

PROSPECH LIMITED
and its controlled entities

A.B.N. 24 602 043 265

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

30 JUNE 2021

PROSPECH LIMITED
and its controlled entities

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PROSPECH LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

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 2021.

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the year are:

Thomas J. Mann - Chairman

Director since 26 September 2014.

Mr Mann has over 30 years' experience in financial markets and global trade having established a global trading corporation with offices in North America and the Asia-Pacific. Mr Mann is actively involved in capital raising and strategic development initiatives for public and private companies.

Jason M. Beckton - Director and Chief Executive Officer

Director since 26 September 2014.

Mr Beckton is a professional geologist with over 20 years' experience in exploration, project development, production and management in Australia and internationally.

Mr Beckton commenced his career with Pancontinental and Goldfields Ltd throughout Australia from the early 1990s before moving to a senior role with Gympie Gold in 2001. Subsequently, he was Project Manager for the Palmarejo silver-gold project in Mexico during 2004. More recently, Mr Beckton was Manager - Chile for Exeter Resource Corporation and led the team in 2007 that was responsible for the commercial discovery at the Caspiche Porphyry prospect in the Maricunga Gold Copper Belt of Chile.

Mr Beckton is a Corporate Advisor for Baker Young Limited and Investment Bank DGWA - Deutsche Gesellschaft für Wertpapieranalyse GmbH, Germany. Mr Beckton was a director of ASX listed company Dark Horse Resources Limited (now New Peak Metals Limited) from April 2018 until October 2020.

Mr Beckton is a Non-Executive Director of unlisted Lode Resources Ltd (NSW), Jamieson Minerals Pty Ltd (Victoria) and Bambra Oy (Finland) and is a Member of the Australian Institute of Geoscientists.

Peter J. Nightingale - Director and Chief Financial Officer

Director since 26 September 2014.

Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of Chartered Accountants Australia & New Zealand. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 30 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe. He is currently a director of ASX Listed Alpha HPA Limited and Nickel Mines Limited.

PROSPECH LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

John A. Levings - Director

Director since 17 May 2016.

Mr Levings gained a Bachelor of Science degree from the University of Tasmania in 1977 and then worked for several years as a field geologist and geophysicist for Anglo American Limited. In 1985, as Chief Geologist for Australian Development Limited (later re-named Normandy Gold Limited), Mr Levings was responsible for the discovery of the high grade White Devil gold deposit (760,000 ounces of gold at 14.6 grams per tonne) in Tennant Creek. In 1986 Australian Development Limited was the best performing stock on the ASX on the back of this discovery. Relocating to Indonesia, Mr Levings became a founding partner of a successful geological consultancy which was very active during the 1990s. In more recent times, he identified the Romang Island polymetallic opportunity which was acquired by Robust Resources Limited.

John is a Fellow of the Australasian Institute of Mining and Metallurgy.

Stephen G. Gemell - Director

Director since 4 March 2021.

Mr Gemell holds an Honours Degree in Mining Engineering and has more than 40 years' experience in the mining industry, having worked throughout Australasia and in Africa, North and South America, Asia, Eastern and Western Europe. He has been Principal of Gemell Mining Engineers since its formation in Kalgoorlie in 1984, specialising in mineral property assessment, strategic studies and valuation.

Steve is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), a Chartered Professional (Mining), and a Member of the American Institute of Mining, Metallurgical and Petroleum Engineers. He is an AusIMM representative on the VALMIN Committee and is also a VALMIN representative to the International Mineral Valuation Committee (IMVAL), which he chaired in 2018 and 2019.

In the past three years, he held appointments as a non-executive director of Astro Resources NL from March 2018 until October 2020 and Greenvale Mining Limited from June 2019 until September 2020.

Richard J. Edwards - Company Secretary

Company Secretary since 26 September 2014.

Mr Edwards graduated with a Bachelor of Commerce degree from the University of New South Wales, is a Fellow of the Governance Institute of Australia, is a member of CPA Australia and holds a Graduate Diploma of Applied Finance and Investment from FINSIA.

Mr Edwards has worked for over fifteen years providing financial reporting and company secretarial services to a range of publicly listed companies in Australia, with a focus on the mining sector. He is currently Company Secretary of ASX-listed Alpha HPA Limited and Nickel Mines Limited.

PROSPECH LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Operating and financial review

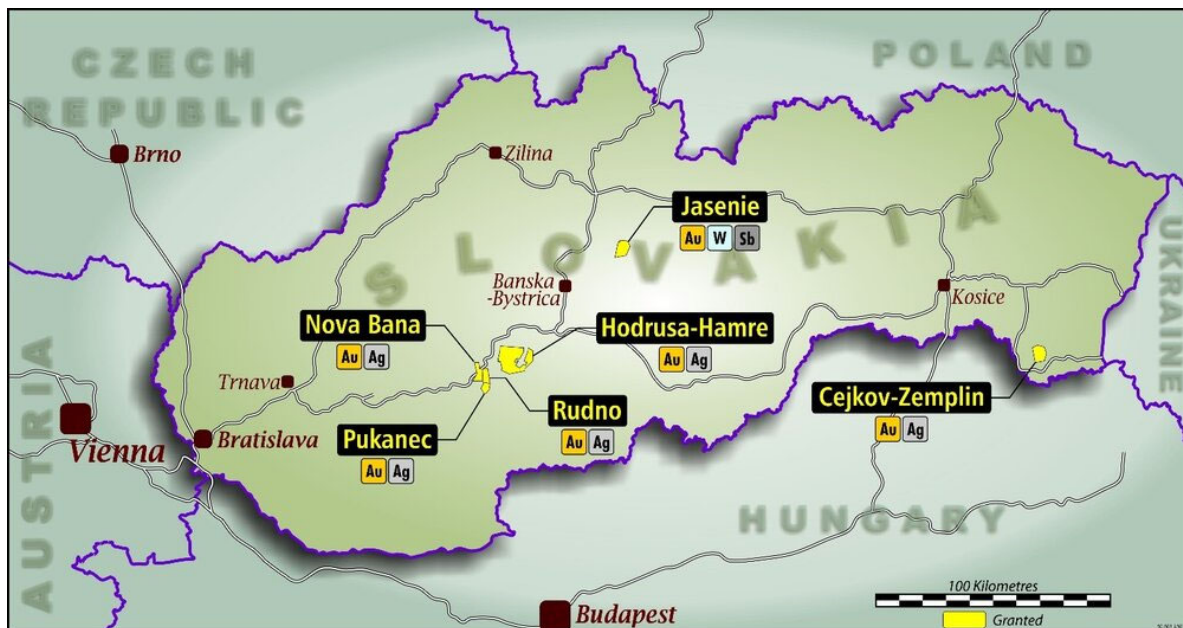
Introduction

The Company's principal projects are located approximately 180 kilometres east of Bratislava in Slovakia. Adjacent to Austria, Slovakia is a member country of the European Union and the Eurozone and, with modern western-style legislation, rule of law under an independent legal system, low wages, low tax rates and a well-educated labour force, is an attractive jurisdiction for foreign investment.

Prospech is the holder of 100% of the following exploration licences which cover an area of 205.65 km²:

- Hodrusa-Hamre (101.92 km²) – multiple gold and silver targets.
- Nova Bana (20.12 km²), Rudno (14.26 km²) and Pukanec (10.71 km²) – gold and silver.
- Jasenie (29.41 km²) – targeting gold, tungsten and antimony.
- Cejkov-Zemplin (29.23 km²) – high grade epithermal silver-lead and zinc.

Since acquiring its initial interests in the Hodrusa-Hamre and Nova Bana exploration licence areas, the Company has successfully applied for and been granted exploration licences covering the Jasenie, Rudno, Pukanec and Cejkov-Zemplin projects. Some project related highlights of the past reporting period are below.



Hodrusa-Hamre Project – Geophysical Program and Drilling and IP Survey

Previous drilling by Prospech was designed to test shallow surface targets associated with the extension of a major detachment fault (locally known as a Low Angle Normal Fault or LANF). Mineralisation at the nearby, currently operating Rozalia underground gold mine is controlled by the LANF, the surface trace of which falls mainly on the Company's Hodrusa-Hamre exploration licence.

For the first time, a geophysical program is to be conducted on the Hodrusa Project. An Induced Polarisation-Resistivity (IP) survey, scheduled for September 2021, is designed to explore the LANF at depth. It is postulated that this geophysical method may detect anomalies within this LANF 3D surface/ramp which may host higher grade mineralisation.

Drill permits have already been received and a drilling contractor engaged for drill testing of the high grade gold-silver epithermal vein system at Anton. Historical mining at Anton was focused primarily on production of high grade Au-Ag ore from near surface parts of low sulphidation epithermal system near Vyhne village. The production was limited by high inflow of ground water and was the main limiting factor preventing the mines to progress to greater depths. No modern exploration drilling for precious metals has been carried out at Anton.

PROSPECH LIMITED AND ITS CONTROLLED ENTITIES

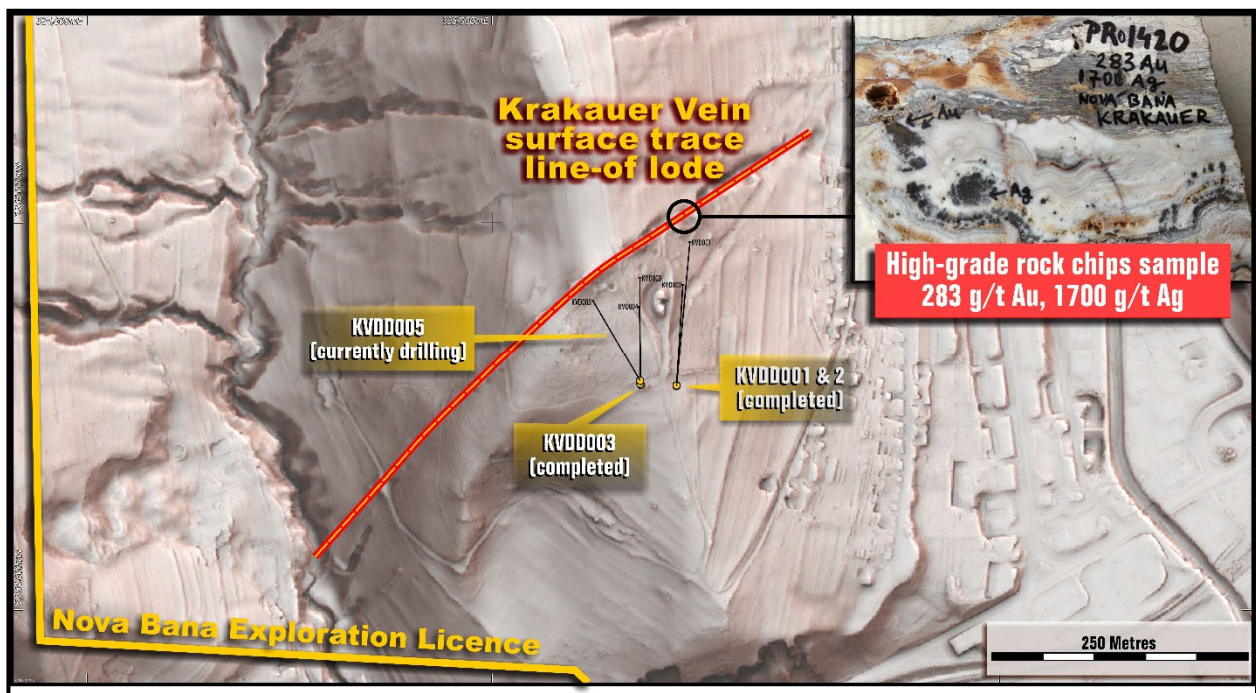
DIRECTORS' REPORT

Nova Bana Project – Krakauer Prospect – Gold and Silver drilling for the first time on a high grade surface structure

A high grade discovery was made at the Krakauer prospect in 2020 with rock chip samples assayed up to 283 g/t Au and 1,700 g/t Ag. Two holes are reported below, four additional holes currently being drilled with more results to follow.

- KVDD001: 4.5m @ 2.01 g/t Au and 29 g/t Ag from 162.8m
including 0.5m @ 6.95 g/t Au and 84 g/t Ag from 163.7m
- KVDD002: 9.0m @ 1.58 g/t Au and 10 g/t Ag from 170.5m
including 0.5m @ 3.34 g/t Au and 7 g/t Ag from 170.5m
and 3.0m @ 2.19 g/t Au and 4 g/t Ag from 176.5m

Mineralisation is typical of low-sulfidation epithermal, banded veins (ginguro). Early bands consist of milky-white quartz and black bands with abundant acantite and native gold, +/- pyrite and this was most likely subject of limited historical mining. Drilling continues at report date. Drilling on the Nova Bana project is expected to continue for the remainder of 2021.



Map of the Krakauer structure showing the location diamond drill holes.

Cejkov Project - Zemplin Prospect - Drilling program determines a continuous silver bearing structural zone

Final assay results from a four-hole (794.5 metres) drilling program completed in April 2021 are reported below. The Zemplin prospect is part of the 29.23 km², 100%-owned Cejkov-Zemplin licence, located in eastern Slovakia. Zemplin is prospective for epithermal precious metals and base metals vein-style mineralisation.

In total, the holes intersected over 40 epithermal veins, hosted within zones of hydrothermally altered rhyodacitic and andesitic volcanics. Silver in CZDD001 85.3m to 89.8m (4.5m) and CZDD003 97.1m to 99.0m (1.9m) occurs as visible Ag-sulphides in quartz veins near the rhyolite/andesite contact. Prospech interprets the main silver zone trending further west of north than interpreted by previous work, which remains a continuously mineralised silver zone.

**PROSPECH LIMITED
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DIRECTORS' REPORT

Drill intersections from the Zemplin drilling program follow.

- CZDD001: 3.0m @ 136 g/t Ag from 59.0m
- CZDD001: 4.5m @ 147 g/t Ag from 85.3m
including 2.3m @ 240 g/t Ag from 87.5m
- CZDD002: 6.0m @ 30 g/t Ag from 111.0m
- CZDD003: 6.0m @ 117 g/t Ag from 94.0m
including 1.8m @ 291 g/t Ag from 97.2m
- CZDD004: 4.4m @ 34 g/t Ag, from 49.6m
- CZDD004: 4.3m @ 201 g/t Ag from 92.5m
including 0.5m @ 1,220 g/t Ag from 92.5m

Follow up drilling is planned for Zemplin late in the 2021 summer field season.

Corporate

During the half year period, both the Jasenie and Rudno exploration licences were successfully renewed, Jasenie for another four year period, until 24 May 2025 and Rudno for another four year period, until 9 May 2025.

Subsequent Events

In August 2021 the Pukanec exploration licence was successfully renewed for another four year period, until 7 September 2025.

Other than the matter outlined above, there have been no matters arise in the interval between the end of the year and the date of this report any item, transaction or event 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 6 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 2021.

Signed at Sydney this 8th day of September 2021
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 2021 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.

A stylized, handwritten-style logo of the letters 'KPMG' in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'J Frazer'.

Jeff Frazer
Partner

Brisbane
8 September 2021

PROSPECH LIMITED
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2021**

	Notes	30 June 2021 \$	30 June 2020 \$
Other income		-	-
Administration and consultants' expenses		(468,290)	(202,812)
Depreciation expense		(5,981)	(7,459)
Results from operating activities		(474,271)	(210,271)
Financial income		-	25
Net financial income		-	25
Loss before income tax		(474,271)	(210,246)
Income tax expense		-	-
Loss for the period		(474,271)	(210,246)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(13,447)	50,194
Total comprehensive loss for the period		(487,718)	(160,052)
Earnings per share			
Basic and diluted loss per share (cents)	6	(0.54)	(0.38)

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

PROSPECH LIMITED
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021 \$	31 December 2020 \$
Current assets			
Cash and cash equivalents		3,643,031	4,514,982
Trade and other receivables		39,549	57,961
Prepayments		4,855	4,691
Total current assets		3,687,435	4,577,634
Non-current assets			
Exploration and evaluation expenditure	4	6,349,671	5,960,567
Property, plant and equipment		9,425	11,983
Total non-current assets		6,359,096	5,972,550
Total assets		10,046,531	10,550,184
Current liabilities			
Trade and other payables		120,955	136,890
Total current liabilities		120,955	136,890
Total liabilities		120,955	136,890
Net assets		9,925,576	10,413,294
Equity			
Share capital	5	12,081,396	12,081,396
Reserves	8	1,919,358	1,932,805
Accumulated losses		(4,075,178)	(3,600,907)
Total equity		9,925,576	10,413,294

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

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2021**

	Notes	Share capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 January 2021		12,081,396	1,932,805	(3,600,907)	10,413,294
Total comprehensive income for the period					
Loss for the period		-	-	(474,271)	(474,271)
Total other comprehensive income		-	(13,447)	-	(13,447)
Total comprehensive loss for the period		-	(13,447)	(474,271)	(487,718)
Balance at 30 June 2021		12,081,396	1,919,358	(4,075,178)	9,925,576
Balance at 1 January 2020		6,767,823	877,065	(2,401,660)	5,243,228
Total comprehensive income for the period					
Loss for the period		-	-	(210,246)	(210,246)
Total other comprehensive income		-	50,194	-	50,194
Total comprehensive loss for the period		-	50,194	(210,246)	(160,052)
Transactions with owners, recorded directly in equity					
Issue of shares		-	-	-	-
Balance at 30 June 2020		6,767,823	927,259	(2,611,906)	5,083,176

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

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2021

	Notes	30 June 2021 \$	30 June 2020 \$
Cash flows from operating activities			
Cash payments in the course of operations		(413,752)	(65,836)
Interest received		-	25
Net cash used in operating activities		<u>(413,752)</u>	<u>(65,811)</u>
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		<u>(458,199)</u>	<u>(281,257)</u>
Net cash used in investing activities		<u>(458,199)</u>	<u>(281,257)</u>
Net increase in cash and cash equivalents		(871,951)	(347,068)
Effect of exchange rate adjustments on cash held		-	-
Cash and cash equivalents at the beginning of the period		<u>4,514,982</u>	<u>404,266</u>
Cash and cash equivalents at the end of the period		<u>3,643,031</u>	<u>57,198</u>

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

PROSPECH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

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 2021 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 2020 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 2020.

These condensed consolidated interim financial statements were approved by the Board of Directors on 8 September 2021.

Basis of measurement

The consolidated interim financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These consolidated interim financial statements are presented in Australian dollars, which is the Company's functional currency. The functional currency of the Company's subsidiaries 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.

PROSPECH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

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. The Group incurred a loss after tax of \$474,271 (2020: \$210,246), including net cash outflows of \$871,951 (2020: \$347,068) for the half year ended 30 June 2021.

The Group's main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

The Directors have prepared cash flow projections for the period from 1 July 2021 to 30 September 2022 that support the ability of the Group to continue as a going concern. These cash flow projections assume net cash outflows from operating and investing activities will continue and the operational expenditures are maintained within available funding levels. In addition, the cash flow projections indicate sufficient funds are available for the Group to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial statements.

Accordingly, the consolidated financial statements for the half year ended 30 June 2021 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its planned exploration studies and operating costs and pay its debts as and when they fall due for at least twelve months from the date of this report.

NOTE 3 – SIGNIFICANT 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 2020.

NOTE 4 – EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2021	31 December 2020
Reconciliation of the carrying amount is set out below:		
Opening balance	5,960,567	5,180,565
Additions, including impact of FX movements	389,104	780,002
Closing balance	6,349,671	5,960,567
 Hodrusa	 4,419,538	 4,308,569
Nova Bana	616,267	602,240
Rudno	368,384	362,712
Jasenie	509,457	466,901
Pukanec	123,828	118,406
Cejkov Zemplin	312,197	101,739
	6,349,671	5,960,567

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.

PROSPECH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 5 – ISSUED CAPITAL

	30 June 2021		31 December 2020	
	Number of shares	\$	Number of shares	\$
Opening balance – fully paid	88,298,593	12,081,396	88,664,098	6,767,823
Issue of shares – pre 10 for 16 share consolidation	-	-	7,500,000	750,000
10 for 16 share consolidation	-	-	(36,061,510)	-
Issue of shares - post 10 for 16 share consolidation	-	-	28,196,005	5,511,361
Costs of share issuance	-	-	-	(947,788)
Closing balance – fully paid	88,298,593	12,081,396	88,298,593	12,081,396

	30 June 2021	30 June 2020
	\$	\$

NOTE 6 – LOSS PER SHARE

Basic and diluted loss per share have been calculated using:

Net loss for the period	(474,271)	(210,246)
	N° of shares	N° of shares
Weighted average number of ordinary shares – post 10 for 16 share consolidation		
Issued ordinary shares at the beginning of the half year	88,298,593	55,415,061
Weighted average number of shares at the end of the half year	88,298,593	55,415,061

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 2021, Peter Nightingale, a director had an interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including administrative and accounting staff rental accommodation, services and supplies, to the Group. Fees charged by MIS Corporate Pty Limited during the half year ended 30 June 2021 amounted to \$60,000 (2020: \$30,000). At 30 June 2021 \$10,000 (31 December 2020: \$5,000) remained outstanding.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 8 – RESERVES

	30 June	31 December
	2021	2020
	\$	\$
Acquisition reserve	375,578	375,578
Foreign currency translation reserve	44,519	97,697
Option premium reserve	1,499,261	403,790
	1,919,358	877,065

NOTE 9 - OPERATING SEGMENTS

For management purposes, the consolidated entity is organised into one main operating segment, which involves the exploration of minerals in Slovakia. All of the consolidated entity's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment.

The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

NOTE 10 – SUBSEQUENT EVENTS

In August 2021 the Pukanec exploration licence was successfully renewed for another four year period, until 7 September 2025.

Other than the matter outlined above, there have been no matters arise in the interval between the end of the year and the date of this report any item, transaction or event 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.

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DIRECTORS' DECLARATION

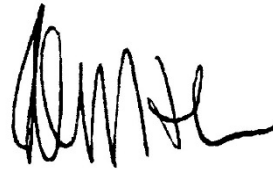
In the opinion of the Directors of Prospech Limited ('the Company'):

1. (a) the condensed consolidated interim financial statements and notes set out on pages 7 to 14, 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 2021 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.
- (c) 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 8th day of September 2021
in accordance with a resolution of the Board of Directors:



Thomas J. Mann
Chairman



Peter J. Nightingale
Director



Independent Auditor's Review Report

To the shareholders of Prospech Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **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 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 2021 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2021;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Interim Period ended on that date
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

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

The **Interim Period** is the 6 months ended on 30 June 2021.

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 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 the Code.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the 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 Interim Financial Report

Our responsibility is to express a conclusion on the 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 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 2021 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an 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

Jeff Frazer
Partner

Brisbane
8 September 2021

PROSPECH LIMITED
and its controlled entities
CORPORATE DIRECTORY

Directors:

Thomas Mann
Jason Beckton
Stephen Gemell
John Levings
Peter Nightingale

Company Secretary:

Richard Edwards

Principal Place of Business and Registered Office:

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Phone : 61-2 9300 3333
Fax : 61-2 9221 6333
Email : info@prospech.com.au
Website : www.prospech.com.au

Auditors:

KPMG
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71 Eagle Street
BRISBANE QLD 4000

Share Registrar:

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