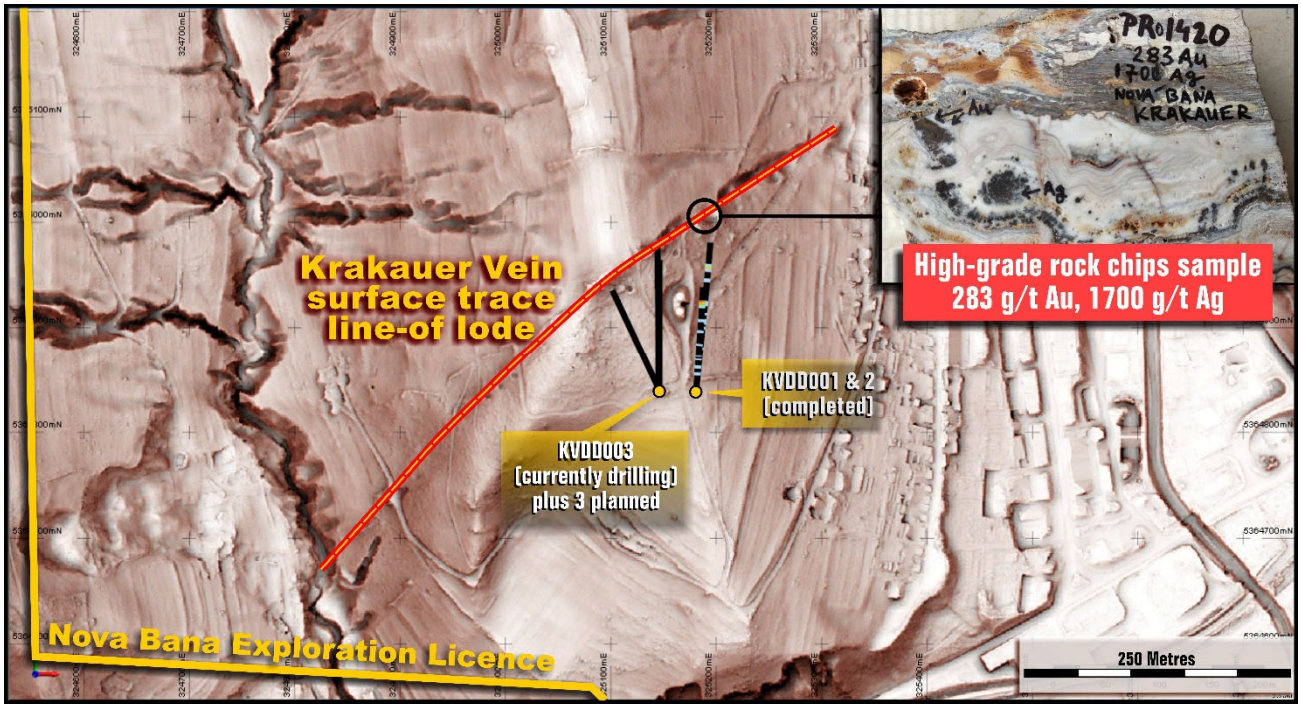
GOLD SILVER DRILL RESULTS FOR KRAKAUER PROSPECT

The Directors of Prospech Limited ('Prospech' or 'the Company') (ASX: PRS) are pleased to announce the initial results from drilling at the Krakauer vein prospect within the Nova Bana exploration licence, within the Western Slovakian neovolcanic belt. Two holes are reported below, four additional holes currently being drilled with more results to follow.

- KVDD001: 4.5m @ 2.01 g/t Au and 29 g/t Ag from 162.8m
  including 0.5m @ 6.95 g/t Au and 84 g/t Ag from 163.7m

- KVDD002: 9.0m @ 1.58 g/t Au and 10 g/t Ag from 170.5m
  including 0.5m @ 3.34 g/t Au and 7 g/t Ag from 170.5m
  and 3.0m @ 2.19 g/t Au and 4 g/t Ag from 176.5m

The Krakauer vein structure is hosted in silicified and potassic altered rhyolites and andesites. The vein strikes ENE-WSW and dips to SSE at approximately 70° (see figure below). Classic banded epithermal vein float, carrying visible silver (acantite) and gold is observed at surface, over a strike extent of 450 metres. Old workings, mostly shallow diggings, can be traced for 600 metres along the strike.



Plan view of Krakauer gold silver vein structure which had never before been drill-tested. Shown are observed vein strike (thick red line) and completed and planned drillholes (black traces). (North towards the top of the page)

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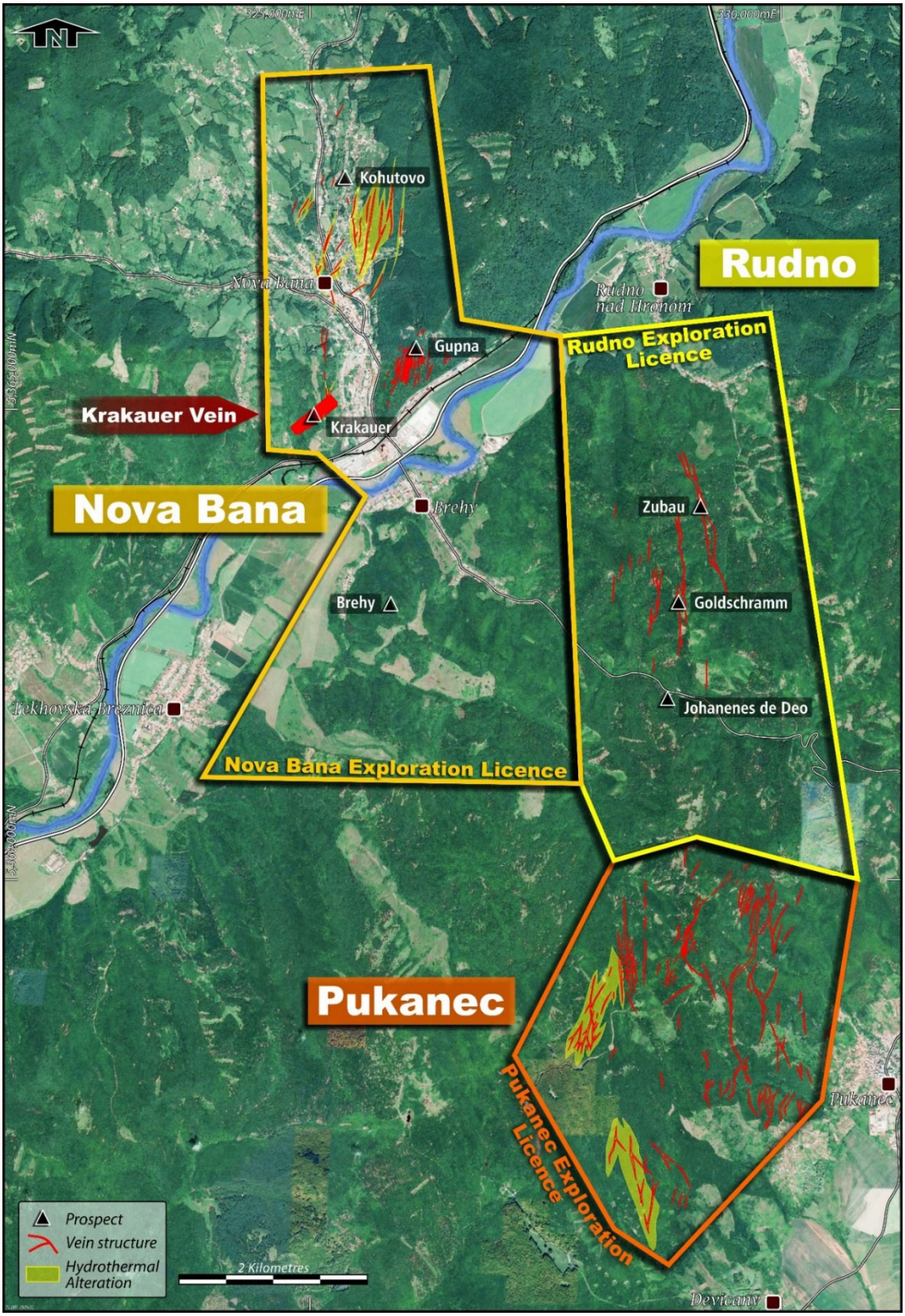

Krakauer structure highlighted to the south which trends 1km NE towards the Gupna structure which also remains on the Prospech target list.

Mineralisation is typical of low-sulfidation epithermal, banded veins (ginguro). Early bands consist of milky-white quartz and black bands with abundant acantite and native gold, +/- pyrite and this was most likely subject of limited historical mining. Central part of the vein consists of lower temperature quartz to chalcedony and this material can be commonly found in the float. Krakauer is an almost a fully preserved epithermal system with excellent depth potential.

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

Prospech Managing Director Jason Beckton comments:

"The Krakauer drilling results are confirmation of thickness of a brecciated vein trending northwest and continued drilling is warranted. There is evidence for a higher grade shoot within the vein structure, with previous rock chip sampling assays up to 283 g/t Au and 1,700 g/t Ag.

Additional drill-sites at Prospech's Zemplin silver discovery, the Anton gold silver prospect and the Pukanec gold silver prospect are being prepared for a second rig which is expected to be on site in August 2021."

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

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JORC Code, 2012 Edition – Table 1 Krakauer, Nova Bana

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 and NQ3 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 98%. • 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.
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*	• 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

Criteria	JORC Code explanation	Commentary
	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.*	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 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

Criteria	JORC Code explanation	Commentary
		standards and practices.
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.*
		• Krakauer drillholes KVDD001 and 002 only
		Collar Information - UTM Zone 34N
		hole_id | grid_east | grid_north | elevation | dip | max_depth
		KVDD001 | 325181.006 | 5364839.29 | 288.175 | -44.7 | 200
		KVDD002 | 325181.006 | 5364838.59 | 288.175 | -60 | 208.8
		Survey Information

Criteria	JORC Code explanation	Commentary

Hole ID	Depth (m)	Azi mag	Azi grid (+6.6)	Dip
KVDD001	20	358.65	5.25	-44.7
KVDD001	50	358.79	5.39	-43.84
KVDD001	95	359.36	5.96	-44.09
KVDD001	150	358.77	5.37	-45.13
KVDD001	195	358.07	4.67	-45.95
KVDD002	15	357.11	3.71	-60.85
KVDD002	50	357.16	3.76	-61.34
KVDD002	100	357.77	4.37	-61.52
KVDD002	150	356.92	3.52	-62.62
KVDD002	200	356.25	2.85	-62.8

Hole_ID	mFrom	mTo	Sample_ID	Au_ppm	Ag_ppm
KVDD001	56	57	M664039	0.19	1.8
KVDD001	57	58	M664040	0.03	1.2
KVDD001	58	59	M664041	0.03	1.5
KVDD001	83	84	M664042	0.05	1.7
KVDD001	84	84.8	M664043	0.51	6.1
KVDD001	84.8	85.5	M664044	0.05	1.4
KVDD001	85.5	86.5	M664045	0.05	1.1
KVDD001	89.5	90.5	M664046	0.01	0.7
KVDD001	90.5	91.5	M664047	0.02	0.8
KVDD001	91.5	92.5	M664048	0.03	1
KVDD001	92.5	93.5	M664049	0.03	1
KVDD001	93.5	94.5	M664051	0.01	0.7
KVDD001	94.5	95.5	M664052	0.02	0.8
KVDD001	95.5	96.7	M664053	0.04	1.3
KVDD001	102	103	M664054	0.01	1.7
KVDD001	103	104	M664055	0.1	1.7
KVDD001	104	105	M664056	0.12	1.6
KVDD001	114	115	M664057	0.06	2
KVDD001	115	116	M664058	0.19	3.5
KVDD001	116	117	M664059	0.23	0.5
KVDD001	117	118	M664060	0.01	0.5
KVDD001	118	119	M664061	0.01	0.5
KVDD001	119	120	M664062	0.04	1.3
KVDD001	120	121	M664063	0.01	0.25
KVDD001	146	147	M664064	0.03	0.9
KVDD001	147	148	M664065	0.18	1.9
KVDD001	148	149	M664066	0.08	1.2
KVDD001	149	150	M664067	0.16	1.1
KVDD001	150	151	M664068	0.33	2.7
KVDD001	160	161.4	M664069	0.47	1.4
KVDD001	161.4	162.8	M664070	0.34	2.8
KVDD001	162.8	163.7	M664071	1.72	26
KVDD001	163.7	164.2	M664072	6.95	84
KVDD001	164.2	164.8	M664073	1.99	41.9
KVDD001	164.8	165.3	M664074	0.4	4.4
KVDD001	165.3	165.8	M664076	0.82	16.2
KVDD001	165.8	166.3	M664077	1.95	11
KVDD001	166.3	166.8	M664078	0.96	15.5
KVDD001	166.8	167.3	M664079	1.57	37.2
KVDD001	167.3	167.8	M664080	0.73	15.3
KVDD001	167.8	168.8	M664081	0.33	3.7
KVDD001	168.8	169.8	M664082	0.28	2.5
KVDD001	169.8	170.8	M664083	0.01	3.1
KVDD002	28	29	M664084	0.01	0.25
KVDD002	29	30	M664085	0.005	0.5
KVDD002	30	31	M664086	0.005	0.25
KVDD002	31	32	M664087	0.005	0.25
KVDD002	32	33	M664088	0.005	0.25
KVDD002	33	34	M664089	0.005	0.25
KVDD002	41.5	42.5	M664090	0.005	0.6
KVDD002	42.5	43.5	M664091	0.01	0.7
KVDD002	43.5	44.5	M664092	0.01	1
KVDD002	44.5	46	M664093	0.01	1.5
KVDD002	46	46.6	M664094	0.03	2.4
KVDD002	46.6	47.6	M664095	0.01	2.1
KVDD002	58	59	M664096	0.005	0.7
KVDD002	59	60	M664097	0.005	0.8
KVDD002	60	61	M664098	0.005	0.8
KVDD002	65	66	M664099	0.01	0.8
KVDD002	66	67	M664101	0.01	1
KVDD002	88	89	M664102	0.06	2.5
KVDD002	89	90	M664103	0.005	1
KVDD002	90	91	M664104	0.01	1.3
KVDD002	91	91.8	M664105	0.02	1.2
KVDD002	114	115	M664106	0.03	1.2
KVDD002	115	116	M664107	0.24	2.6
KVDD002	116	117	M664108	0.02	0.7
KVDD002	117	118	M664109	0.01	0.25
KVDD002	118	119	M664110	0.19	3.1
KVDD002	136	137	M664111	0.02	0.25
KVDD002	137	138	M664112	0.02	0.25
KVDD002	138	139	M664113	0.03	0.9
KVDD002	139	140	M664114	0.04	0.7
KVDD002	140	141	M664115	0.01	0.7
KVDD002	141	142	M664116	0.07	0.9
KVDD002	165	166	M664117	0.18	2
KVDD002	166	167	M664118	0.18	1.4
KVDD002	167	168	M664119	0.21	1.7
KVDD002	168	169.5	M664120	0.04	0.9
KVDD002	169.5	170.5	M664121	0.18	0.8
KVDD002	170.5	171	M664122	3.34	7.3
KVDD002	171	171.5	M664123	0.6	3
KVDD002	171.5	172	M664124	0.53	3.3
KVDD002	172	172.5	M664126	0.57	3.2
KVDD002	172.5	173	M664127	2.38	6.7
KVDD002	173	173.5	M664128	0.64	3.9
KVDD002	173.5	174	M664129	1.82	52
KVDD002	174	174.5	M664130	2.21	46.4
KVDD002	174.5	175	M664131	1	15.4
KVDD002	175	175.5	M664132	1.01	13.5
KVDD002	175.5	176.5	M664133	0.58	2.1
KVDD002	176.5	177.5	M664134	1.35	5.6
KVDD002	177.5	178.5	M664135	2.78	3.3
KVDD002	178.5	179.5	M664136	2.44	4.6
KVDD002	179.5	180.5	M664137	0.27	1.5

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.*	• Weighted averages are applied with mineralised intercept generally but not always 0.5m in width.
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').*	• Mineralisation is epithermal vein related.
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 proposes to carry out additional surface drilling of the Krakauer vein with a pause toward September to allow Phase II planning.