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29 October 2020

September 2020 Quarterly Activities Report

Protean Energy Ltd (**Protean** or the **Company**) provides shareholders its quarterly report for the three-month period ending 30 September 2020.

Gwesan Vanadium Project Exploration Programme

Subsequent to the quarter Protean advised it had instructed independent consulting group GeoGeny Consultants Group Inc. (**Geogeny**) to provide in-country services to undertake a four phase exploration programme at its Gwesan Vanadium Project in South Korea.

The initial stage of the programme will comprise compilation of all available technical information with the aim of identifying vanadium prospectivity on the Gwesan Vanadium Project tenement in South Korea and is anticipated to be completed during Q4 2020.

The Company anticipates undertaking a field reconnaissance programme consisting of multi-commodity soil and trench sampling campaigns with requisite approvals and permits to be sought in Q1 2021. The second stage programme will seek to define anomalous zones of vanadium mineralisation to be followed up with auger drilling and aeromagnetic surveying. Subject to results of the preceding three stages it is proposed to diamond drill test vanadium targets defined by the programmes.

Gwesan Vanadium Project Background

The Geology in the Okcheon belt consists of meta-sedimentary sequence that is composed of three formations including the Wunkyori, Hwajeonri and Guryongsan. The stratigraphical sequence within the belt at the Gqesan project comprises a dark grey Phyllite, followed by the black shale (ore zone) and a fine grained sandstone. The historical drilling at the Gqeusan project has intercepted black shale along a 10km strike.

The mineralised black shale has been under-targeted in the past and drilling completed in 2013 has shown and confirmed the potential for Vanadium mineralisation hosted by the black shale (refer ASX release 13 November 2013).

Korea Resources Corporation (KORES) previously completed three drill holes targeting the mineralised black shale at Gwesan in order to verify the mineralisation zone in the area (**Figure 1**). The three drill holes were completed to a down hole depth of 100m each and several ore zones were intercepted from 3m to up to 11m wide in each drill hole. The best intercept of 0.35% V_2O_5 in the first hole provides encouraging results. The project is in its exploration stage and more drilling will be required to define the mineralisation zones in the area. The mineralisation remains open at depth and along the 10km strike and the Company confirms it is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters have not materially changed.

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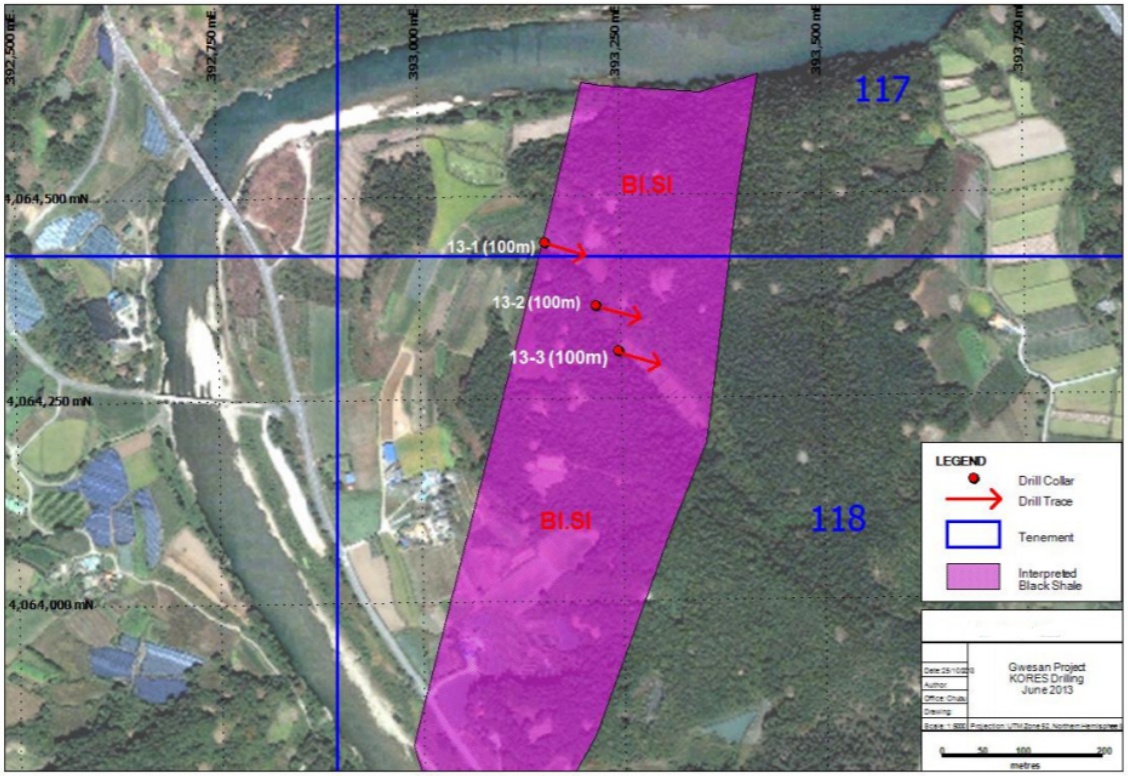


Figure 1: Location of Gwesan drill holes completed by KORES

Daejon Project Update

The Company further advised that its Daejon Vanadium project tenements will be the subject of an open hearing with the Mining Registration Office in South Korea in late November 2020 to determine whether a 1 year extension of term may be granted on the tenements.

CORPORATE

Placement

Subsequent to the end of the quarter, on 28 October 2020, the Company announced that it has received firm commitments to raise $385,000 from sophisticated investors, who are clients of CPS Capital Group Pty Ltd (**CPS**). Protean will issue 64,166,667 fully paid ordinary shares, priced at $0.006 per share.

The Placement was fully subscribed and will be issued in two tranches, being:

1. 40,000,000 fully paid ordinary shares pursuant to the Company's placement capacity under Listing Rule 7.1 (**Tranche 1**); and
2. 24,166,667 fully paid ordinary shares subject to shareholder approval at the Company's forthcoming Annual General Meeting of Shareholders (**Tranche 2**).

Fully Underwritten Rights Issue

The Company is also pleased to announce that it will undertake a fully underwritten pro rata non-renounceable entitlement offer (**Entitlement Offer**) to raise up to approximately $1.61 million before costs. The Entitlement Offer will be underwritten by CPS pursuant to the terms of the Underwriting Agreement described below.

The Entitlement Offer will be made to Shareholders on the basis of 3 new fully paid shares

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(**Entitlement Shares**) for every 4 shares existing shares held at the Record Date (5:00pm AWST on 11 November 2020). Entitlement Shares will be issued on the same terms as the Placement, at an issue price of $0.006 per Entitlement Share.

CPS was appointed as lead manager to the Placement with a lead management fee of 6% payable. Additionally, subject to shareholder approval, CPS will receive 40,000,000 unquoted options exercisable at $0.01 on or before the date that is three years from the date of issue at an issue price of $0.00001.

CPS was also been appointed as Underwriter to the Entitlement Offer will receive an Underwriting fee of 6% (plus GST) for underwriting the Entitlement Offer.

Board and Company Secretarial Changes

Subsequent to the quarter on 14 October 2020 the Company advised that Mr Joe Graziano and Mr Timothy Slate have been appointed Non-Executive Directors of the Company.

Mr. Graziano is a Chartered Accountant with corporate and company secretarial experience. He has over 28 years' experience providing a wide range of business, financial and strategic advice to small cap unlisted and listed public companies and privately-owned businesses in Western Australia's resource-driven industries. Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and structuring. He is currently a director of Pathways Corporate Pty Ltd a specialised Corporate Advisory business.

Mr. Tim Slate provides accounting, secretarial and corporate advice to a number of private and public companies. Mr. Slate has over ten years' experience in chartered accounting. Mr. Slate has a Bachelor of Commerce from the University of Western Australia, is a Chartered Accountant, is an Associate Member of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors.

In addition to the Director appointments, Mr Tim Slate was appointed joint Company Secretary and Mr Matthew Foy resigned as Non-Executive Director of the Company and remains joint Company Secretary.

Additional ASX Information

Protean provides the following information pursuant to ASX Listing Rule requirements:

1. ASX Listing Rule 4.7C.1: Details of business activities during the September quarter are set out in this report. There was no substantive business activity expenditure during the quarter.
2. ASX Listing Rule 4.7C.3: Payment to related parties of the Company and their associates during the quarter: $35,000 cash. The Company advises that this relates to remuneration of Directors only. Please see the Remuneration Report in the Annual Report for further details on Directors' Remuneration.

This release has been authorised for release by the Directors of the Company.

For further information, see www.proteanenergy.com or phone: T: + 61 8 9481 2277

ENDS

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ABOUT PROTEAN ENERGY LIMITED (ASX: POW)

Protean is developing a multi-energy mineral project in South Korea through its 50% holding in Korea Vanadium Limited (**KV**). KV is a JV company between Protean and KOSDAQ-listed DST Co Ltd (**DST**). KV owns 100% of the rights to 3 projects in South Korea, including the Company's flagship Daejon Vanadium Project (subject to a 12-month extension of term application).

Protean is also focused on the commercialisation of the V-KOR vanadium battery energy storage systems via its Korean joint venture subsidiary, KORID Energy Co Ltd (**KORID**).

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SCHEDULE A- TENEMENT SCHEDULE

(100% held directly by SK Energy Metals Pty Ltd which is in turn 50% owned by Korea Vanadium Ltd). There was no change in the interests of the Gwesan tenement during the quarter.

Tenement Name	ID	Registration No.	Expiry Date	Area (ha)	Mineral
Gwesan	137	79161	11/01/2022	275	Uranium, Vanadium

Daejeon Group – detailed information

Daejeon Group includes Okcheon -136, -147, Daejeon -18, -28, -38, -48, -17, -7 in total 8 tenements. This group is considered as one tenement for exploration and mining to MRO under the Korean mining law. The below tenements expired during the quarter and are the subject of an open hearing with the Mining Registration Office in South Korea in late November 2020 to determine whether a 1 year extension of term may be granted on the tenements

Tenement Name	Area	ID	Registration No.	Expiry Date	Area (ha)	Interest Held at end of quarter	Changes during the quarter	Mineral
Daejeon Group	Daejeon	18	77011	30/09/2020	277	0%	(100%)	Uranium, Vanadium, Molybdenum
	Daejeon	28	77012	30/09/2020	259	0%	(100%)	Uranium, Vanadium
	Daejeon	38	77013	30/09/2020	277	0%	(100%)	Uranium, Vanadium
	Daejeon	48	77014	30/09/2020	277	0%	(100%)	Uranium, Vanadium
	Okcheon	136	77010	30/09/2020	138	0%	(100%)	Uranium, Vanadium
	Okcheon	147	77038	30/09/2020	277	0%	(100%)	Uranium, Vanadium
	Daejeon	17	77039	30/09/2020	103	0%	(100%)	Uranium, Vanadium
	Daejeon	7	77114	30/09/2020	190	0%	(100%)	Uranium, Vanadium, Molybdenum
					1,798			

Competent Person Statement

The information contained in this ASX release relating to exploration results and Mineral Resources has been compiled by Mr Kahan Cervoj of Optiro Pty Ltd. Mr Cervoj is a Member of The Australasian Institute of Mining and Metallurgy and 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 editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cervoj consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Additionally, Mr Cervoj confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

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