



17 March 2023

\$2.5 MILLION EQUITY RAISING TO ACCELERATE EUROPEAN CRITICAL MINERALS EXPLORATION

Prospech Limited ('Prospech' or 'the Company') (ASX: PRS) is pleased to announce details of a Placement and Entitlement Offer to raise up to \$2.5 million to advance exploration of its Kolba copper-cobalt project in Slovakia and the Bambra lithium-rare earth element ('REE') projects in Finland to which Prospech has acquired exclusive earn-in rights.

Prospech is also pleased to announce it is pursuing a potential dual listing on the Frankfurt Stock Exchange, the second largest stock exchange in Europe, as part of its strategy to align with the European critical minerals focus and access European capital markets.

Placement

The Company has received firm subscriptions to raise approximately \$1.5 million before costs via a placement to professional and sophisticated investors of approximately 75.0 million new ordinary shares in the Company ('Placement') at an issue price of \$0.02 per share ('Placement Shares'), together with approximately 37.5 million options, being 1 free attaching option exercisable at \$0.04 and expiring two years from the date of issue for every 2 Placement Shares subscribed for and issued ('Placement Options').

The Placement, managed by BW Equities Pty Ltd (AFSL 389 353) ('BW Equities'), received strong support from existing and new professional and sophisticated investors.

The Placement will be completed in two tranches:

- Tranche 1 - approximately 13.2 million Placement Shares will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1 and approximately 6.6 million Placement Options will be issued subject to shareholder approval at a general meeting of the Company anticipated to be held in April 2023.
- Tranche 2 - approximately 61.8 million Placement Shares and 30.9 million Placement Options will be issued subject to shareholder approval at the general meeting of the Company anticipated to be held in April 2023.

The Rights Issue and Placement issue price of \$0.02 per share represents a 21.5% discount to Prospech's 15-day volume weighted average price as traded on ASX of 15 March 2023.

Fees payable to BW Equities ('Lead Manager') total 6% of the total funds raised under the Rights Issue (defined below) and Placement together with 3 options for every dollar raised. Options on the same terms as the Placement Options ('Lead Manager Options').

Settlement of Tranche 1 of the Placement Shares is expected to occur on 24 March 2023, after the Record Date (defined below). If shareholders approve the issuance of Tranche 2 of the Placement Shares, settlement of Tranche 2 of the Placement Shares will occur shortly after the EGM.

The Company will offer the Placement Options and Lead Manager Options under a transaction-specific prospectus to be issued shortly. The offer of Placement Options to participants in the Placement and the Lead Manager Options to the Lead Manager will be conditional on the shareholder approval being obtained at the EGM.

Rights Issue

The Directors advise that that the Company proposes to offer existing shareholders the opportunity to participate in a fully underwritten, non-renounceable rights issue of 3 new shares for every 5 shares held on the record at the issue price of \$0.02 per share (being the same issue price as the Placement), together with 1 free attaching option exercisable at \$0.04 and expiring two years from the date of issue ('Options') for every 2 shares applied for under the rights issue, to raise approximately \$1.0 million before costs ('Rights Issue').

The Rights Issue will be fully underwritten by BW Equities in respect of any shortfall under the Rights Issue.

The proceeds of the Rights Issue will be as described in more detail in the Prospectus to be released by the Company. The Company proposes to apply funds received from the Placement and Rights Issue towards:

- exploration and drilling activities at its Slovakian projects;
- establishment costs and exploration of its Finland projects;
- salaries and administration costs; and
- general working capital.

Following settlement of the Rights Issue and Placement Shares, the Company's issued share capital will expand from 88,298,593 shares to 216,277,749 shares (subject to rounding in the Rights Issue).

The indicative timetable for the Rights Issue is as follows:

EVENT	DATE*
Lodgement of Prospectus with the ASIC and ASX (pre-market)	20 March 2023
Ex-date	22 March 2023
Record Date for determining entitlements	23 March 2023
Offers opening date, Prospectus sent out to Shareholders and Company announces this has been completed	28 March 2023
Last day to extend the Closing Date	3 April 2023
Closing Date as at 5:00pm	6 April 2023
Securities quoted on a deferred settlement basis	11 April 2023
ASX and Underwriter notified of under subscriptions	12 April 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities (before noon Sydney time)	17 April 2023
Expected date of quotation of the securities issued under the Rights Issue*	18 April 2023

* Dates are indicative and subject to change. The Company reserves the right to amend any or all dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The commencement of quotation of the shares is subject to ASX confirmation.

Dual Listing – Frankfurt Stock Exchange

The Directors are also pleased to announce that Prospech is pursuing the potential admission of its shares to trade on the Frankfurt Stock Exchange ('FSE') as part of its strategy to align with the European critical minerals focus and to access the European capital markets. The Company's shares will continue to be listed and traded on the ASX.

Prospech has appointed Frankfurt based DGWA, the German Institute for Asset and Equity Allocation and Valuation (Deutsche Gesellschaft für Wertpapieranalyse GmbH) as its investor relations and corporate advisor in Europe and to assist with the potential admission of its shares to trade on the FSE.

FSE is the largest of Germany's trading exchanges and the second largest stock exchange in Europe.

DGWA will assist Prospech to engage with retail, institutional and large private investors in the German speaking DACH region (Germany, Austria, and Switzerland) with a population of close to 100 million people, as well as the rest of Europe and the United Kingdom.

DGWA will assist Prospech with expanding its European profile for investor and stakeholder awareness of the Company's activities in Europe.

There is no assurance that Prospech's shares will be admitted to trade on the FSE.

Further detailed information will be made available in due course.

For further information, please contact:

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

This announcement has been authorised for release to the market by the Board of Prospech Limited.

pjn11575