

QUARTERLY ACTIVITIES REPORT

Prospech Limited (ASX:PRS – FSE:1P80)

For the quarter ended 31 December 2024

Highlights

Date: 23 January 2025

ASX: PRS FSE: 1P80

Shares on issue: 328.8M

Market capitalisation: A\$8.9M
(@ A\$0.027)

Board of Directors

Non-Executive Chairman
Thomas Mann

Managing Director
Jason Beckton

Executive Director
John Levings

Executive Director and CFO
Peter Nightingale

Non-Executive Director
Steve Gemell

Company Secretary
Richard Edwards

Level 2, 66 Hunter Street
Sydney, NSW, 2000

info@prospech.com.au
+61 2 9300 3333

Korsnäs REE - Finland

- **EU's newest REE Inferred Mineral Resource Estimate:**
 - 7.1Mt @ 1.08% TREO¹ @ 0.5% TREO cut-off grade
 - Quantity and quality upside potential
- **Exploration Target grade-tonnage estimate (detailed below) reported in addition to the MRE**
- **Spectacular assay results continue:**
 - 5.1% TREO (from Prospech drilling)
(KR-309: 12.0m @ 19,400 ppm TREO including 4.0m @ 51,096 ppm TREO)
 - Over 15 metres @ 1.8% TREO (from Prospech drilling)
(KR-306: 15.4m @ 18,301 ppm TREO including 8.5m @ 24,731 ppm TREO)
 - Over 20 metres @ 1.2% TREO (from historic drill core)
(KR-107: 20.6m @ 11,953 ppm TREO)
- **Further assay results from ~700 historic drill core samples are pending**

Jokikangas REE - Finland

Jokikangas project area more than doubled due to recorded presence of valuable High Field Strength Element (HSFE) REEs hafnium and niobium

Zlatno and Hodrusa Cu Au Ag - Slovakia

Drill design review of copper gold porphyry target at new Zlatno and Hodrusa gold targets

Corporate

- **First €208,920 (~A\$346,000) of up to €432,250 (~A\$718,000) of European Union grant funding received**
- **1 for 4 Entitlement Offer raises \$785,944**

The Directors present the December 2024 Quarterly Activities Report for Prospech Limited (**Prospech** or **the Company**) and its controlled entities (**the Group**).

1. TREO = Total Rare Earth Oxides which is the sum of La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃ and Y₂O₃.

Jason Beckton, Managing Director of Prospech, states:

“During the quarter, we completed a JORC Code compliant Inferred Mineral Resource Estimate (MRE) for the Korsnäs REE project. In addition to the 7.1 million tonnes of reported Inferred Resource, we have also reported an Exploration Target grade-tonnage estimate, constrained by a paucity of data in the extension areas, which adds to the future potential of the Korsnäs REE project.

Impressive assay results continue to be received from our own, modern era, drilling and our sampling of historic drill core preserved by the Geologic Survey of Finland (GTK). Further assay data from approximately 700 samples selected by Prospech geologists from historical drill core is pending.

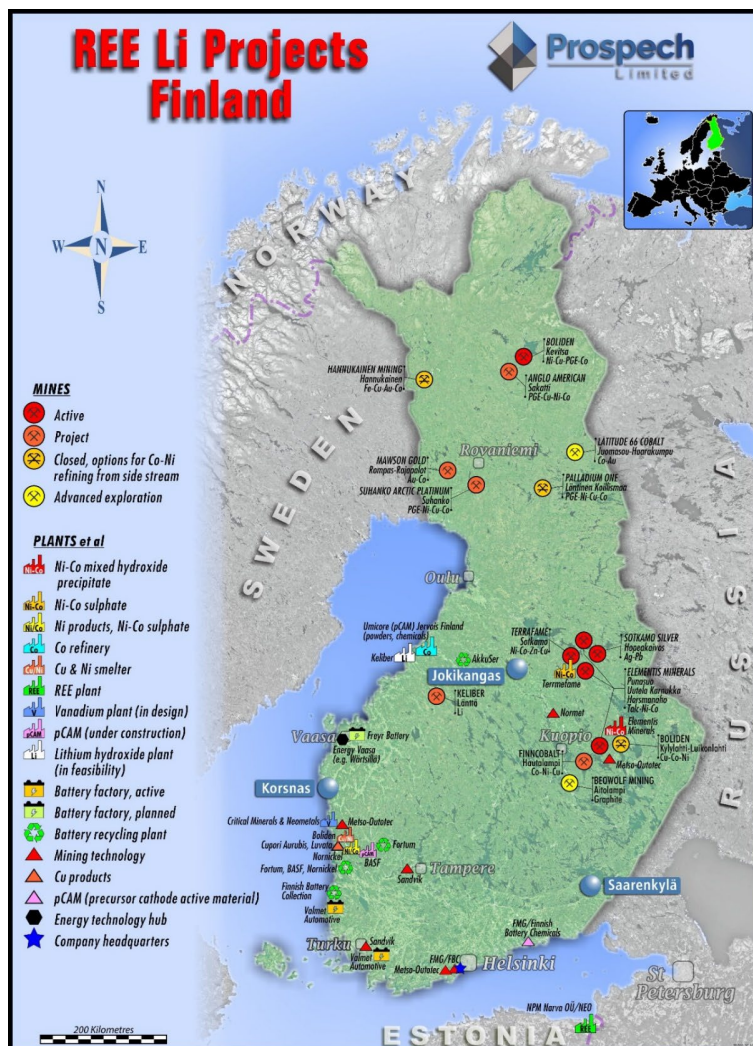
These facts should not be underestimated.

We are indebted to GTK for their skills and diligence in preserving historical geologic records and drill core which we have had the opportunity and privilege to access, sample and test.

Our own drilling, the first in the modern era, has now correlated and validated the results of our sampling of the historical information, resulting in a substantial database substantiating our maiden resource and exploration target estimates.

We appreciate the support of the European Commission’s grant funding for our project, partly driven by geopolitical supply chain concerns which show no signs of abating, and look forward to continued collaboration in a pro-mining environment.”

Operations – Finland (100% owned)



Location map of Prospech’s projects in Finland - geologically rich in critical minerals and proximate to the Neo Materials refining facility in Estonia.

Korsnäs REE Project

Inferred Resource Estimate and Exploration Target

The Company's JORC Code 2012 Inferred MRE, derived from the Company's 2024 drilling campaign and the ongoing program of sampling and assaying of the Korsnäs drill core from historic holes completed in the 1950s, 60s and early 70s, at the selected lower cut-off grade of 0.5% TREO is:

INFERRED MINERAL RESOURCE ESTIMATE

7.1Mt @ 1.08% TREO - lower cut-off grade of 0.5% TREO

This initial estimate is derived from the combination of 46 zones which, with further drilling, is expected to be consolidated into fewer zones resulting in increased resource tonnage.

TABLE 1. KORSNÄS INFERRED MINERAL RESOURCE ESTIMATE AT VARIOUS TREO CUT-OFFS.

Cut-Off (ppm)	Resource (Mt)	TREO	Nd2O3	Pr6O11	Tb4O7	Dy2O3
		ppm	ppm	ppm	ppm	ppm
10,000	2,258,877	19,358	3,130	957	12	48
9,000	2,861,077	17,286	2,855	859	12	48
8,000	3,387,422	15,917	2,684	798	12	47
7,000	4,236,651	14,237	2,459	720	12	47
6,000	5,294,482	12,686	2,237	647	12	45
5,000	7,094,979	10,851	1,955	558	11	41
4,000	10,316,895	8,852	1,634	459	9	36
3,000	15,068,598	7,148	1,341	373	8	31
2,000	23,042,002	5,520	1,047	289	7	26
1,000	38,157,086	3,911	744	204	5	19

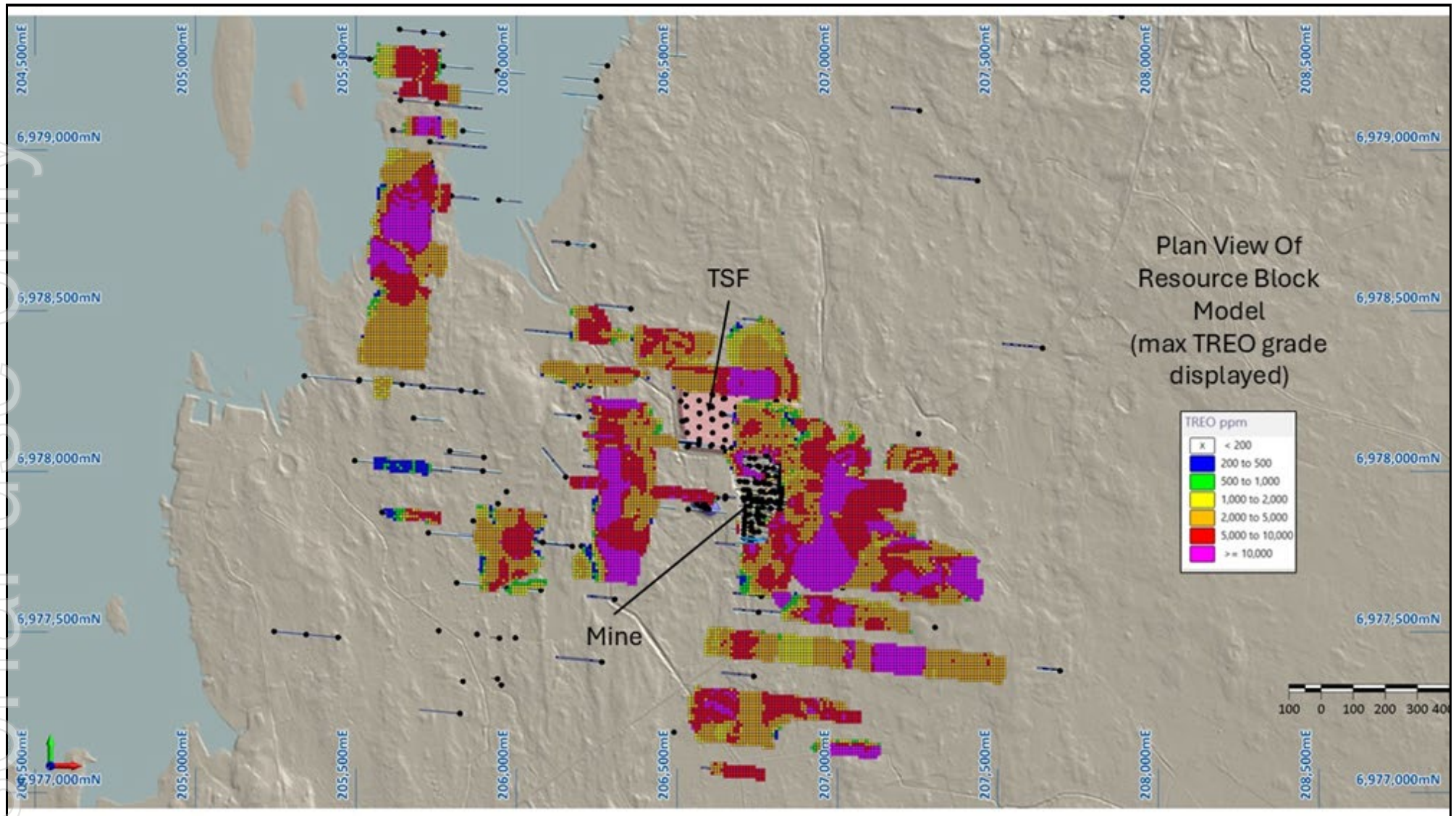
In addition to the Inferred MRE, adjacent to and along strike from the Inferred MRE, the Company has also completed a grade-tonnage estimate, classified as an Exploration Target, of:

10Mt to 12Mt @ 1.0% to 1.2 % TREO

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

More than 3,700 assay results from the drill core of 481 drill holes have been collated in a modern MS Access relational database. Total metreage included in the MRE and Exploration target drill data is 51,814 metres and average depth of 108 metres.

Observed carbonatite zones were primarily sampled from BQ and AQ drill cores. Half-core or quarter-core samples were initially processed at GTK's Loppi facility and more recently at Palsatech Oy's facility in Kemi. In total there are currently 3,709 assays records in the resource estimate database which were assayed by ALS in Outokumpu.

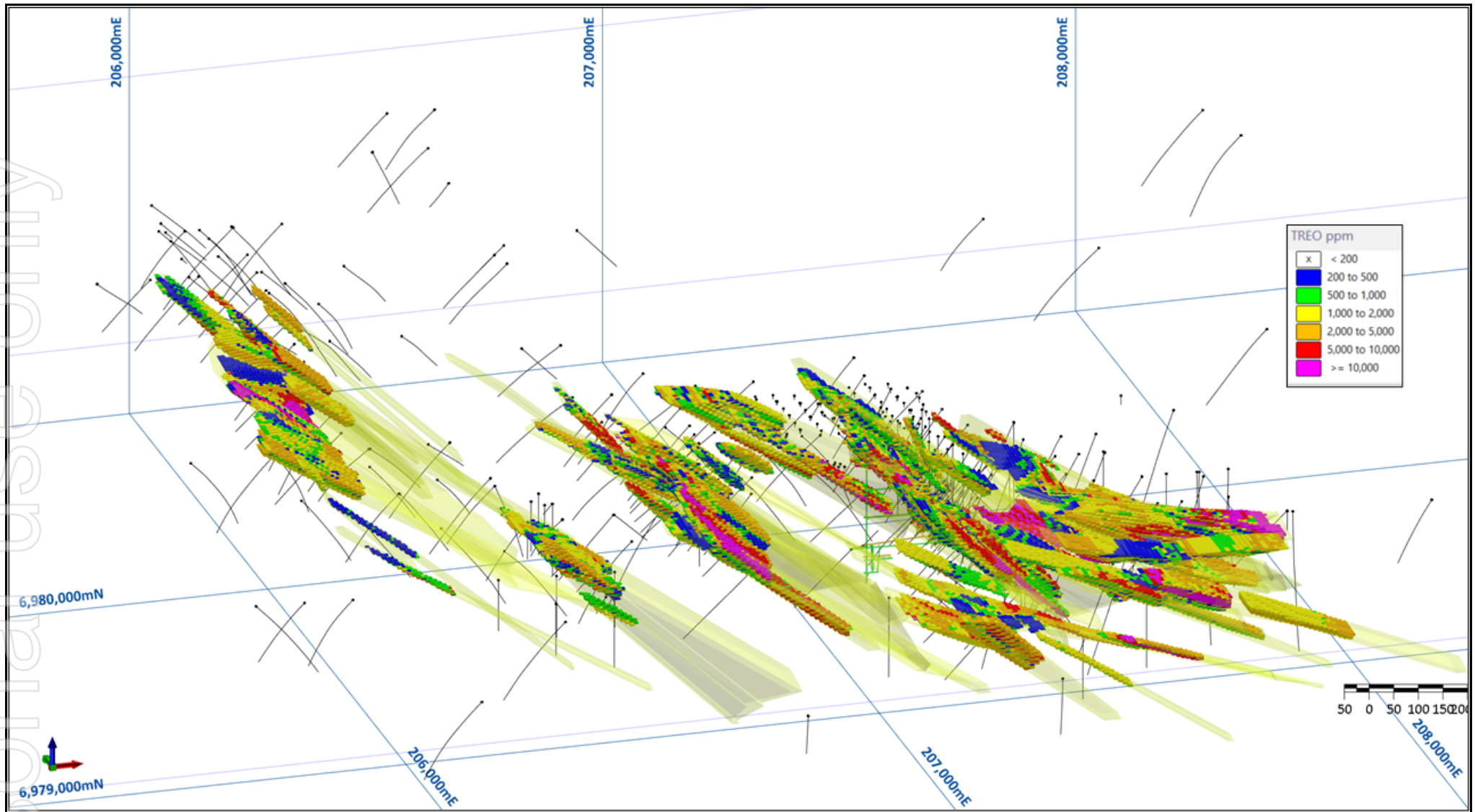


Drilling data in terms for assays informing the block model are all from recent sampling from 2023 onwards.

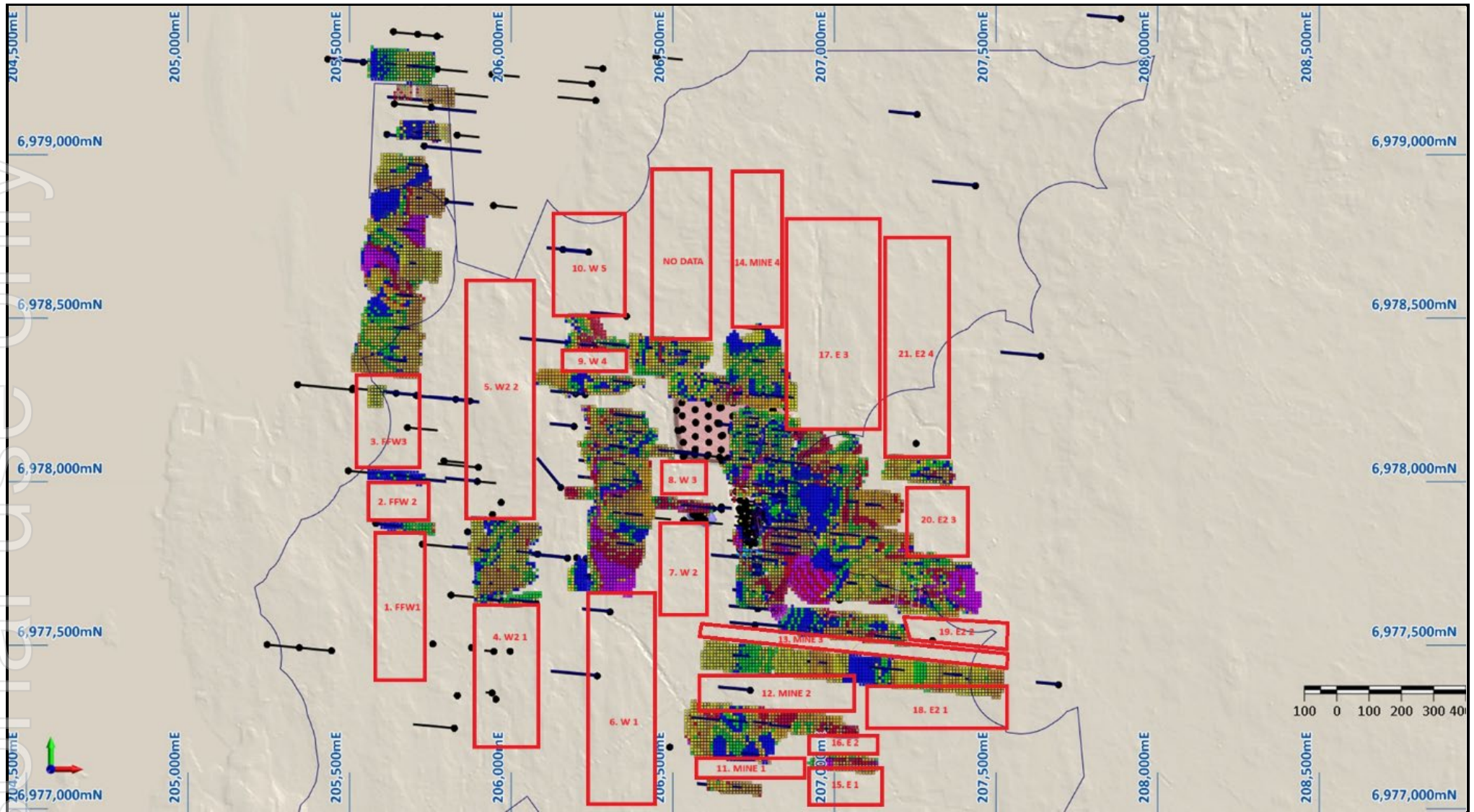
A total of 481 drill holes are in the database in terms of hard rock drilling (excludes the TSF and LnCS auger drilling).

Not all drill holes are included in the block model if too distant from nearby continuous intercepts.

It is expected a future estimate with additional drilling will allow more contiguous estimates of the overall tonnage of the parallel zones.



Oblique view to the NE to illustrate most of the modelled structures have not been populated by blocks as more drilling is required but also indicates significant future resource growth is probable. Most of the drill holes have been sampled and assayed since 2023 but drilled from the 1950s to the 1970s. Prospecch's 2024 drill program was designed to spatially separate and to confirm high grade zones.



Exploration Target zones which will influence future drill planning and inform the JORC Exploration Target estimation.

Additional Work Program

Planned activities aim to improve the status of the current exploration target to a mineral resource estimate. The work program includes commencement of additional metallurgical tests, likely at GTK Mintec laboratory in Finland. Focus on the likely fluorapatite dominated feedstock outcome with liaison with EU based processing facilities.



Korsnäs Minesite laydown area in 1970 - location of current core processing facilities.

With further assay results from the sampling of historic drill core still to be received, future drilling by Prospech and metallurgical test work results, we look forward to improving the quality and quantity of the reported Inferred MRE and to convert some Exploration Target tonnes to a JORC compliant resource estimate.

Beyond the reported Inferred MRE and Exploration Target, Prospech's surrounding tenements have not been fully explored. In addition, the Tailings Storage Facility and Lanthanide Concentrate Stockpile, both of which have already been comprehensively drilled and assayed by Prospech, we regard as 'low hanging fruit' which may form the foundation of a starter project.

Ongoing Assay Results

During the quarter, the Company continued to receive spectacular assay results from the sampling of historic drill core preserved by GTK and also from the Company's 2024 diamond core drilling program.

These assay results (detailed in the Highlights above) include significant intervals (more than 15 metre and 20 metre intersections) and high grade results (over 5.1% TREO).

Prospech estimates the value of the previously drilled diamond drill core, almost all of which is preserved by GTK, to be in excess of \$10 million.

Importantly, results from the Company's 2024 diamond core drilling program, the first modern era drilling completed at the Korsnäs project since the 1970s, validate the correlation between new and historical drill intercepts, confirm the presence of significant REE concentrations and provide material for metallurgical test work.

Further assay data from approximately 700 samples selected by Prospech geologists from historical drill core is pending.

Tailings Storage Facility and Lanthanide Concentrate Stockpile

Another critical component of the project has been the investigation of pre-existing pre-mined mineralised materials on site, being the Tailings Storage Facility (TSF) and the Lanthanide Concentrate Stockpile (LnCS).

In July 2024, Prospech completed auger sampling of the LnCS located adjacent to the Korsnäs mine. The stockpile, created during historical operations, had an average TREO grade of 25,541 ppm (2.55%), with a substantial 31% NdPrO enrichment.

These results highlight the potential of the stockpile as a readily accessible source of REE material, reinforcing the strategic importance of Korsnäs in the European Union's push for securing critical mineral supplies.

Metallurgical Test Work Program

The Company's metallurgical testing program is progressing in parallel with ongoing drilling and sampling activities. 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).

The test work schedule includes:

- **Advanced LIBS (Laser-Induced Breakdown Spectroscopy) scanning:** Scanning has been completed and the results are currently being compiled.
- **Micro XRF scanning:** This is ongoing and focuses on selected sections of mineralised core.

Subsequent steps will involve:

- **QEMSCAN (Quantitative Evaluation of Minerals by Scanning Electron Microscopy) and MLA (Mineral Liberation Analyzer) analyses:** These advanced automated mineralogical analysis systems use scanning electron microscopy (SEM) combined with energy-dispersive X-ray spectroscopy (EDS) to identify and quantify mineralogical properties.

These analytical techniques will be followed by:

- **Comminution:** Testing the grinding and crushing characteristics of the material.
- **Gravity separation, flotation, and magnetic separation:** Evaluating physical separation methods for mineral concentration.
- **Leaching and purification tests:** Determining the most effective chemical processing routes for (REE recovery).

All these tests are designed to identify the optimal processing methodologies for REE recovery from the TSF, the LnCS and the hard rock resource.

REMHub partners GTK Mintec, the Finnish government's metallurgical research group, and the Oulu Mining School at the University of Oulu are carrying out key aspects of the metallurgical program. GTK Mintec is conducting hard rock testing at their facilities, while the Oulu Mining School is focusing on work related to the TSF, including characterisation, beneficiation and flotation for REE recovery.

Ore Characterisation – Preliminary Results

During the quarter, significant progress was made in characterising the REE-hosting materials at Korsnäs. Understanding the nature, composition and deportment of the REE minerals is critical, as this information directly informs the selection of appropriate metallurgical tests and the development of an optimal processing route.

This work has identified two distinct types of REE-hosting materials at Korsnäs:

1. Carbonate vein-associated material (carbonatite):

- This material was the primary target of historical lead-mining activities at the Korsnäs Mine.
- As a result, the TSF, LnCS and areas extending around the historical mine site offer significant potential for REE recovery.

2. Skarn-related material:

- Found in zones peripheral to the carbonatite, skarn material contains exceptionally high concentrations of REEs.
- These skarn zones are located adjacent to the historical Korsnäs Mine and represent a highly promising resource for further exploration and development.

Understanding the distinct characteristics of these host materials is a crucial step toward unlocking the full REE potential of the Korsnäs project and guiding the design of metallurgical processes tailored to each material type.

Jokikangas REE Project

Subsequent to quarter end, the Company increased the Jokikangas project to 7,062 hectares by incorporating the 4,852 hectare Honkamäki 2 Reservation Notification.

The prospectivity of REE and High Field Strength Elements (**HFSE**), including Hafnium, for the Jokikangas project and its surrounding area has been reassessed considering the recent rise in hafnium and niobium prices.

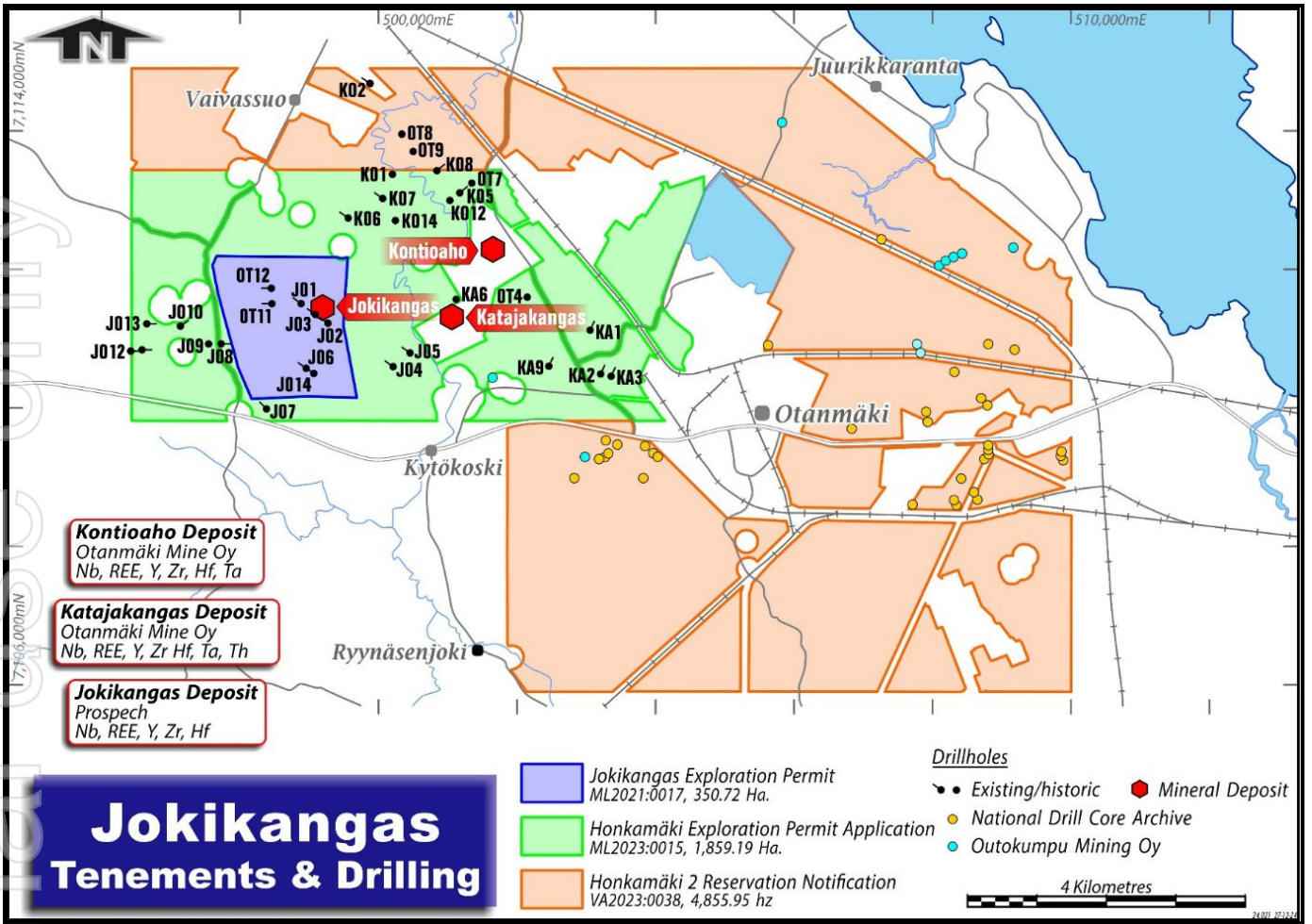
Hafnium recently traded at more than US\$4,800/kg, an increase of more than 220% since 2021.

Previously reported results¹ from historical diamond core assays indicate encouraging grades of hafnium, niobium and REEs:

- JO13: 0.50m @ 7,556 ppm² TREO and 940 ppm hafnium from 22.6m
- JO13: 0.30m @ 10,445 ppm TREO and 1,160 ppm hafnium from 32.8m
- KO06: 0.40m @ 2,865 ppm TREO and 510 ppm hafnium from 85.6m
- KA02: 0.20m @ 24,448 ppm TREO and 4,700 ppm niobium from 74.2m
- KA03: 0.15m @ 15,346 ppm TREO and 2,980 ppm niobium from 9.2m
- KA03: 0.17m @ 8,690 ppm TREO and 2,030 ppm niobium from 57.3m
- JO11: 0.20m @ 2,106 ppm TREO from 54.1m
- JO12: 0.20m @ 1,704 ppm TREO from 26.9m
- JO12: 0.40m @ 4,509 ppm TREO from 42.2m

The Finnish Government's GTK website identifies a cluster of three REE/niobium/hafnium deposits, one being Jokikangas.

Drill core from a further 81 historical drill holes is available for review and sampling for REEs with a focus on hafnium, niobium, yttrium, scandium and tantalum.



Prospect's Jokikangas tenement holdings highlighting the numerous historical holes which available to be evaluated and sampled. The tenements are prospective for REEs, zircon and iron deposits.

Operations – Slovakia (100% owned)



Location map of Prospect's projects in Slovakia.

Zlatno Copper-Gold Project

Historical drilling conducted by the Slovak Geological Survey between 1970 and 1980 revealed substantial copper mineralisation, including intercepts such as 180 metres at 0.31% copper from hole HDS-03, with a higher-grade interval of 36 metres at 0.66% copper. These voluminous historical results have been digitally compiled by Prospech and point to the potential for significant copper-gold porphyry-style mineralisation at Zlatno, which remains underexplored.

The Company is designing a drilling program to test these historical intersections and is exploring potential joint venture opportunities to advance the project and test the target areas identified during previous exploration.

Other Exploration Licences

No field activities were undertaken during the quarter at the Hodrusa-Hamre, Nova Bana and Cejkov-Zemplin exploration licences in Slovakia and the Saarenkylä project in Finland.

A new geologic model for the Hodrusa-Hamre project is being completed with focus on the sparsely drilled LANF structure (a Low Angle Normal Fault or detachment fault) which is known to be mineralised and is adjacent to the neighbouring Rozalia gold mine. The LANF style of mineralisation of high grade detachment faults can be prolific and is noted elsewhere in the Tethyan Belt at Čoka Rakita project¹, Serbia and at the Emperor gold mine in Fiji.

At Hodrusa-Hamre, the LANF is known to extend onto the adjacent Zlatno project, presenting potential targets where the gold-copper porphyry body intercepts, or is truncated by, the LANF structure in its southern extents.

Corporate

European Union REMHub Grant Funding

During the quarter, the Company received the first €208,920 (~A\$346,000) of funding under the European Commission's grant agreement program known as the REMHub (rare earth and magnets hub for a resilient Europe) project.

The €16.0 million, newly funded REMHub project creates a cutting-edge digital innovation hub propelling EU excellence for REEs and rare magnets, designed to develop, test and pilot novel technologies for the exploration and primary production of REEs, develop REE value chains and to enhance supply security of REEs and rare magnets in the EU.

A total of up to €432,250 (~A\$718,000) has been awarded to the Company's wholly owned subsidiary, Bambra Oy, to rebate drilling, assaying, metallurgical testing and other ancillary costs associated with the Korsnäs REE project.

Rights Issue

During the quarter, the Company completed a Rights Issue in which Eligible Shareholders were able to subscribe for 1 new share for every 4 shares held (each, a **New Share**) at an issue price of \$0.03 per New Share. Eligible Shareholders subscribed for 26,198,132 New Shares, raising \$785,944. New Shares offered under the Rights Issue that have not been subscribed for by Eligible Shareholders and that remain "unissued" on completion have formed part of the post-Rights Issue shortfall (**Shortfall**). The

¹ Dundee Precious Metals, December 11, 2023, Dundee Precious Metals Announces High-Grade Underground Maiden Mineral Resource Estimate of 1.8 Million Inferred Gold Ounces at its Čoka Rakita Project in Serbia, TSX News Release.

Directors have reserved the right, in conjunction with the Lead Manager Canaccord Genuity (Australia) Limited, to place any Shortfall within 3 months of the Closing Date.

Expenditures

Expenditure on exploration activities during the December quarter totalled \$749,064. There were no expenditures on mine production and development activities during the quarter.

Related Party Expenditures

During the quarter, the aggregate amount of payments to related parties and their associates totalled \$40,000, being payments to Directors for Directors' consulting fees.

Tenements

Project	Tenement Number	Country	Interest
Cejkov-Zemplin	11006/2022-5.3	Slovakia	100%
Hodrusa-Hamre	7120/2023-5.3	Slovakia	100%
Jokikangas	ML2021:0017 Jokikangas ¹ ML2023:0015 Honkamäki ¹ VA2023:0038 Honkamäki ²	Finland	100%
Kolba	9313/2022-5.3	Slovakia	100%
Korsnäs	ML2021:0019 Hägg ¹ VA2023:0040 Hägg ² VA2023:0083 Hägg ³ VA2023:0093 Petalax ²	Finland	100%
Nova Bana	P22/15	Slovakia	100%
Pukanec	9313/2022-5.3	Slovakia	100%
Saarenkylä	VA2023:0013 Saarenkylä ²	Finland	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 Reservation Notification provides priority for Exploration Permit applications.

No Material Changes

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.

Competent Person's Statement

The information in this Report that relates to Exploration Results and the Exploration Target 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.

For further information please contact:

Jason Beckton
Managing Director
j.beckton@prospech.com
+61 (0) 438 888 612

Peter Nightingale
Director and Chief Financial Officer
pnightingale@prospech.com.au
+61 2 9300 3333

Jane Morgan
Investor Relations
jm@janemorganmanagement.com.au
+61 (0) 405 555 618

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Prospech Limited

ABN

24 602 043 265

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(66)	(658)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(63)	(644)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(749)	(2,327)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(749)	(2,327)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	786	1,858
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(55)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	340	340
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,126	2,143

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	465	1,605
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(63)	(644)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(749)	(2,327)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,126	2,143

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	17	19
4.6	Cash and cash equivalents at end of period	796	796

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	796	465
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	796	465

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	40
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(63)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(749)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(812)
8.4 Cash and cash equivalents at quarter end (item 4.6)	796
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	796
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.98
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company has until 26 February 2025 to place the Shortfall from the Rights Issue which completed on 26 November 2024. Additionally, the Company anticipates receiving up to a further €223,330 (~A\$372,000) of European Union grant funding.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The Company's ongoing expenditures are able to be managed in accordance with the Company's financial resources.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 January 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.