

17 December 2025

ANSTO ENGAGED FOR PRE-LEACH AND ACID BAKE TEST WORK AS KORSNÄS METALLURGICAL PROGRAM ADVANCES

Summary

- Flotation screening program on the Korsnäs Lanthanide Concentrate Stockpile (LnCS) at Core Resources (CORE) completed concluding that the existing 2-3 wt% LnCS concentrate is a suitable feed for hydrometallurgical processing.
- CORE achieved an approximate 10% increase in REE grades and a 50% increase in phosphate grades, mainly by rejecting alumina and silica while maintaining REE and calcium recoveries.
- Focus now on direct hydrometallurgical treatment of the original LnCS concentrate.
- Concentrate test work on tailings material and drill core (the main Korsnäs targets for REE) accelerated in Finland.
- ANSTO Minerals has been engaged to undertake a pre-leach and acid bake program on the original Korsnäs concentrate to define an efficient REE extraction flowsheet.

Prospech Limited (ASX: PRS, FSE: 1P80, **Prospech or the Company**) has further progressed the metallurgical test work for its Korsnäs rare earth project, with the completion of a flotation screening program and plans for a pre-leach and acid bake program on the original Korsnäs concentrate by ANSTO Minerals (the Minerals business of the Australian Nuclear Science and Technology Organisation) (**ANSTO**).

Rare earth elements (**REEs**) are hosted predominantly in monazite associated with apatite in an historical lead mining district at Korsnäs, located in western Finland.

Completion of CORE flotation program

CORE, a leading Australian metallurgical laboratory, has completed a flotation screening program on the LnCS, designed to test a range of reagent schemes and operating conditions for upgrading the historical lanthanide concentrate.

The best outcome achieved in the program was an approximate 10% increase in total REE grades and an approximate 50% increase in phosphate (**P**) grades, driven largely by rejection of alumina and silica, with dextran identified as a useful depressant for these impurities.

Calcium and REE recoveries were broadly maintained across the better performing conditions.

These results demonstrate that:

- REEs consistently track with the apatite-monazite fraction, as expected; and
- the current LnCS material already represents a reasonably well upgraded REE concentrate, with only modest further upside in grade via flotation under the conditions tested.



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Given the modest incremental gain in REE grade, the requirement for extensive additional test work to chase relatively small improvements, and slow assay turnaround times, the Company has concluded that further flotation optimisation at CORE would not be an efficient use of shareholder funds.

Transition to ANSTO pre-leach and acid bake program

Based on the CORE results, Prospecch has elected to progress a development pathway that treats the original Korsnäs REE concentrate directly via hydrometallurgical processing.

This aligns with advice from the Company's metallurgical consultant, Dr Mark Steemson, and with an updated proposal received from ANSTO Minerals.

Under ANSTO's program, a 20-30 kg sample of the original 2-3 wt% TREO concentrate will be shipped to Lucas Heights, NSW, where it will be subjected to:

- Detailed elemental and mineralogical characterisation (including XRF, ICP-MS, QEMSCAN/SEM-EDS, XRD and particle size distribution analysis).
- A series of diagnostic pre-leach tests in hydrochloric, sulphuric and phosphoric acids to optimise removal of calcite and other gangue and to assess recovery of apatite-hosted REE.
- Thermogravimetric and differential scanning calorimetry (TGA-DSC) to define appropriate acid-bake temperature windows.
- Eleven acid bake/water leach tests on both the original concentrate and selected pre-leach residues to evaluate REE and impurity deportment and define preferred operating conditions.

The work is structured in phases with internal hold points, culminating in a final technical report that will recommend a preferred pre-leach and acid bake flowsheet and assess the suitability of the resulting leach solution for downstream rare earth separation (for example, mixed rare earth carbonate production).

This metallurgical program is at an early stage and is intended to define processing options and operating parameters. It is not, at this stage, sufficient to support estimation of an Ore Reserve or a production target.

Managing Director's comments

Prospecch Managing Director, Jason Beckton, said:

"The CORE flotation program has done its job. It has confirmed that the historical Korsnäs lanthanide concentrate already behaves like a reasonable REE concentrate and that there is limited value in chasing incremental flotation gains at this stage. That insight allows us to stop spending money on marginal upside and focus directly on the main game - proving we can efficiently crack and leach the existing concentrate.

Engaging ANSTO Minerals, with their long track record in rare earths, puts us on the front foot. Their pre-leach and acid bake program is designed specifically around the Korsnäs mineralogy and will tell us how best to unlock value from the approximately 36,000 tonne historical concentrate stockpile and associated tailings material and ultimately, subject to successful studies, from any future run-of-mine hard rock ore.

With the rare earths necessary for Western defence and advanced manufacturing increasingly restricted and the European Union's focus on developing domestic supply, this is an excellent opportunity for Prospecch to add value for shareholders from our Korsnäs project in mainland EU."

Next steps

- Finalise logistics and ship the concentrate sample to ANSTO.
- Commence the pre-leach and acid bake program once the sample is received.
- Accelerate concentrate test work on tailings and drill core material within the REMHub program, using lessons learned from the CORE LnCS test work.
- Integrate ANSTO's findings with ongoing work at Oulu University and the Geological Survey of Finland (**GTK**) under the EU-funded REMHub consortium, and PT Geoservices to refine an end-to-end flowsheet for Korsnäs.

Prospech will update the market as key milestones are achieved in the ANSTO program and the broader metallurgical workstream.

Prospech recently launched a 7 hole, 1,600 metre diamond drilling program at Korsnäs to confirm the continuity, scale and extensions of high-grade rare earth zones and obtain additional material for ongoing metallurgical test work (refer ASX release 5 December 2025).

The Company has also expanded its critical minerals footprint in Finland, securing a larger position over a highly prospective yttrium, hafnium, niobium and heavy rare earth elements (**HREE**) corridor amid surging European prices for rare earths such as yttrium (refer ASX release 11 December 2025).

Finland is widely recognised as a Tier-1 mining jurisdiction, regularly ranking near the top of the Fraser Institute's global investment attractiveness surveys (currently ranked No. 1) for its stable regulatory framework, superior infrastructure and competitive power prices.

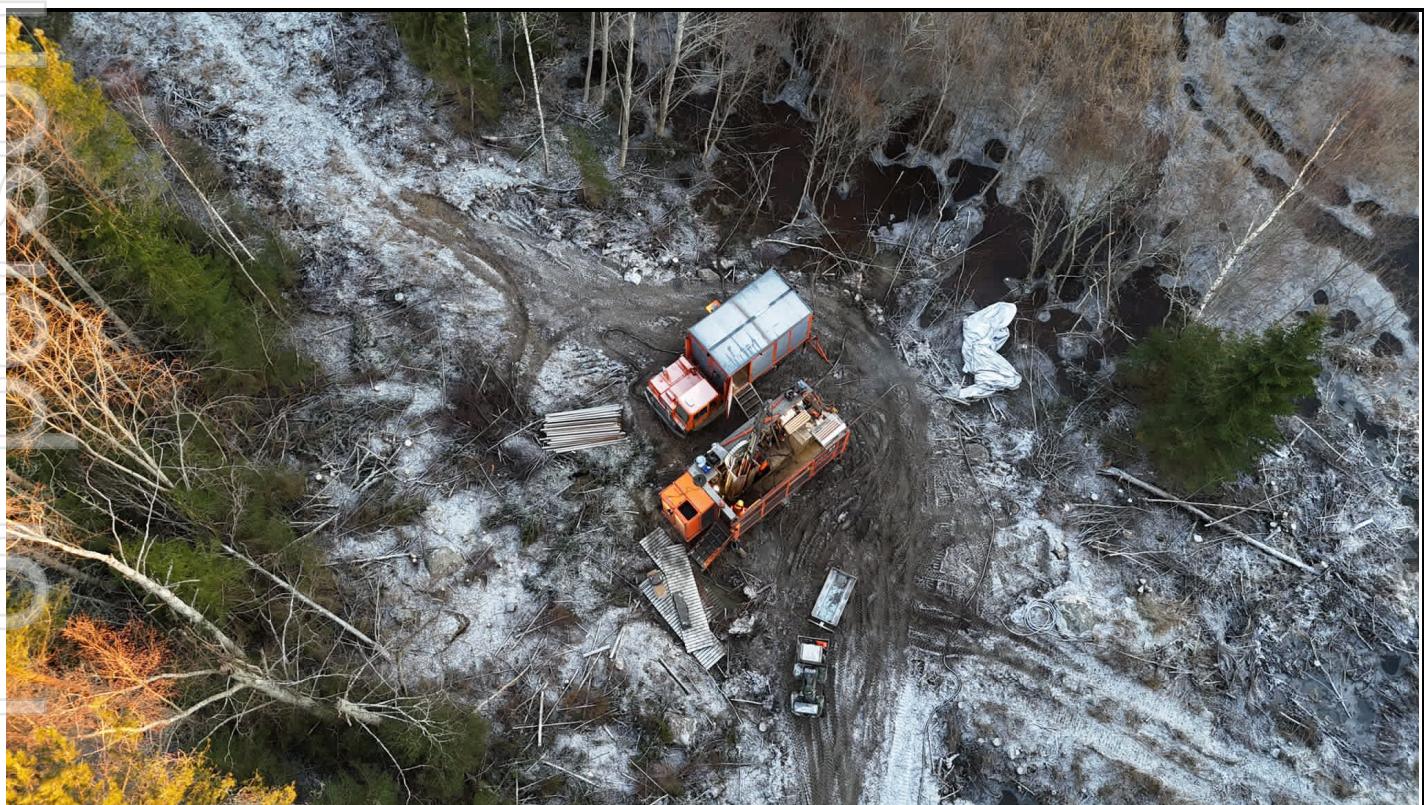


Figure 1: Drilling underway at Korsnäs rare earth project, Finland.



Figure 2: Overview of Korsnäs rare earth project, Finland showing historical operations.

About Prospecch Limited

Founded in 2014, the Company focuses on mineral exploration in Finland and Slovakia, with a mission to discover, define, and develop critical elements deposits containing metals such as rare earths, lithium, cobalt, copper, silver, and gold. Prospecch is actively positioning itself to contribute to Europe's mobility revolution and energy transition. With a strong portfolio of prospective base and precious metals projects in Slovakia, and the recent focus on rare earth element (REE) projects in Finland, the Company is strategically aligned with the increasing demand for locally sourced minerals in Eastern and Northern Europe, regions that are highly supportive of mining. As demand for these critical elements grows, Prospecch aims to become a leading player in the European market. Shareholders approved at an EGM on 16 December 2025 the Company will be renamed as European Resources Limited and this change will be effected shortly.

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

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Competent Person Statement

The information in this report that relates to metallurgical test work is based on, and fairly represents, information compiled by Dr Mark Steemson, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Steemson is a consultant to the Company and has over 30 years of experience in mineralogical studies, mineralisation characterisation and metallurgical test work. Dr Steemson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the JORC Code. Dr Steemson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further information relevant to the JORC Code (2012) is provided in the attached Table 1.

Cautionary Statement

This announcement includes forward-looking statements and opinions based on Prospech's current expectations and beliefs. Such statements are subject to risks, uncertainties and assumptions. Actual results may differ materially from those expressed or implied. Factors that may cause such differences include project, geological, regulatory, market and operational risks. Prospech undertakes no obligation to update forward-looking statements, except as required by law.

JORC Code, 2012 Edition – Table 1
Korsnäs Rare Earth Project, Finland
Metallurgical test work on historical Lanthanide Concentrate Stockpile (LnCS)

Context: This Table 1 relates only to metallurgical test work and proposed test work programs on the historical Korsnäs LnCS. No new Exploration Results, Mineral Resources or Ore Reserves are reported in this announcement.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<p><i>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.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>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.</i></p>	<p>This announcement relates to metallurgical test work on a historical lanthanide concentrate stockpile (LnCS) produced during past operations at Korsnäs. No new drilling or primary geological sampling is reported. Metallurgical samples comprise bulk concentrate material taken from the LnCS and sub-samples prepared by specialist laboratories (e.g. CORE, ANSTO) for bench-scale flotation, pre-leach and acid-bake tests. The LnCS material is itself a historical process product derived from mineralisation where REEs are hosted predominantly in monazite associated with apatite; as such it is an appropriate feed for metallurgical test work aimed at defining REE extraction flowsheets.</p> <p>Representativity of the metallurgical samples for the full stockpile is assumed but not yet exhaustively proven.</p>
<i>Drilling techniques</i>	<p><i>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).</i></p>	<p>Not applicable for this announcement. No new drilling has been undertaken or reported in this metallurgical update. Historical drilling that underpins any Mineral Resource estimates for Korsnäs has been or will be reported separately.</p>
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	<p>Not applicable for this announcement. No new drillholes or drill sample recoveries are reported. All work described here is on previously produced concentrate material from the LnCS.</p>
<i>Logging</i>	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature.</i></p> <p><i>Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Not applicable for this announcement. No new geological logging of core or chips is reported. Geological logging and interpretation that underpin the Korsnäs Mineral Resource and the origin of the LnCS are covered in separate geological/resource reporting.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Sub-sampling relates to the handling of bulk LnCS material for metallurgical testing. Bulk samples from the stockpile have been reduced, blended and sub-sampled by the laboratories in accordance with standard metallurgical practice (crushing where required, splitting, homogenisation). This level of sample preparation is appropriate for scoping to early study stage metallurgical test work on a stockpiled concentrate. Potential heterogeneity within the stockpile is recognised and will need to be better quantified in later-stage studies if the LnCS is to be relied upon as a commercial feed source.</p>

Criteria	JORC Code explanation	Commentary
<i>Quality of assay data and laboratory tests</i>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.</i></p> <p><i>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.</i></p>	<p>The announcement reports relative metallurgical responses (e.g. ~10% increase in REE grade, ~50% increase in phosphate grade, maintenance of REE and Ca recoveries) rather than listing individual assays. Assay and mineralogical characterisation in the planned ANSTO program (e.g. XRF, ICP-MS, QEMSCAN/SEM-EDS, XRD, PSD) are standard and appropriate for this style of REE-bearing apatite-monazite concentrate. Formal QA/QC datasets for those assays (standards, blanks, duplicates) are not presented in this metallurgical update and will be documented in more detail in future technical reports as the program advances. No geophysical tools or downhole devices have been used in relation to the metallurgical test work.</p>
<i>Verification of sampling and assaying</i>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Metallurgical test work programs (CORE flotation and proposed ANSTO pre-leach/acid bake) have been designed and are being overseen by an experienced metallurgical consultant (Competent Person for metallurgy). At this stage, no formal independent verification or twinning of metallurgical tests has been reported; such work may be considered in later development stages. Data are captured in laboratory reports and Company databases and are subject to internal checks for consistency and plausibility.</p>
<i>Location of data points</i>	<p><i>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.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Not applicable in the usual JORC sense. No new drill collar or surface sample locations are reported in this announcement. The metallurgical work is undertaken on concentrate sourced from the known historical LnCS at the Korsnäs mine site, the location of which has been reported previously in project descriptions and Mineral Resource disclosures. High precision survey data are not required for the metallurgical work described.</p>
<i>Data spacing and distribution</i>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Not applicable for this announcement. There is no new sampling grid or data spacing relevant to Exploration Results or Resource estimation. Metallurgical samples are bulk concentrate composites selected to be generally representative of the LnCS material, sufficient for scoping-level metallurgical conclusions.</p>
<i>Orientation of data in relation to geological structure</i>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	<p>Not applicable for this announcement. No orientation-dependent sampling has been undertaken or reported. Metallurgical work is on historical concentrate derived from earlier mining and processing, not on new in situ sampling.</p>
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<p>Bulk LnCS material sent for metallurgical test work is transported under normal commercial logistics arrangements (sealed containers, shipping documentation) to accredited laboratories. On receipt, laboratories apply their standard chain-of-custody and sample handling procedures. The Company is not aware of any issues relating to sample security for the metallurgical programs described.</p>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>Metallurgical test work design and outcomes have been reviewed internally by Prospech and by the Competent Person for metallurgy. No independent external audit of the metallurgical programs has yet been carried out for this stage of work; such audits may be considered in future, more advanced study phases.</p>

Section 2 Reporting of Exploration Results

Note: No new Exploration Results (drill intercepts, surface sampling results, new grades, etc.) are reported in this metallurgical update. Criteria below are addressed explicitly and marked Not applicable where they do not relate to the work described.

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<p><i>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.</i></p> <p><i>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.</i></p>	Korsnäs is located in western Finland in a historical lead mining district. Prospech holds the relevant exploration/mining rights covering the historical mine and stockpile area as previously announced. There are no known current impediments to operating in the area from a mining or exploration tenure perspective. No change to tenement or land tenure status is being reported in this metallurgical update.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The LnCS was generated from historical mining and processing activities carried out by previous operators (e.g. Outokumpu or predecessors) at the Korsnäs mine. Those historical activities included drilling, underground and open pit mining, processing and production of a REE-bearing concentrate which was stockpiled. Historical work has been described in earlier technical and/or public reports and is not re-reported in detail here, as this announcement focuses on new metallurgical test work on the existing LnCS.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Korsnäs project is a rare earth bearing system in a historical Pb mining district, where REEs are hosted predominantly in monazite associated with apatite. Mineralisation is contained within carbonatite/skarn-type assemblages consistent with the broader geological setting previously described by the Company. The metallurgical work described in this announcement is directed at understanding the processing behaviour of the apatite-monazite concentrate represented by the LnCS.
<i>Drill hole Information</i>	<p><i>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:</i></p> <p><i>easting and northing of the drill hole collar</i></p> <p><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p><i>dip and azimuth of the hole</i></p> <p><i>down hole length and interception depth</i></p> <p><i>hole length.</i></p> <p><i>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.</i></p>	Not applicable for this announcement. No new drillholes or drilling results (hole IDs, locations, azimuths, dips, downhole depths, intercepts) are reported. Historical drilling that underpins any Mineral Resource estimates has been or will be documented in separate disclosures.
<i>Data aggregation methods</i>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	Not applicable to Exploration Results in this announcement. No new sample grades or intercepts are presented that require aggregation. Metallurgical outcomes are described qualitatively and in relative terms (e.g. approximate percentage improvements in REE and P grades and maintenance of recoveries) and are not aggregated into grade-thickness or similar exploration metrics.
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	Not applicable for this announcement. No new drilling or downhole intercepts are being reported, so there is no discussion required on true width vs downhole length.

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<i>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.</i>	No new maps, sections, drill plans or long sections are required to support understanding of this metallurgical-only update. Any diagrams that may be included in the final ASX release (e.g. flowsheet schematics, project location) are illustrative and do not present new Exploration Results.
<i>Balanced reporting</i>	<i>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.</i>	The announcement makes clear that: (a) the Core flotation program produced only modest improvements (~10% in REE grade and ~50% in P grade) for the LnCS, with limited scope for further upgrade at acceptable recovery under the conditions tested; and (b) on that basis, the Company has elected not to continue spending on flotation optimisation at Core and will instead focus on direct hydrometallurgical treatment of the original concentrate through ANSTO. Both positive and limiting aspects of the work are disclosed, and no attempt is made to over-state the success of the flotation program.
<i>Other substantive exploration data</i>	<i>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.</i>	Not applicable in the narrow JORC Exploration Results sense. No additional exploration datasets (e.g. geophysics, geochemistry, mapping) are presented in this announcement. Ongoing work at Oulu University, GTK and PT Geoservices is referenced only at a high level as part of the broader technical program and does not introduce new Exploration Results that require detailed reporting under this Section.
<i>Further work</i>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Further work is clearly outlined and is predominantly metallurgical in nature: (i) shipment of a 20–30 kg sample of original 2-3 wt% TREO concentrate to ANSTO; (ii) execution of a structured pre-leach and acid-bake program (including diagnostic leaches and multiple bake/leach tests) to define an appropriate hydrometallurgical flowsheet; and (iii) integration of ANSTO's outcomes with ongoing work at Oulu University, GTK and PT Geoservices to refine an end-to-end flowsheet for the Korsnäs project. Future announcements may also include further metallurgical results and, as work progresses, any updates to Exploration Results or Mineral Resources will be reported with full JORC Table 1 support.