Prospech Limited
ABN 24 602 043 265

9 December 2021

HODRUSA-HAMRE IP SURVEY COMPLETED

- **First large-scale geophysical survey at the Hodrusa-Hamre exploration licence**
- **Designed to explore for potential Rozalia-style targets**
- **Experienced Australian IP contractors**
- **8 lines totalling 15.8 line-kilometres**
- **3D inversion model completed**
- **IP and Resistivity anomalies detected**
- **Priority 1 targets planned for early 2022 drilling**

The Directors of Prospech Limited ('Prospech' or 'the Company') (ASX: PRS) are pleased to announce that the IP-Resistivity Survey covering a prospective portion of the Hodrusa-Hamre exploration licence has been completed and the raw data processed and modelled. A number of anomalies worthy of follow-up drilling have been identified.

Background

The shallow-dipping Rozalia Gold Mine (operating, third-party) is interpreted to be hosted within a large scale low angle normal fault ('LANF') structure. The up-dip extensions of the LANF project to the north-west, mostly into Prospech's Hodrusa-Hamre exploration licence.

Whilst recognising the potential of the LANF, until now, target generation was restricted to either targeting historical prospects or wildcat drilling.

The additional information provided by the IP-Resistivity survey enables targeting of potential blind deposits along the LANF plane. Several such targets are evident.

IP Survey Specifications

The MIMDAS IP survey comprise 8 lines totalling 15.8 line-kilometres by Brisbane-based GRS Pty Limited. IP survey lines were mostly spaced 300 to 400 metres apart. The electrode configuration was pole-dipole, with receiver dipole spacing either 50 or 100 metres.

The readings collected included apparent chargeability, apparent resistivity and magnetotellurics. 2D and 3D inversion modelling has been carried out.

Level 2, 66 Hunter Street, Sydney NSW 2000 Australia
T: +61 2 9300 3333 F: +61 2 9221 6333
E: info@prospech.com.au

Survey Results

A number of IP and resistivity anomalies have been detected by the survey (See Figure 1 below). In general, the IP responses could be described as moderate, which is in keeping with the low to moderate sulphide content of the expected mineralisation style. The Hodrusa-Hamre caldera rocks are, in general surprisingly conductive, which limits the survey depth of investigation when compared to more resistive terrains.

The survey data is still being evaluated and the anomalies being ranked for drill testing during the 2022 summer field season.

A standout IP anomaly is situated 300 metres along strike from the Ignac prospect, between the Ignac and Banky prospects. The anomaly has a peak chargeability of 16 mV/V and is centred approximately 110 metres below surface (see cross section in Figure 2 and long section in Figure 3).

Ignac was drilled by the Company in late 2018 and encountered classic epithermal style quartz veining, visible gold and assays up to 15.6 g/t Au.

Historic drilling of the Banky working also encountered high grade mineralisation of 120 g/t Au and Propech drilling at Banky intersected grades up to 3.04 g/t Au.

Recent in situ underground rock chip sampling located approximately 270 metres north-north-east, along strike from the target, assayed 36.2 g/t Au and 1,300 g/t Ag.

SampleID	UTM_East	UTM_North	RL	Vein_Description	Comments	Ag_ppm	Au_ppm
PR1578	341373	5371522	732	Fine grained grey qz. Fine BMS dissem + py	Stope pillar	183	5.55
PR1579	341373	5371522	732	Fine grained qz bx. Fine BMS dissem, py, Ag - sulph	Stope pillar	81.8	1.06
PR1580	341373	5371495	732	Fine grained qz bx. Fine BMS Fine dissem, py, Ag - sulph	Stope pillar	1300	36.2

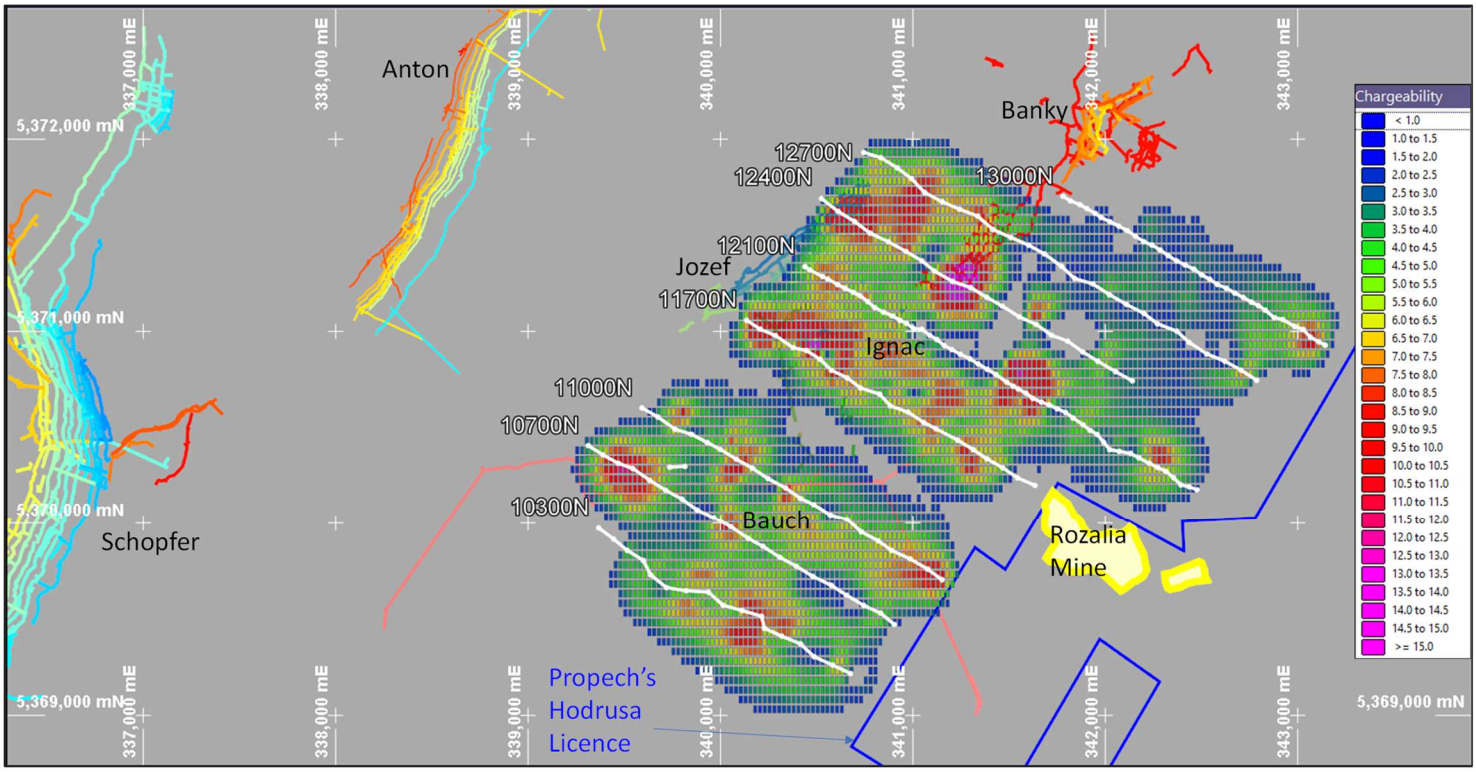

Figure 1: Hodrusa-Hamre IP survey located in the eastern part of the Hodrusa-Hamre exploration licence. White lines with dots are the as-surveyed lines and IP receiver stations and the coloured blocks are the IP chargeability in mV/V at 100m below surface. The adjacent Rozalia Mine footprint is shown along with nearby historical mine workings such as Schopfer, Anton, Banky, Ignac and Bauch which are all located within the Company's exploration licence. Historical mine workings are coloured by RL (scale not shown).

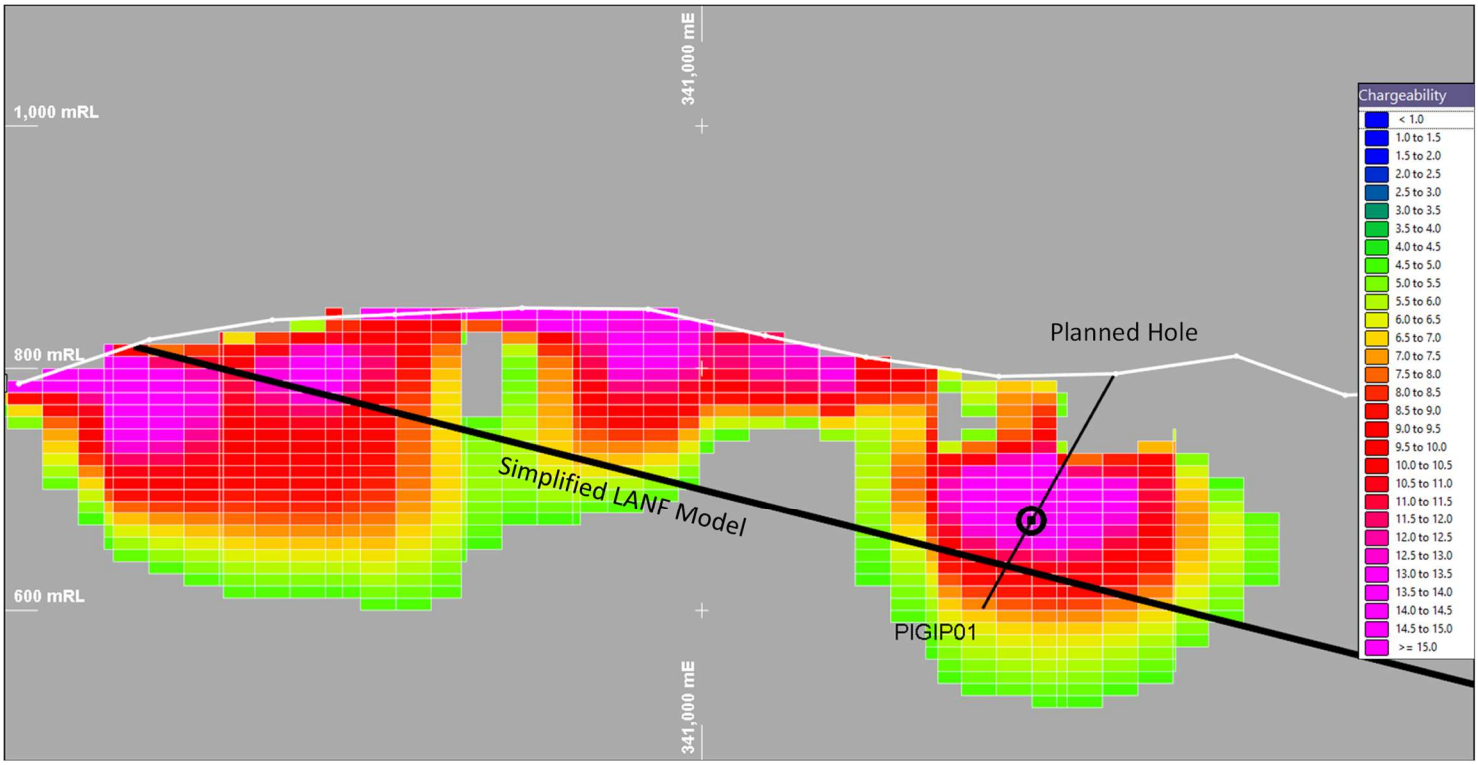

Figure 2: Cross section along IP line 12,400N. Shows a moderate IP anomaly centered just above the plane of the LANF model. Planned hole PIGIP01 is designed to test this anomaly. The anomaly is along strike from Ignac and Banky mine workings.

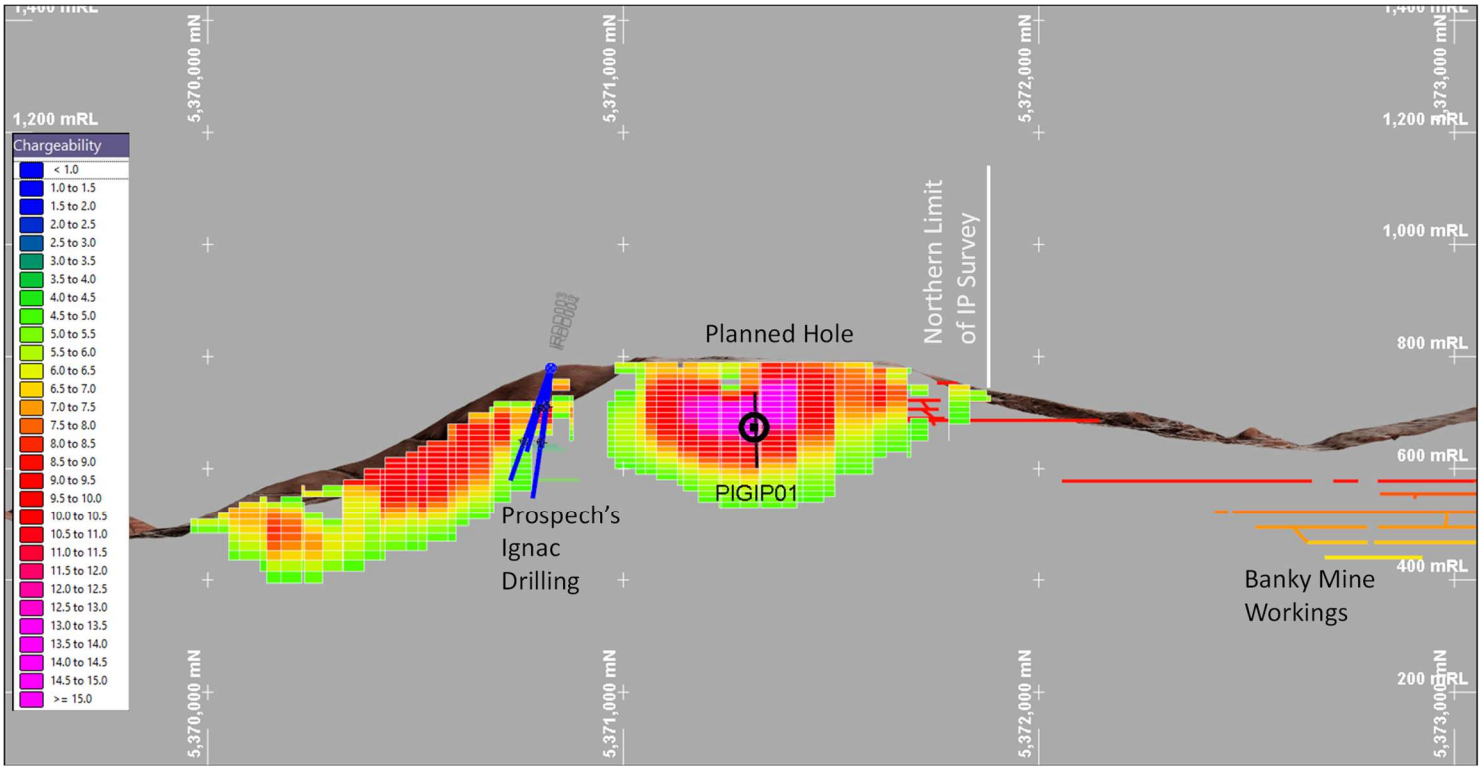

Figure 3: Long section view of the IP anomaly shown in Figure 2. The anomaly is considered to be a valid drill target due to the strength of the IP response and the geological setting. Note that the IP survey did not extend far enough to cover the Banky workings due to the presence of habitations and infrastructure.

Prospech Managing Director Jason Beckton comments:

"The completion of the IP Survey at Hodrusa-Hamre signals a new approach for the goldfield. It allows the Company to drill targets that may not have surface outcrops.

First pass evaluation of the IP and resistivity data indicates that it supports the LANF model and will allow for the development of a more detailed and nuanced structural model.

Importantly the survey also provides Prospech with a number of targets that we plan to drill in the summer of 2022."

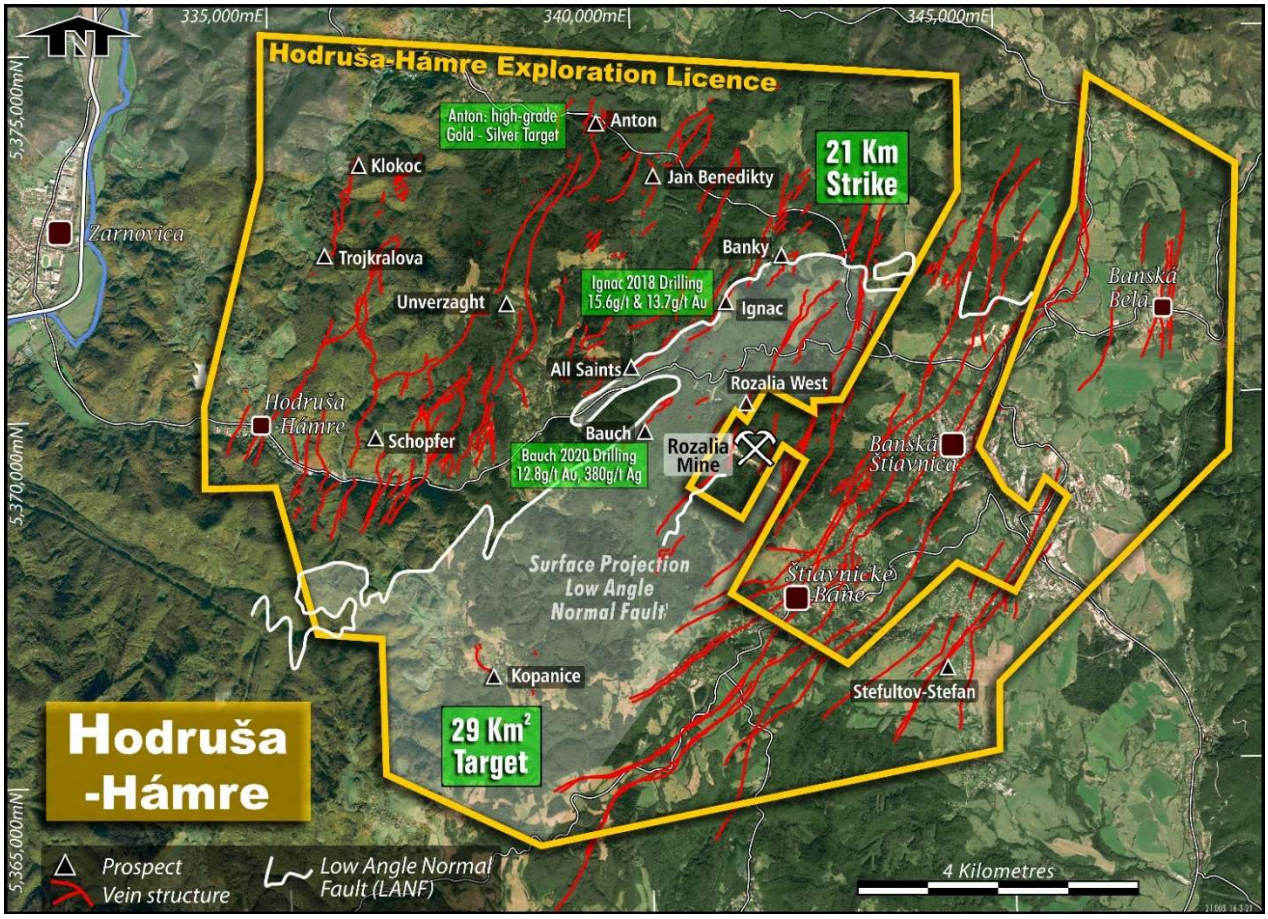

Figure 4. The IP program has tested the immediate western extension, between Bauch and Banky, of the low angle normal fault adjacent to the third party producing Rozalia mine. Anomalies previously unknown have been defined and checked with some nearby sampling and are ready to drill in 2022.

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

For further information, please contact:

Jason Beckton
Managing Director
Prospech Limited
+61 (0)438 888 612

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.

pjn11058

JORC Code, 2012 Edition – Table 1 Banky North, 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 underground 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. This is not possible underground so surveyed working are used to estimated coordinate.
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).*	• Banky North prospect has not been drilled.
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.*	• Banky North prospect has not been drilled.
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.*	• Rock chips were described in hand specimen and photographs taken for reference.
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.

Criteria	JORC Code explanation	Commentary
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 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.*	• 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 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 webportal. • The topographic control, using handheld GPS, was adequate for the survey.
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.*	• Reconnaissance sampling of available outcrop. • Results will not be used for resource estimation. • No compositing has been applied.
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.
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.
Exploration done	• *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

Criteria	JORC Code explanation	Commentary
by other parties		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 Hodrusa Exploration Licence covers mineralised quartz veins..

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.*
		• Banky North Vein has not been drilled.

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.

Criteria	JORC Code explanation	Commentary
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 sampling and mapping of the Banky North vein in preparation for diamond drilling early in the 2021 field season.