PROSPECH LIMITED
and its controlled entities

A.B.N. 24 602 043 265

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED
30 JUNE 2025

PROSPECH LIMITED
and its controlled entities

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The Directors of Prospech Limited (**the Company** or **Prospech**) present their report together with the condensed consolidated interim financial report and the auditor's review report thereon for the half year ended 30 June 2025.

Directors

The names of the Directors of the Company in office during the half year period and until the date of this report were:

Thomas Mann – Chairman since 26 September 2014
Jason Beckton – Director and Chief Executive Officer since 26 September 2014
Peter Nightingale – Director and Chief Financial Officer since 26 September 2014
John Levings – Director since17 May 2016
Stephen Gemell – Director since 4 March 2021

Highlights

Finland - Rare Earth Elements (REE) Projects

Korsnäs (100% owned)

- Inferred Mineral Resource estimate increased by 90% to:
  - 13.5 million tonnes (**Mt**) @ 1.02% TREO[1] (cut-off grade 0.5%).
- Additional Exploration Target maintained at:
  - 9.0 Mt to 11.0 Mt @ 0.9% to 1.1% TREO.
- Metallurgical test work significantly advanced:
  - Mineralogy characterisation of the Korsnäs deposit determined.
  - Apatite confirmed as dominant host with REEs well liberated.
  - Flotation and leaching tests ongoing in Finland with the EU Rare Earth and Magnet Hub (**REMHub**) program funding support.
  - Core Resources Pty Ltd (**CORE**) engaged to define optimal flotation circuit and develop a process flowsheet.
  - 500kg bulk sample collected from the historic Lanthanide Concentrate Stockpile (**LnCS**) for this metallurgical test work.

Slovakia – Gold-Silver-Copper Projects

Zlatno (100% owned)

- New southern caldera target area defined.
- Assay results and historic data identify copper-gold focused drill targets.

Corporate

- Completed a placement to raise $1.0 million to advance REE, base and precious metals initiatives.

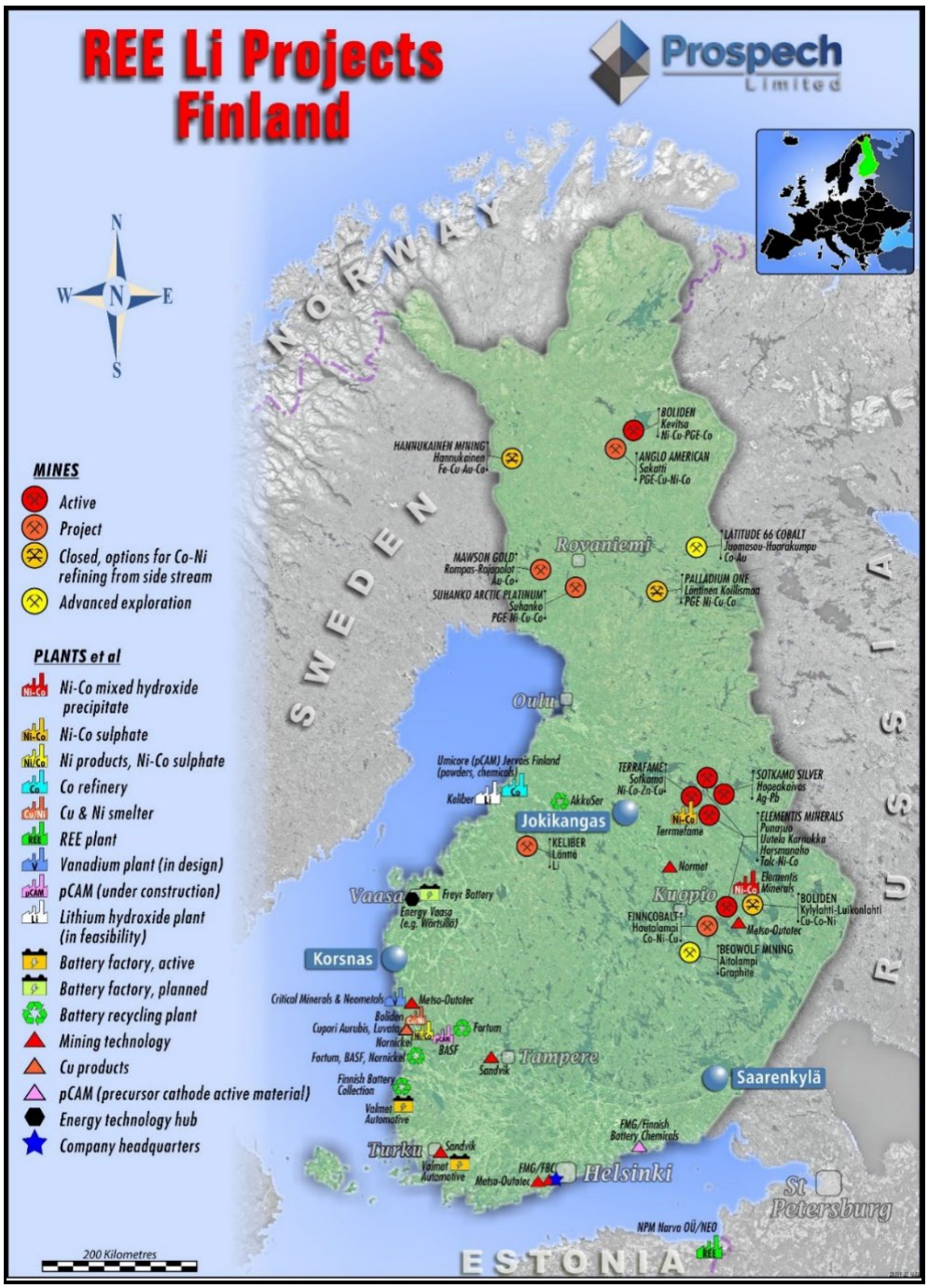
[1] *TREO = Total Rare Earth Oxides which is the sum of* La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3, Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3 *and* Y_2O_3.

Review of Operations

Finland Projects

Finland is currently rated by the Fraser Institute Annual Survey of Mining Companies as the top jurisdiction in the world for investment based on the Investment Attractiveness Index.

The Company's focus during the half year has been on the advancement of the Korsnäs REE project.



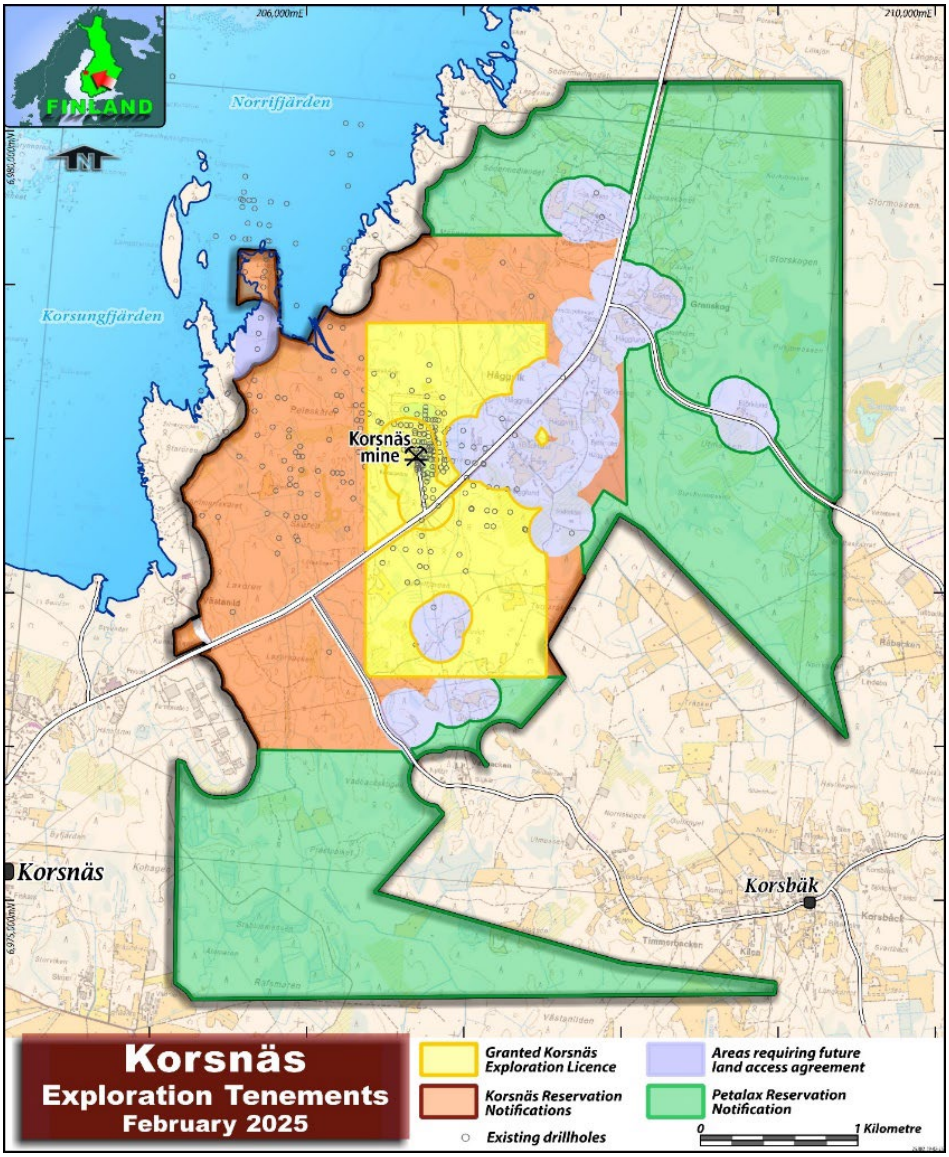
Korsnäs is located near an area geologically rich in critical minerals in Finland and proximate to the Neo Materials refining facility in Estonia.

Korsnäs – REE Project

The Korsnäs project is a series of stacked rare earth hosting carbonatite zones up to 20 metres in horizontal thickness, generally 50 metres to 100 metres apart across strike with zones highlighted by known gravity anomalies. To date, 5 gravity anomalies have been identified with a total strike length exceeding 5 kilometres.

The Korsnäs REE project is centered around a former lead mine, which operated from 1959 to 1972. The original mine operator was aware that the Korsnäs orebody contained REEs, however, with a primary focus on lead production, the REEs were initially discarded into the tailings storage facility (**TSF**).

Historical records also indicate that later in the mine's operation an REE concentrate was produced from more than 0.5 million tonnes of ore between 1965 and 1972 but was never sold and remains stockpiled in the LnCS. Assay results from auger sampling of the LnCS confirm an average TREO grade of 25,541 ppm (2.55%), with a significant 31% enrichment in neodymium-praseodymium oxide (**NdPrO**) at 7,869 ppm (0.79%).



Korsnäs tenement package with control of most REE exposures in the area.

Resource

During the half year, the Company incorporated further assay results received from the Company's 2024 drilling campaign and completed sampling and assaying of the Korsnäs drill core from historic holes, and reported[2] a revised JORC Code 2012 Inferred Mineral Resource Estimate (**MRE**) to:

INFERRED MINERAL RESOURCE ESTIMATE

13.5 Mt @ 1.02% TREO - lower cut-off grade of 0.5% TREO

The additional assay results and improved geological model provides for greater correlation between drill sections and down dip block modelling, enabling the revised Inferred MRE to almost double our previously reported MRE.

Korsnäs Inferred Mineral Resource Estimate at various TREO cut-offs.

TREO Cut Off ppm	TONNES t	TREO ppm	NdPrO enrichment %	Nd2O3 ppm	Pr6O11 ppm	Tb4O7 ppm	Dy2O3 ppm
10,000	4,284,693	17,477	21.6%	2,900	878	12.2	48.1
9,000	5,168,744	16,108	22.0%	2,725	815	12.1	47.6
8,000	6,416,362	14,625	22.3%	2,515	744	11.7	46.0
7,000	8,061,431	13,167	22.6%	2,306	675	11.3	44.3
6,000	10,139,423	11,795	23.0%	2,105	609	10.9	42.4
5,000	**13,502,085**	**10,217**	**23.5%**	**1,866**	**532**	**10.3**	**39.7**
4,000	19,147,545	8,519	24.0%	1,594	447	9.3	35.9
3,000	28,388,683	6,870	24.3%	1,309	363	8.1	31.0
2,000	44,081,758	5,293	24.5%	1,016	279	6.6	25.3
1,000	70,019,371	3,884	24.4%	745	204	5.0	19.8

In addition to the MRE, constrained by a paucity of data in the extension areas, an Exploration Target grade-tonnage estimate indicates further resource potential along strike and down dip as follows:

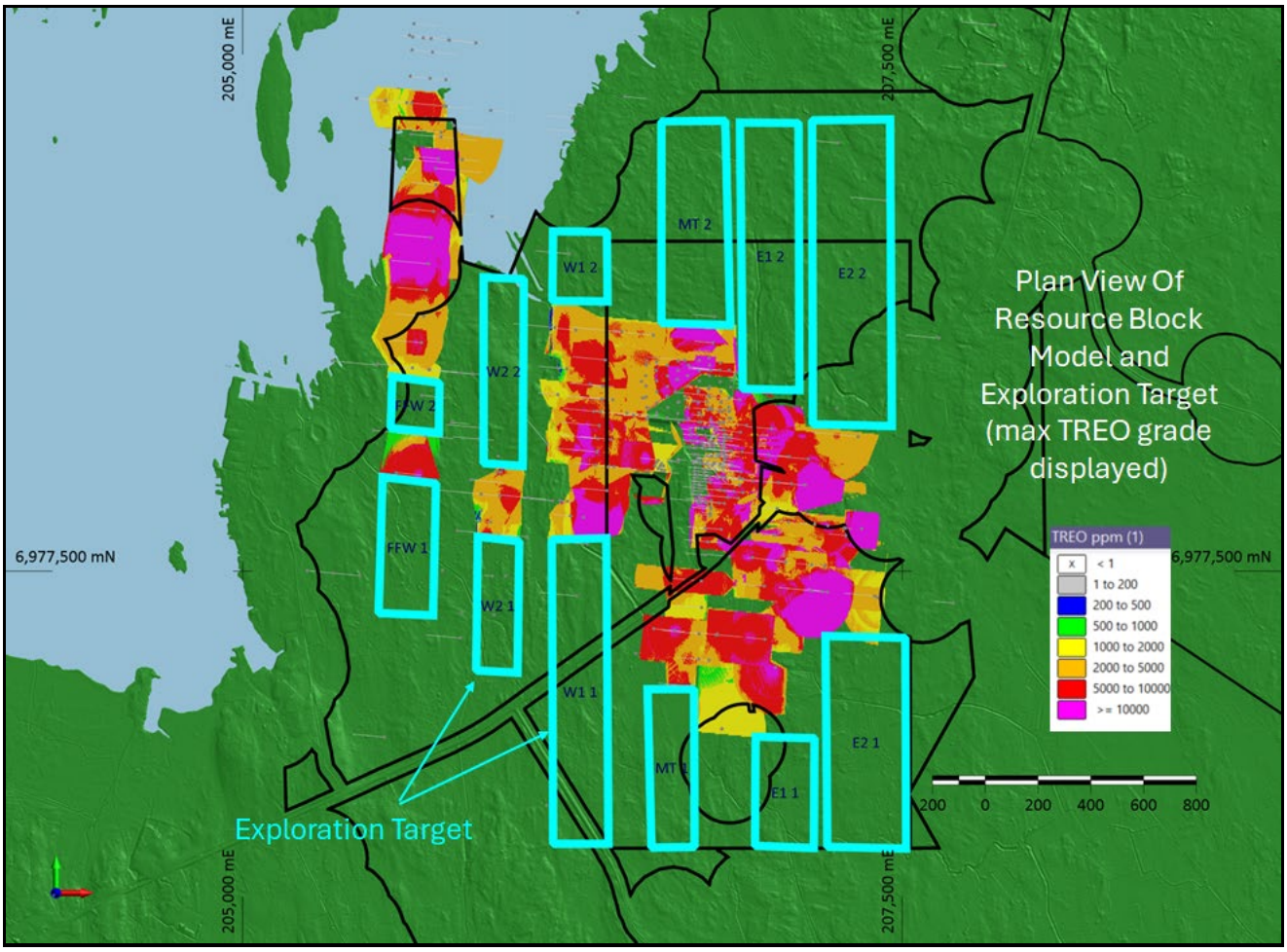
EXPLORATION TARGET

9 Mt to 11 Mt @ 0.9% to 1.1% TREO

The potential quantity and grade of this Exploration Target is conceptual in nature. There has been insufficient exploration and metallurgical test work to estimate a Mineral Resource, and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

The Company confirms that it is not aware of any new information or data that materially affects the reported MRE.

[2] *Refer ASX announcement: 90% Increase in Korsnäs REE Resource, 22 April 2025.*



Plan view of the Resource Block Model and Exploration Target zones which will inform future drill planning aimed at potential resource expansion.

Metallurgy

Prospech has initiated an advanced metallurgical test work program, supported by the EU-funded REMHub project, which provides €432,250 (~A$718,000) in funding. This program is further strengthened by significant contributions from our REMHub partners at the Oulu Mining School (University of Oulu) and GTK Mintec (Geological Survey of Finland).

During the half year, significant progress was made in characterising the REE-hosting materials at Korsnäs, a crucial step toward unlocking the full REE potential of the Korsnäs project and determining the selection of appropriate metallurgical tests and the development of an optimal processing route.

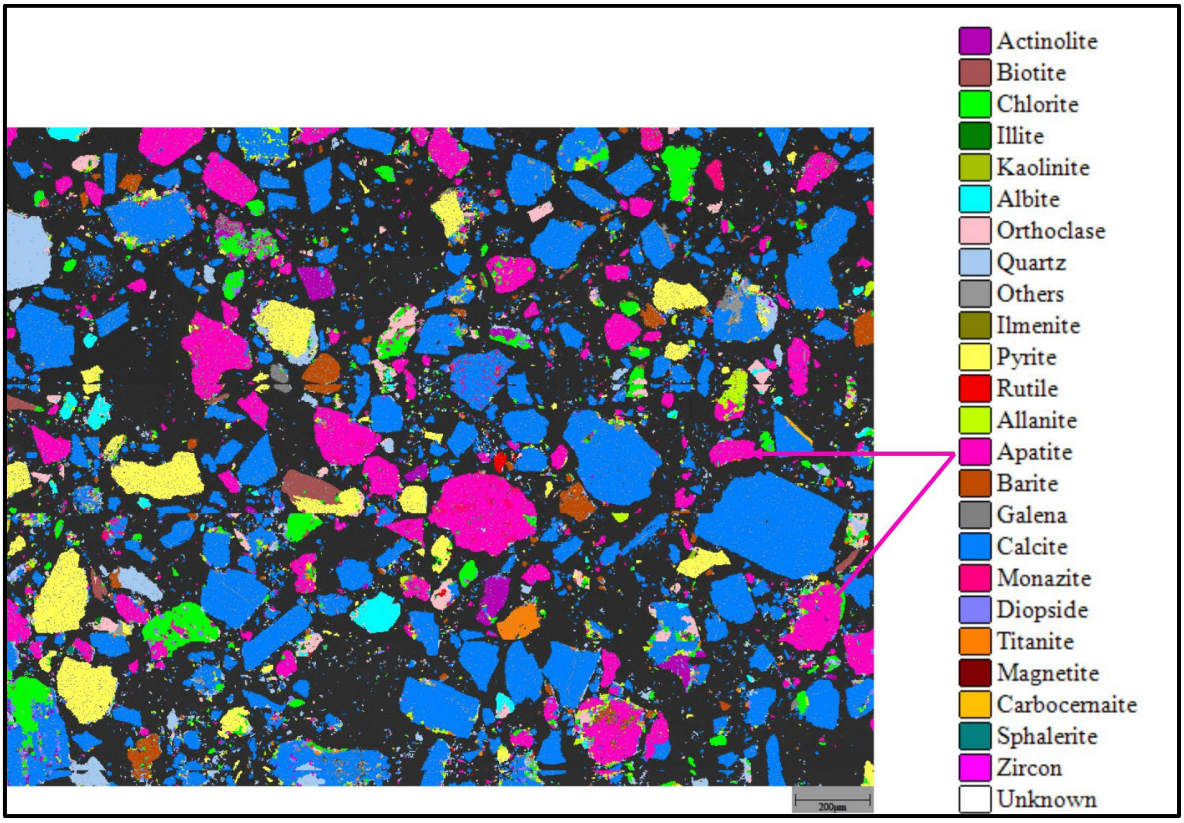
In parallel with the REMHub metallurgical program, the Company has initiated a complementary metallurgical test work campaign at PT Geoservices' laboratory in Jakarta. This program involves five composite samples representative of key material sources from Korsnäs, each weighing approximately 20 to 25 kilograms, prepared from coarse rejects retained from prior assay preparation.

The PT Geoservices work has provided an early assessment of material variability, mineral deportment and potential beneficiation pathways across both primary and secondary feedstock sources at Korsnäs.

As a precursor to the REMHub metallurgical program, a detailed mineralogical study was completed by KU Leuven Masters student Niel van de Kerkhof, titled *"Investigating the Origin of REE Mineralisation in the Korsnäs Pb-REE Deposit, Finland: Magmatic Carbonatite Dykes or Hydrothermal Veins?"* The study incorporated petrographic analysis, mineral chemistry, whole-rock geochemistry and cold cathodoluminescence microscopy.

Results to date confirm that the dominant REE-hosting mineral is fluorapatite ($Ca_5(PO_4)_3F$), with subordinate bastnäsite, monazite, and minor contributions from allanite, britholite, titanite, and vesuvianite. The REE-bearing carbonatite units are primarily composed of calcite, with accessory phases including pyrrhotite, pyrite, galena and Ba-orthoclase. REEs from the dominant REE host mineral, apatite, are well-liberated across composite samples. Monazite occurs both as inclusions in apatite and as locked grains. Results indicate that liberation characteristics are favourable for flotation.

The predominance of fluorapatite suggests that physical separation (e.g. flotation, magnetic separation) combined with selective leaching may be viable.



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.

Following the characterising of the REE-hosting materials at Korsnäs and the results from the PT Geoservices work, a 500 kg bulk sample has been collected from the historic LnCS adjacent to auger hole LS-5 for further metallurgical test work. The sample is staged for shipment to laboratories in Finland and Australia with 200 kg allocated to Oulu University under the EU-funded REMHub program and with the remaining 300 kg destined for Australian test facilities.

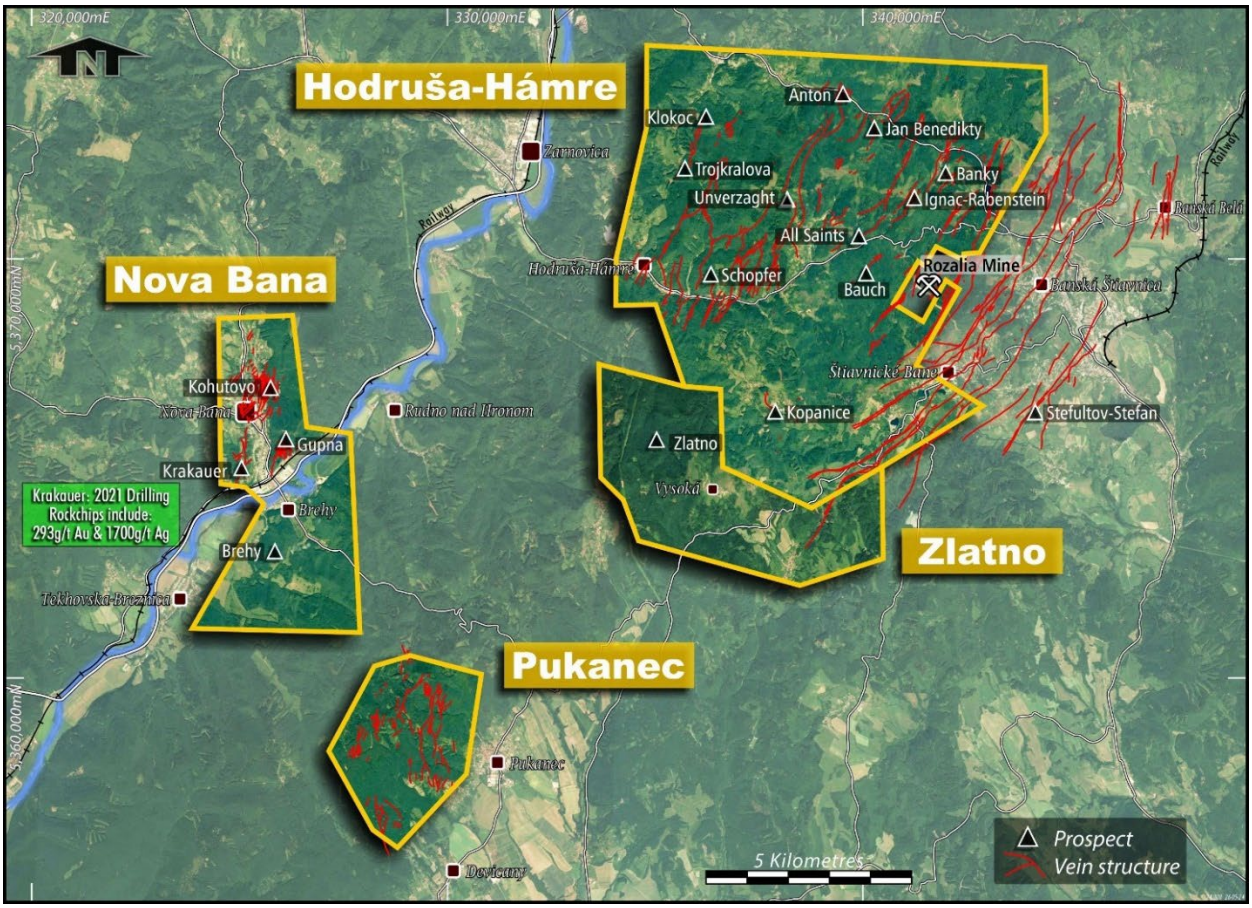
Upon arrival in Australia, the 300 kg sample will undergo two-stage bench-scale testing. Stage one will include regrinding, cyclone desliming, flotation (sighter and locked-cycle tests) and magnetic separation, with the aim of producing a 20 to 30 kg upgraded concentrate. Stage two will involve hydrometallurgical leaching (acid bake and/or caustic cracking), followed by impurity removal (Fe, Al, P, Th), selective Ce oxidation and REE precipitation.

In Finland, REMHub activities continue. GTK Mintec will carry out flotation tests on 100 kg of drill core. GTK Mintec has completed LIBS scanning of 23 core boxes. Oulu University will perform flotation and leaching tests on the 200 kg bulk sample.

These workstreams are designed to provide the basis for a robust metallurgical flowsheet addressing liberation, upgrade potential, impurity deportment and REE recovery. The outcomes will inform further technical and economic assessments of the Korsnäs REE project.

Slovakia Projects

The Company's projects are situated around 180 kilometres east of Bratislava, Slovakia, near the Austrian border. As a member of the European Union and the Eurozone, Slovakia offers an attractive environment for foreign investment, featuring modern western-style legislation, an independent legal system, low wages, low tax rates and a well-educated labour force.



Location map of Prospech's projects in Slovakia.
The Hodruša-Hámre licence is currently undergoing a re-application process.

Southern Caldera - Zlatno - Conceptual Copper-Gold Porphyry and Skarn Target

The Zlatno copper mineralisation was first identified by the Slovak Geological Survey in the 1970s through regional-scale stratigraphic drilling. Between 1970 and 1980, 26 deep holes were drilled, several of which intersected significant copper mineralisation. However, systematic gold assays were not conducted, as the focus at the time was primarily on copper due to the economic needs of pre-democratic Slovakia before 1992.

The Zlatno project lies within the Miocene Štiavnica stratovolcano, a setting known to host porphyry and skarn-style mineralisation. A revised geological concept proposes a mineralised corridor extending from the Hodruša licence (south of Kopanice) through to the Zlatno licence, potentially analogous in setting to Tethyan-style mineral systems reported elsewhere in the region such as the mineralisation style found at Dundee Precious Metals' Čoka Rakita skarn in Serbia, south of Slovakia.

During the half year, Prospech progressed reinterpretation work at the Zlatno project where historical data, including drilling, and recently sampled core spoil suggest the presence of a previously underappreciated copper-gold mineral system.

This corridor remains untested by modern exploration methods and is interpreted based on a combination of historical data, site observations and limited non-insitu discarded drill core sampling.

Core Spoil Sampling and Indicative Results

In line with this conceptual model, Prospech collected 26 samples of historic drill core and float from multiple legacy collar locations where drill core had been discarded during state-run exploration between 1970 and 1980. These samples were collected under geological supervision but are not from in situ intervals and are not considered representative and are therefore not suitable for resource estimation or grade continuity assumptions.

The results of this limited and non-systematic sampling program indicate the presence of porphyry-style veining in intrusive lithologies, with four samples returning elevated gold values ranging from 0.41 g/t to 0.60 g/t Au. These values are not derived from continuous drill intervals and should be regarded as indicative only. No metallurgical test work or resource estimation has been undertaken on this material, and no conclusions can be drawn regarding grade continuity, recovery or economic potential.

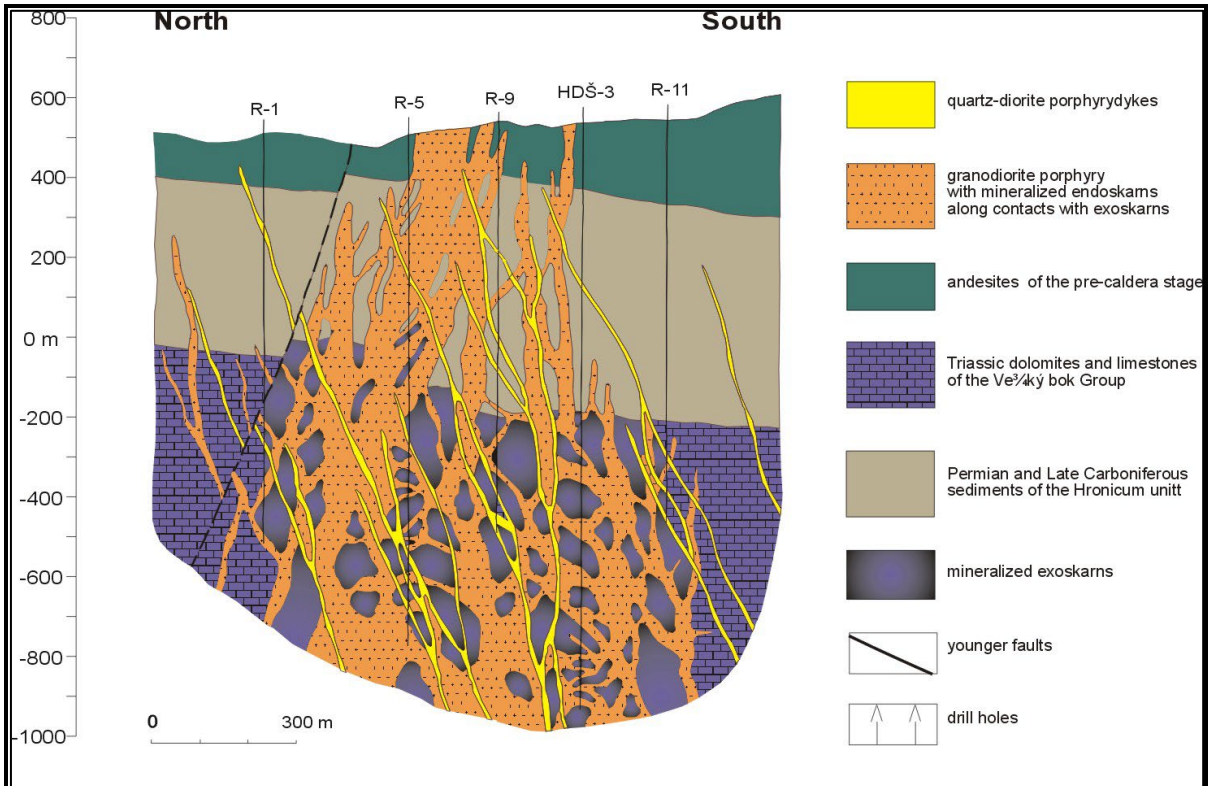


Fig. 36. Section of the porphyry/skarn copper deposit Zlatno (Lexa et al., 1997)

Illustrative section based on current geological understanding of the Zlatno mineral system[3].

These results, while preliminary and not in accordance with JORC requirements for Exploration Results, suggest the possibility of a Cu-Au porphyry system that may have acted as a feeder to the historically defined Cu-skarn zone drilled over a 1,300 m × 900 m area. However, the spatial relationship between the mineralised intrusives and the skarn mineralisation remains speculative at this stage.

Historical Data and Reinterpretation

A key focus during the reporting period has been transcription and translation of historical Slovak Geological Survey diamond drill logs. Using ABBYY OCR software, drill records were converted to English and key geological features including lithology, alteration, mineralogy and structure were digitised for ongoing reinterpretation. The quality and reliability of the historical records are still being assessed, and while they provide useful geological context, they do not meet modern QA/QC standards and are not considered suitable for resource estimation.

3 From "Mineralium Deposita (2010) 45:817–843 Formation of the Vysoká–Zlatno Cu–Au skarn–porphyry deposit, Slovakia Peter Koděra & Jaroslav Lexa & Anthony E. Fallick".

Project Licences

Project	Tenement Number	Country	Interest
Cejkov-Zemplin	11006/2022-5.3	Slovakia	100%
Hodrusa-Hamre (undergoing re-application)	7120/2023-5.3	Slovakia	100%
Jokikangas	ML2021:0017 Jokikangas[2] ML2023:0015 Honkamäki[2] ML2025:0024 Honkamäki 2[1]	Finland	100%
Kolba	9313/2022-5.3	Slovakia	100%
Korsnäs	ML2021:0019 Hägg[2] ML2025:0020 Hägg 2[3] ML2024:0087 Hägg 3[2] ML2024:0103 Petalax[1]	Finland	100%
Nova Bana	P22/15	Slovakia	100%
Pukanec	9313/2022-5.3	Slovakia	100%
Zlatno	9355/2024-5.3	Slovakia	100%

1 Tenement areas are reserved by Reservation Applications followed by Reservation Notifications then Exploration Permits approved by the Finnish Safety and Chemicals Agency (**TUKES**), the Finnish mining authority. These Exploration Permit applications are currently in handling by TUKES.
2 These are Exploration Permits approved by TUKES.
3 This a granted Exploration Permit approved by Tukes, with an appeals window still open.

No field activities were undertaken during the period at the Hodrusa-Hamre, Nova Bana, Cejkov-Zemplin and Jokikangas exploration licences.

The Company confirms it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the Exploration Results, Mineral Resources and Exploration Target in this announcement continue to apply and have not materially changed.

Corporate

Capital Raising

During the half year the Company successfully completed a placement of 50,000,000 shares with sophisticated investors at $0.02 per share, raising $1,000,000 before costs.

The funds raised will be used to progress exploration and evaluation of the Company's projects in Finland and Slovakia, with a focus on the Korsnäs resource expansion and metallurgical test work and working capital purposes.

Competent Person's Statement

The information in this Report that relates to the Inferred Resource Estimate, the Exploration Target and Exploration Results are 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.

Subsequent Events

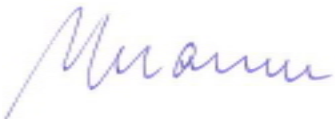
On 1 September 2025 the Company announced a renounceable rights issue to raise approximately $1.6 million. The offer is partially underwritten for $600,000 by the Lead Manager and Underwriter to the Offer, being Mahe Capital Pty Ltd.

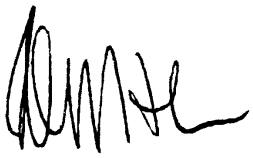
Other than the matter outlined above, there have been no matters arise in the interval between the end of the half year and the date of this report of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration on page 11 as required under Section 307C of the *Corporations Act 2001* is attached to and forms part of the Directors' Report for the half year ended 30 June 2025.

Signed at Sydney, this 12th day of September 2025
in accordance with a resolution of the Board of Directors:





Thomas J. Mann
Chairman

Peter J. Nightingale
Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Prospech Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Prospech Limited for the half-year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Patrice Scott
Partner

Sydney
12 September 2025

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PROSPECH LIMITED
and its controlled entities

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	30 June 2025 $	30 June 2024 $
Other income		-	-
Administration and consultants' expenses		**(501,259)**	(525,170)
Exploration and evaluation expenses		**(10,331)**	-
Share based payment expense		**(20,558)**	(98,473)
Impairment losses	4	**-**	(567,191)
Depreciation expense		**(5,989)**	(5,876)
Results from operating activities		**(538,137)**	(1,196,710)
Financial income		**4,908**	6,186
Financial expense		**(4,387)**	(5,703)
Net financial income		**521**	483
Loss before income tax		**(537,616)**	(1,196,227)
Income tax (expense)/benefit		**(20,172)**	47,328
Loss for the period		**(557,788)**	(1,148,899)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**487,320**	(63,449)
Total comprehensive loss for the period		**(70,468)**	(1,212,348)
Earnings per share			
Basic and diluted loss per share (cents)	6	**(0.17)**	(0.42)

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

PROSPECH LIMITED
and its controlled entities

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30 June 2025 $	31 December 2024 $
Current assets			
Cash and cash equivalents		**552,553**	795,730
Trade and other receivables		**70,861**	47,975
Prepayments		**61,934**	16,834
Total current assets		**685,348**	860,539
Non-current assets			
Exploration and evaluation expenditure	4	**11,953,860**	11,060,209
Property, plant and equipment		**31,557**	36,725
Total non-current assets		**11,985,417**	11,096,934
Total assets		**12,670,765**	11,957,473
Current liabilities			
Trade and other payables		**465,940**	514,888
Deferred grant funding		**213,954**	349,483
Total current liabilities		**679,894**	864,371
Non-current liabilities			
Deferred tax liability		**184,497**	164,325
Total non-current liabilities		**184,497**	164,325
Total liabilities		**864,391**	1,028,696
Net assets		**11,806,374**	10,928,777
Equity			
Share capital	5	**18,251,377**	17,323,870
Reserves	8	**2,275,771**	1,767,893
Accumulated losses		**(8,720,774)**	(8,162,986)
Total equity		**11,806,374**	10,928,777

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

PROSPECH LIMITED
and its controlled entities

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	Share capital	Reserves	Accumulated losses	Total
		$	$	$	$
Balance at 1 January 2025		**17,323,870**	**1,767,893**	**(8,162,986)**	**10,928,777**
Total comprehensive income for the period					
Loss for the period		**-**	**-**	**(557,788)**	**(557,788)**
Total other comprehensive income		**-**	**487,320**	**-**	**487,320**
Total comprehensive loss for the period		**-**	**487,320**	**(557,788)**	**(70,468)**
Transactions with owners, recorded directly in equity					
Issue of shares		**1,000,000**	**-**	**-**	**1,000,000**
Costs of issue		**(72,493)**	**-**	**-**	**(72,493)**
Share based payments		**-**	**20,558**	**-**	**20,558**
Balance at 30 June 2025		**18,251,377**	**2,275,771**	**(8,720,774)**	**11,806,374**
Balance at 1 January 2024		15,501,801	1,419,689	(6,342,710)	10,578,780
Total comprehensive income for the period					
Loss for the period		-	-	(1,148,899)	(1,148,899)
Total other comprehensive income		-	(63,449)	-	(63,449)
Total comprehensive loss for the period		-	(63,449)	(1,148,899)	(1,212,348)
Transactions with owners, recorded directly in equity					
Issue of shares		1,071,808	-	-	1,071,808
Costs of issue		(35,683)	-	-	(35,683)
Share based payments		-	98,473	-	98,473
Balance at 30 June 2024		16,537,926	1,454,713	(7,491,609)	10,501,030

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

PROSPECH LIMITED
and its controlled entities

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2025

	Notes	30 June 2025 $	30 June 2024 $
Cash flows from operating activities			
Cash payments in the course of operations		**(485,194)**	(556,110)
Interest received		**4,908**	6,320
Net cash used in operating activities		**(480,286)**	(549,790)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(691,460)**	(942,816)
Net cash used in investing activities		**(691,460)**	(942,816)
Cash flows from financing activities			
Issue of shares	5	**1,000,000**	1,071,808
Cost of issue	5	**(67,045)**	(50,741)
Net cash from investing activities		**932,955**	1,021,067
Net decrease in cash and cash equivalents		**(238,790)**	(471,539)
Effect of exchange rate adjustments on cash held		**(4,387)**	(5,703)
Cash and cash equivalents at the beginning of the period		**795,730**	1,604,675
Cash and cash equivalents at the end of the period		**552,553**	1,127,433

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2025

NOTE 1 – REPORTING ENTITY

Prospech Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity and is involved in exploration for precious metals.

The consolidated annual financial statements of the Group as at and for the year ended 31 December 2024 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.prospech.com.au.

NOTE 2 – BASIS OF PREPARATION

Statement of compliance
The condensed consolidated interim financial statements are general purpose financial statements which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The financial statements of the Group comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board ('IASB').

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024.

These condensed consolidated interim financial statements were approved by the Board of Directors on 12 September 2025.

Basis of measurement
The condensed consolidated interim financial statements have been prepared on the historical cost basis.

Functional and presentation currency
These condensed consolidated interim financial statements are presented in Australian dollars, which is the Company's functional currency. The functional currency of the Company's subsidiaries Bambra Oy, Prospech Slovakia s.r.o and Slovenske Kovy s.r.o is Euros.

Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the interim financial statements are described in the following notes:

- Note 2 – Going concern
- Note 4 – Exploration and evaluation expenditure

The accounting policies set out below have been applied consistently by entities in the Group.

NOTE 2 – BASIS OF PREPARATION (Con't)

Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

For the period ended 30 June 2025 the Group has incurred a loss of $557,788 and has accumulated losses of $8,720,774 as at 30 June 2025. The Group used $480,286 of cash in operations, in addition to $691,460 of cash in investing activities which includes exploration and evaluation expenditure. It had cash on hand of $552,553 at 30 June 2025.

Management have prepared cash flow projections for the period from 1 July 2025 to 30 September 2026 that indicate the Group is able to continue as a going concern. These cash flow projections assume the Group continues substantial exploration activities in the areas of interest and that additional funding from shareholders or other parties will be obtained. On 1 September 2025 the Company announced a renounceable rights issue to raise up to approximately $1.6 million. The offer is partially underwritten for $600,000 by the Lead Manager and Underwriter to the Offer. While the Group has successfully raised additional funding in the current year and in prior years, the availability of additional funds is inherently uncertain until secured.

As a result of the uncertainty associated with raising additional funds, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and therefore it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial report.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2024.

NOTE 4 – EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2025	31 December 2024
Reconciliation of the carrying amount is set out below:		
Opening balance	**11,060,209**	9,420,972
Additions, including impact of FX movements	**1,053,906**	2,206,428
Impairment	**-**	(567,191)
Deferred grant recognition	**(160,255)**	-
Closing balance	**11,953,860**	11,060,209
Hodrusa	**6,441,792**	6,176,795
Nova Bana	**1,239,275**	1,082,247
Pukanec	**312,594**	298,894
Kolba	**665,982**	632,550
Zlatno	**136,286**	100,418
Jokikangas	**8,428**	6,500
Korsnäs	**3,149,503**	2,762,805
	11,953,860	11,060,209

Judgements are made in regard to the technical feasibility and commercial viability of the exploration and evaluation assets which includes evaluation of results from exploration activities by a competent person. The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

NOTE 5 – ISSUED CAPITAL

	30 June 2025		31 December 2024	
	Number of shares	$	Number of shares	$
Balance at the beginning of the period	**328,825,887**	**17,323,870**	270,148,722	15,501,801
Issue of shares	**50,000,000**	**1,000,000**	58,677,165	1,857,752
Cost of issue	**-**	**(72,493)**	-	(35,683)
Balance at the end of the period	**378,825,887**	**18,251,377**	328,825,887	17,323,870

During the half year period ended 30 June 2025 the Company issued 50,000,000 shares to sophisticated investors in a placement at $0.02 per share, raising $1,000,000. There were no amounts unpaid on the shares issued and the share issue costs amounts to $72,493.

	6 months to 30 June 2025 $	6 months to 30 June 2024 $

NOTE 6 – LOSS PER SHARE

Basic and diluted loss per share have been calculated using:

Net loss for the period	**(557,788)**	**(1,148,899)**

	Nº of shares	Nº of shares
Issued ordinary shares at the beginning of the half year	**328,825,887**	270,148,722
Effect of shares issued on 24 June 2024	**-**	1,249,194
Effect of shares issued on 6 June 2025	**6,906,077**	-
Weighted average number of shares at the end of the half year	**335,731,964**	271,397,916

As the Group is loss making, none of the potentially dilutive securities are currently dilutive.

NOTE 7 – RELATED PARTIES

During the half year ended 30 June 2025, Peter Nightingale, a director had an interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including administrative and accounting staff, and rental accommodation. Fees charged by MIS Corporate Pty Limited during the half year ended 30 June 2025 amounted to $60,000 (2024: $60,000). At 30 June 2025 $150,000 (31 December 2024: $90,000) remained outstanding.

NOTE 8 – RESERVES

	30 June 2025 $	31 December 2024 $
Acquisition reserve	**676,326**	676,326
Foreign currency translation reserve	**885,735**	398,414
Option premium reserve	**713,710**	693,153
	2,275,771	1,767,893

NOTE 9 – SEGMENT INFORMATION

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items relate to corporate operations in Australia and comprise mainly income earning assets and revenue, interest bearing loans, borrowings and expenses, and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year in that geographic region.

Geographical segments

For the half year ended 30 June 2025, the Group had two segments, being mineral exploration in Finland and Slovakia. The Group has two reportable geographical segments as follows:

	Finland	Slovakia	Unallocated	Total
	$	$	$	$
30 June 2025				
External revenues	-	-	-	-
Reportable segment loss before tax	**120,573**	**71,254**	**345,789**	**537,616**
Interest income	-	-	**4,908**	**4,908**
Reportable segment assets	**3,276,277**	**8,890,557**	**503,931**	**12,670,765**
Reportable segment non-current assets	**3,149,502**	**8,815,734**	**20,181**	**11,985,417**
Reportable segment liabilities	**243,592**	**188,058**	**432,741**	**864,391**
30 June 2024				
External revenues	-	-	-	-
Reportable segment loss before tax	140,016	604,838	451,373	1,196,227
Interest income	-	-	6,186	6,186
Impairment of exploration and evaluation assets	-	567,191	-	567,191
Reportable segment assets	1,924,344	7,950,687	1,076,846	10,951,877
Reportable segment non-current assets	1,811,214	7,916,547	27,304	9,755,065
Reportable segment liabilities	78,171	129,491	243,185	450,847

NOTE 9 – SEGMENT INFORMATION (Con't)

	30 June 2025 $	30 June 2024 $
Reconciliations of reportable segment profit or loss		
Profit or loss		
Total loss for reportable segments	191,827	744,854
Unallocated amounts:		
Net other corporate expenses	345,789	451,373
Consolidated loss before tax	537,616	1,196,227
Reconciliations of reportable segment profit or loss		
Assets	12,166,834	9,875,031
Total assets for reportable segments		
Unallocated corporate assets:	503,931	1,076,846
Consolidated total assets	12,670,765	10,951,877
Liabilities		
Total liabilities for reportable segments	431,650	207,662
Unallocated corporate liabilities:	432,741	243,185
Consolidated total liabilities	864,391	450,847

NOTE 10 – SUBSEQUENT EVENTS

On 1 September 2025 the Company announced a renounceable rights issue to raise approximately $1.6 million. The offer is partially underwritten for $600,000 by the Lead Manager and Underwriter to the Offer, being Mahe Capital Pty Ltd.

Other than the matter outlined above, there have been no matters arise in the interval between the end of the half year and the date of this report of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

PROSPECH LIMITED
and its controlled entities

DIRECTORS' DECLARATION

In the opinion of the Directors of Prospech Limited ('the Company'):

1. (a) the condensed consolidated interim financial statements and notes set out on pages 12 to 21, are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half year ended on that date; and

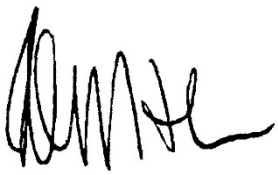
   (ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney, this 12th day of September 2025
in accordance with a resolution of the Board of Directors:

Thomas J. Mann
Chairman



Peter J. Nightingale
Director

KPMG

Independent Auditor's Review Report

To the shareholders of Prospech Limited,

Conclusion

We have reviewed the accompanying ***Condensed Interim Financial Report*** of Prospech Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of Prospech Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2025 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Condensed Interim Financial Report*** comprises:

- Condensed consolidated interim statement of financial position as at 30 June 2025
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and Condensed consolidated interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 10 including selected explanatory notes
- The Directors' Declaration.

The ***Group*** comprises Prospech Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Condensed Interim Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 2, "Going Concern" in the Condensed Interim Financial Report. The events or conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Condensed Interim Financial Report. Our conclusion is not modified in respect of this matter.

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Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Patrice Scott

Patrice Scott

Partner

Sydney

12 September 2025

PROSPECH LIMITED
and its controlled entities

CORPORATE DIRECTORY

Directors:

Thomas Mann
Jason Beckton
Stephen Gemell
John Levings
Peter Nightingale

Company Secretary:

Richard Edwards

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