Prospech Limited
ABN 24 602 043 265

3 July 2025

KORSNÄS REE METALLURGICAL TEST WORK UPDATE

Bulk Sample Enables Further Metallurgical Testing of REE Concentrate Stockpile

Prospech Limited (ASX: PRS) (**Prospech** or **the Company**) is pleased to announce the successful collection of a 500 kilogram bulk sample of rare earth element (**REE**) mineralised material from the historic Lanthanide Concentrate Stockpile (**LnCS**) at the Korsnäs REE Project in western Finland.

The bulk sample from the LnCS is being used for the conduct of metallurgical test work programs in both Finland and Australia.

Figure 1: LnCS bulk sample collection in progress.
Image does not purport to represent grade or mineral distribution.

In Finland, the metallurgical test work is being undertaken as part of the European Union-funded REMHub consortium, in which Prospech participates via its wholly owned Finnish subsidiary, Bambra Oy. Part of the bulk sample (200 kg) has been despatched to Oulu University, a REMHub consortium member, for characterisation, flotation and REE leaching test work to be completed.

The balance of the bulk sample (300 kg) is being despatched to commercial laboratories specialising in REE processing in Australia for parallel studies designed to optimise the extraction and purification pathways for REEs from the Korsnäs project.

This program involves a two-stage bench-scale metallurgical test work campaign on the 300 kg bulk sample of LnCS grading approximately 2.55% TREO[1].

The first stage is focused on upgrading the concentrate through detailed characterisation, regrinding, cyclone desliming and a comprehensive flotation program, including both sighter and locked cycle tests, to remove gangue minerals and produce a 20 - 30 kg higher-grade product. Magnetic separation will also be evaluated to assess its effectiveness in further reducing impurities and enhancing concentrate quality.

The second stage comprises preliminary hydrometallurgical testing of the upgraded material, beginning with acid bake and caustic cracking to solubilise REEs. This is followed by staged neutralisation to remove iron, aluminium, phosphorus and thorium; selective oxidation for cerium removal; and final precipitation of REEs from solution.

Together, these stages aim to establish a viable processing flowsheet, understand impurity deportment and support the economic case for extracting strategic light rare earths - particularly neodymium, praseodymium and samarium - from the Korsnäs REE stockpile and related sources, including the tailings facility and underlying hard-rock resource.

These tests are exploratory in nature and do not constitute a development decision.

Historical Context: Legacy Mine, Modern Opportunity

The Korsnäs Pb-REE deposit was discovered in the 1950s by Outokumpu Oy through glacial till boulder tracing, geophysics and extensive drilling. Mining operations commenced in 1958 and ceased in July 1972.

While lead (Pb) was the primary economic driver at the time, REE mineralisation was also identified and a lanthanide concentrate was produced as a by-product. Demand in that era focused primarily on light REEs, such as cerium (Ce) and lanthanum (La), with limited recognition of the future importance of neodymium (Nd) and praseodymium (Pr) for high-strength permanent magnets.

Based on available historical mine records, over the life of the mine approximately 50,000 tonnes of REE concentrate were produced, of which approximately 37,000 tonnes were not sold and, as confirmed by Prospech's auger drilling, remain stockpiled in the LnCS. This information is based on historical records which predate the implementation of the JORC Code. Accordingly, this information is not reported in accordance with the JORC Code (2012 Edition), does not purport to be a Mineral Resource Estimate and should not be interpreted as implying economic viability or recoverability. It is uncertain that following evaluation work that the LnCS will be able to be reported as a Mineral Resource Estimate in accordance with the JORC Code (2012 Edition).

June 2024 Sampling Confirmed TREO High-Grade

In June 2024, Prospech geologists conducted auger sampling of the LnCS using a specialised Dormer shell-type auger to minimise sidewall contamination. Nine holes were drilled to depths between 6.5 and 7.9 metres. A capping layer of rocky soil was first removed and sampling was carried out directly within the underlying mineralised concentrate. All holes terminated in mineralisation, as groundwater saturation prevented drilling to the stockpile base.

Results announced on 11 September 2024[2] confirmed the high-grade nature of the material:

- **Total Rare Earth Oxides (TREO):** 25,541 ppm (2.55%)
- **Neodymium + Praseodymium Oxide (NdPrO[3]):** 7,869 ppm (0.79%)
- **NdPrO:TREO Enrichment Ratio:** 31%

---

[1] *Total Rare Earth Oxides (TREO)* = $La_2O_3 + CeO_2 + Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Eu_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Lu_2O_3 + Y_2O_3$

[2] PRS ASX Announcement: KORSNÄS REE CONCENTRATE STOCKPILE ASSAY RESULTS; 11 September 2024

[3] *NdPrO* = $Nd_2O_3 + Pr_6O_{11}$

These results highlight the potential of the LnCS as a source of high-value magnet REEs.

Mineralogy Supports Efficient Beneficiation

On 7 May 2025[4], Prospech announced encouraging mineralogical characterisation results from PT Geoservices in Indonesia. Key findings included:

- Apatite as the dominant REE-hosting mineral, well-liberated.
- Minor monazite inclusions within some apatite grains.
- Favourable liberation characteristics for beneficiation via flotation.

These results informed the selection of bulk sample location (adjacent to auger hole LS-5) and provided confidence in progressing to larger-scale test work.

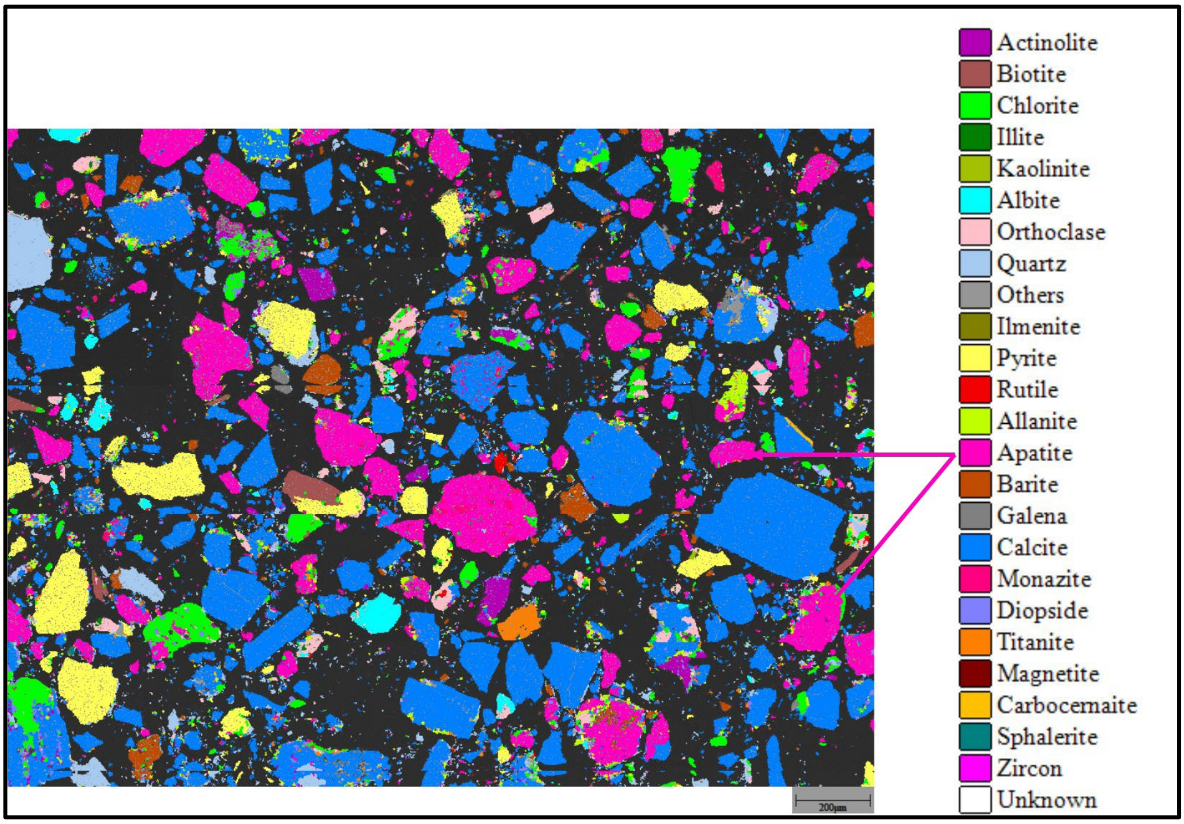

Figure 2: SEM/AMICS Mineral Image of the Polished Resin Mount. Sample ID - LnCS Composite_HG showing well liberated grains of REE-bearing apatite with monazite inclusions.

Dual-Stream Metallurgical Testing Underway

The 500 kg sample was subdivided into two parts:

- **200 kg** for delivery to the Oulu University Mining School in Finland for test work under the REMHub program.
- **300 kg** assigned to Australian commercial laboratories for flotation, leaching and purification studies.

Together, these workstreams will inform the design of a fit-for-purpose REE processing flowsheet, advancing Prospech's goal of unlocking value from a historically overlooked but now strategically significant resource.

[4] PRS ASX Announcement: KORSNÄS METALLURGICAL UPDATE; 7 May 2025

Figure 3: Bulk sample site fully rehabilitated with erosion control cover restored.

About Prospech Limited

Founded in 2014, the Company engages in mineral exploration in Slovakia and Finland, with the goal of discovering, defining, and developing critical elements such as rare earths, lithium, cobalt, copper, silver and gold resources.

Prospech is taking steps to be a part of the mobility revolution and energy transition in Europe. The Company has a portfolio of prospective copper and precious metals projects in Slovakia and rare earth element (REE) and lithium projects in Finland. Eastern and Northern Europe are areas that are highly supportive of mining and have a growing demand for locally sourced rare earths and lithium. With the demand for these minerals increasing, Prospech is positioning itself to be a major player in the European market.

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 Managing Director.

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.

pjn12668

JORC Code, 2012 Edition – Table LnCS Auger sampling and Bulk Sample

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.*	• Auger drilling and channel sampling were conducted on the Korsnäs LnCS using a Dormer shell-type auger. Nine vertical auger holes were completed to depths of 6.5–7.9 m. A surface cover layer was removed by excavator before sampling. Channel samples were taken from exposed vertical faces and auger spoil. In addition, a 500 kg bulk sample was excavated using a small mechanical excavator from the vicinity of auger hole LS-5. The bulk sample was collected from REE-bearing concentrate at a depth of ~1.5 to 3 m below surface.
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).*	• Auger drilling was undertaken using a manual Dormer shell-type sand auger. No percussion or diamond drilling was used.
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.*	• Sample volumes were monitored. Recovery was estimated visually. Water saturation below ~7.5 m limited deeper sampling. Bulk sample volume was determined by mass (dry estimate ~500 kg).
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.*	• All samples, including bulk material, were logged by qualified geologists for lithology, grain size, moisture, and visible mineral content.

Criteria	JORC Code explanation	Commentary
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.*	• All sampling done under supervision of a qualified geologist. • The bulk sample was divided into two parts (200 kg and 300 kg) under controlled laboratory conditions.
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 were assayed at an accredited laboratory using mixed acid digestion and ICP-MS. Elements reported include full suite of REEs. TREO and NdPrO calculated from oxide values.
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.*	• Field duplicates were not collected nor due to the nature of the sampling techniques. Laboratory duplicates, standards, and blanks were used to monitor precision and accuracy. Bulk sample sub-splits will be used in separate labs, providing independent validation.
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.*	• All sample points were recorded using differential GPS with <0.1m accuracy. Site is flat and well defined. Bulk sample location was sited at previous auger collar. • Coordinate system ETRS-TM35FIN projection (EPSG:3067). • LiDAR topographical control.
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.*	• Auger holes spaced to test different areas of the stockpile. Not intended to support a Mineral Resource Estimate. Bulk sample location selected to be representative based on auger data.
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.*	• Vertical auger holes into flat-lying stockpile material. No structural orientation bias. Bulk sample excavated laterally from exposed face and floor.
Sample security	• *The measures taken to ensure sample security.*	• Samples were secured in sealed bags, labelled, and transported under chain of custody. Bulk sample was transported under supervision in sealed containers.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling reviewed internally by the Competent Person.

Section 2 Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>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.</td><td>Korsnäs REE Project is located in western Finland. Tenements are 100% owned by Prospech Ltd via Bambra Oy</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>Historical mining and REE production by Outokumpu Oy (1958–1972). LnCS derived from unsold historical production.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>REE mineralisation hosted in historical lanthanide concentrate stockpile derived from Pb-REE skarn-style mineralisation.</td></tr>
<tr><td>Drill hole Information</td><td>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.</td><td>Drill Hole Collar Information ETRS-TM35FIN projection (EPSG:3067).
All holes are vertical.
Bulk sample site at LS-05
<table>
<tr><th>HOLE_ID</th><th>EAST</th><th>NORTH</th><th>COORDSYS</th><th>RL</th><th>DIP</th><th>FINAL_DEPTH</th></tr>
<tr><td>LS-01</td><td>206574.850</td><td>6977920.022</td><td>EPSG3067</td><td>10.765</td><td>-90.000</td><td>6.700</td></tr>
<tr><td>LS-02</td><td>206586.986</td><td>6977907.109</td><td>EPSG3067</td><td>11.075</td><td>-90.000</td><td>6.800</td></tr>
<tr><td>LS-03</td><td>206595.260</td><td>6977898.559</td><td>EPSG3067</td><td>10.996</td><td>-90.000</td><td>6.500</td></tr>
<tr><td>LS-04</td><td>206599.662</td><td>6977881.843</td><td>EPSG3067</td><td>10.703</td><td>-90.000</td><td>7.900</td></tr>
<tr><td>LS-05</td><td>206582.449</td><td>6977898.258</td><td>EPSG3067</td><td>11.215</td><td>-90.000</td><td>7.800</td></tr>
<tr><td>LS-06</td><td>206568.389</td><td>6977911.348</td><td>EPSG3067</td><td>10.905</td><td>-90.000</td><td>7.000</td></tr>
<tr><td>LS-07</td><td>206562.409</td><td>6977899.484</td><td>EPSG3067</td><td>10.913</td><td>-90.000</td><td>6.000</td></tr>
<tr><td>LS-08</td><td>206574.869</td><td>6977888.980</td><td>EPSG3067</td><td>11.037</td><td>-90.000</td><td>7.200</td></tr>
<tr><td>LS-09</td><td>206587.534</td><td>6977883.782</td><td>EPSG3067</td><td>10.862</td><td>-90.000</td><td>7.350</td></tr>
</table>
Sample locations shown in supporting figures. Depths ranged from 6.5 to 7.9 m. Bulk sample collected from ~1.5–3.0 m depth.</td></tr>
<tr><td>Data aggregation methods</td><td>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.</td><td>No grade averaging beyond simple composites. No top cuts applied.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>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').</td><td>Not applicable to stockpile sampling.</td></tr>
<tr><td>Diagrams</td><td>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.</td><td>Refer to Figures 1–4 in the main body of the announcement.</td></tr>
<tr><td>Balanced reporting</td><td>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.</td><td>All assay results summarised in announcement. Average grades reported for TREO and NdPrO.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
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.*	• Preliminary SEM/AMICS mineralogy and metallurgical characterisation included. Bulk sample collected to support flotation and leach test work.
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.*	• Metallurgical test work is scheduled in Finland and Australia. No resource work planned for the LnCS at this stage.