

23 September 2024

Pivotal Metals Limited
ABN: 49 623 130 987

ASX: PVT

Projects

CANADA

• Horden Lake

Ni-Cu-PGM development

• Belleterre-Angliers (BAGB)

Ni-Cu-PGM exploration

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\$3.0M IN FUNDING SECURED TO ADVANCE QUEBEC PROPERTIES

Equity raising includes Canadian 'flow through shares' to be issued
at a 90% premium to the concurrent placement

Highlights

- Pivotal secures a total of \$3.0m in new funding to significantly advance its 100% owned Horden Lake and BAGB copper projects in Quebec, Canada
- A\$2.0m¹ raised utilising flow through shares (FTS) provisions under Canadian tax law.
 - Issuing the FTS at a 90% premium effectively delivers an additional \$0.95m into the Company account relative to a conventional placement.
- Concurrent with the FTS placement, the Company is raising a further A\$1.0m via a placement to sophisticated and professional investors at A\$0.010/share.
- The Company is funded to continue to advance its Horden Lake and BAGB projects, with the key objectives of demonstrating increasing resources, system scale potential and derisking the pathway to value realisation at Horden Lake.

Pivotal Metals Limited (ASX:PVT) ('Pivotal' or the 'Company') is pleased to announce that it has received firm commitments to raise \$3.0m million via a combination of a Flow-Through Shares (FTS) placement under the Income Tax (Canada) (FTS Placement) and a placement of fully paid ordinary shares (Institutional Placement) pursuant to s708(8) of the Corporations Act (Cth) 2001.

Ivan Fairhall, Pivotal Managing Director, commented: "We are extremely pleased to successfully execute this financing, where we were able to issue more than half the shares at a significant premium by accessing the flow through share scheme."

Quebec critical minerals FTS incentives are the most generous in Canada; and it's an incentive scheme which is unparalleled globally. The premium share issuance carries the benefits of Canadian tax credits that bring 90% leverage on committed exploration focused funding, without dilution or overhang risk.

Put another way, effectively the Canadian government is providing up-front payment for almost half of our exploration cost – it simply doesn't get better than that.

The proceeds from the capital raising further strengthen the Company's balance sheet and allow us to expand the work program in Canada, in particular at Horden Lake where we will deliver metallurgical testwork, upgraded resources and continue exploration of this exciting deposit which we've shown has tremendous potential to continue to grow, and contribute considerable value to Pivotal Metals".

¹ FTS shares will be placed to Canadian investors at C\$0.01735/share which is equivalent to \$0.019/share based on an A\$:C\$ exchange rate of 0.913.

Use of Funds

Pivotal will continue to advance its Quebec portfolio, primarily focused on the 100% Horden Lake project, which is already a substantial copper dominant Cu-Ni-Au-PGM-Co project. Funds raised from the FTS Placement will be used specifically for exploration and project development activities, including;

- Metallurgical testwork program and resource update of the Horden Lake deposit, leveraging almost 7,100m of drilling completed in 2024²
- Further exploration and target delineation at Horden Lake
- Technical studies to define and de-risk the pathway to development
- Evaluation and exploration our BAGB exploration project, which hosts multiple targets for new discoveries of scale.

Funds raised under the Institutional Placement will further strengthen the Company's balance sheet and fund the costs of the offer.

Flow Through Share Placement Raises A\$2.0m at a Premium

Pivotal has received firm commitments under the FTS Placement to raise C\$1.85m (A\$2.02m) through the issue of 106,259,570 ordinary shares (**New FTS Shares**).

The New FTS Shares will be issued at a price of C\$0.01735. (A\$0.019) per share which represents:

- A 90% premium to the concurrent Institutional Placement.
- a 36% premium to the closing price of Pivotal Metals on 18 September 2024, the trading day immediately prior to launch of the FTS Placement.

The FTS Placement is facilitated by Canadian flow-through share dealer, Wealth Creation Preservation & Donation Inc. (**WCPD**), pursuant to a subscription and renunciation agreement with the Company. WCPD will not receive any fees or commissions from the Company for its role in respect of the FTS Placement.

Pursuant to the Canadian FTS regime, tax incentives are provided to eligible investors in the FTS Placement for expenditures of Pivotal Metals which qualify as flow through critical mineral mining expenditures under the Income Tax Act (Canada). The "Flow-Through Share" is a defined term in the Income Tax Act (Canada) and is not a special class of share under corporate law.

99,617,741 New FTS Shares will be issued using the Company's Listing Rule 7.1 placement capacity and 6,911,829 New FTS Shares will be issued using the Company's Listing Rule 7.1A placement capacity. The New FTS Shares will rank equally with the Company's existing shares on issue. Settlement of the secondary sale of the New FTS Shares is scheduled to occur on 1 October, 2024.

Secondary Sale

Morgans Financial Limited (AFSL 235410) (**Morgans** or the **Lead Manager**) will facilitate the end buyer block trade of FTS Shares from WCPD to institutional and sophisticated investors at a price of A\$0.010 per share (**Block Trade Price**).

The FTS Shares will cease to be 'flow-through shares' on completion of the FTS Placement. The tax benefits associated with the Flow-Through Shares are available only to the investors (who are Canadian residents) and investors acquiring any New FTS Shares as part of the secondary sale will not have rights to tax benefits under the FTS regime.

A transaction specific prospectus prepared in accordance with section 713 of the Corporations Act 2001 (Cth) will be issued in connection with the FTS Placement to facilitate secondary trading of the New FTS Shares.

Institutional Placement

As set out above, Pivotal has received firm commitments from institutional investors for A\$1.0m in funding at A\$0.01 per share (Offer Price) via the issue of 96,250,000 Shares. The Offer Price represents a 18.8% discount to the 15 day VWAP, and 28.6% discount to the last closing price, on Wednesday 18 September (A\$0.014 per share). Institutional Placement Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1A. The Institutional Placement Shares will issued in two tranches:

² Refer ASX announcement [19 Sept 2024](#) "Latest Drilling Unites Horden Lake Deposit Areas" for latest results summary

- (a) Tranche 1 will consist of 70,711,829 shares issued under the Company's existing placement capacity under ASX Listing Rule 7.1A. Tranche 1 issuance is scheduled to occur on 27 September 2024; and
- (b) Tranche 2 will consist of 32,750,000 Shares that will be issued subject to shareholder approval. This includes 10,000,000 shares proposed to be issued to directors who subscribed for \$100k. Tranche 2 shares will be issued following a general meeting of the Company's shareholders, expected to be held in November 2024.

Morgans acted as Lead Manager to the Institutional Placement, as well as to the secondary sale of the FTS shares.

This announcement has been authorised by the Board of Directors of the Company.

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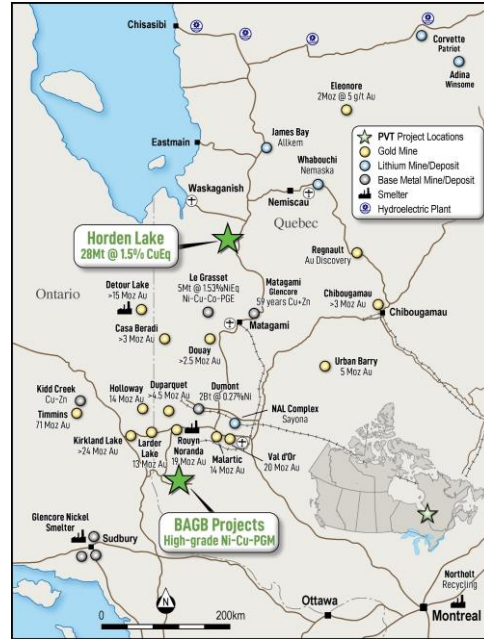
About Pivotal Metals

Pivotal Metals Limited (ASX:PVT) is an explorer and developer of world-class critical mineral projects.

Pivotal holds the recently acquired flagship Horden Lake property, which contains a JORC compliant pit constrained Indicated and Inferred Mineral Resource Estimate of 27.8Mt at 1.49% CuEq, comprising copper, nickel, palladium and gold. Pivotal intends to grow the mineral endowment of Horden Lake, in parallel with de-risking the project from an engineering, environmental and economic perspective.

Horden Lake is complemented by a battery metals exploration portfolio in Canada located within the prolific Belleterre-Angliers Greenstone Belt comprised of the Midrim, Laforce, Alotta and Lorraine high-grade nickel copper PGM sulphide projects in Quebec. Pivotal intends to build on historic exploration work to make discoveries of scale which can be practically brought into production given their proximity to the world famous Abitibi mining district.

To learn more please visit: www.pivotalmetals.com



Horden Lake

In 2022, Pivotal completed a comprehensive evaluation of all historical data, and calculated an updated Inferred and Indicated Mineral Resource Estimate totalling 27.8mt at 1.49% CuEq (refer Table 1).

In 2024 Pivotal completed its first exploration program on Horden Lake, consisting of geophysical surveys and almost 7,100m of diamond drilling (Figure 1). Results show substantial exploration upside on the deposit. Step-out drilling defined wide zones of open mineralisation down-plunge and along-strike from historical drilling, which was complemented by downhole electromagnetic surveys which showed extensive conductors suggesting continuity of mineralisation well beyond drilling. Newly completed regional geophysics and historical drilling has also highlighted multiple areas (Figure 2 and Figure 3) along strike and elsewhere on the project which could host potential extensions or repeats of the mineralised system and are targets for additional resource addition. Results also confirmed the existence of extensive byproduct credits observed elsewhere in the deposit, but not assayed for in a large proportion of the resource area.

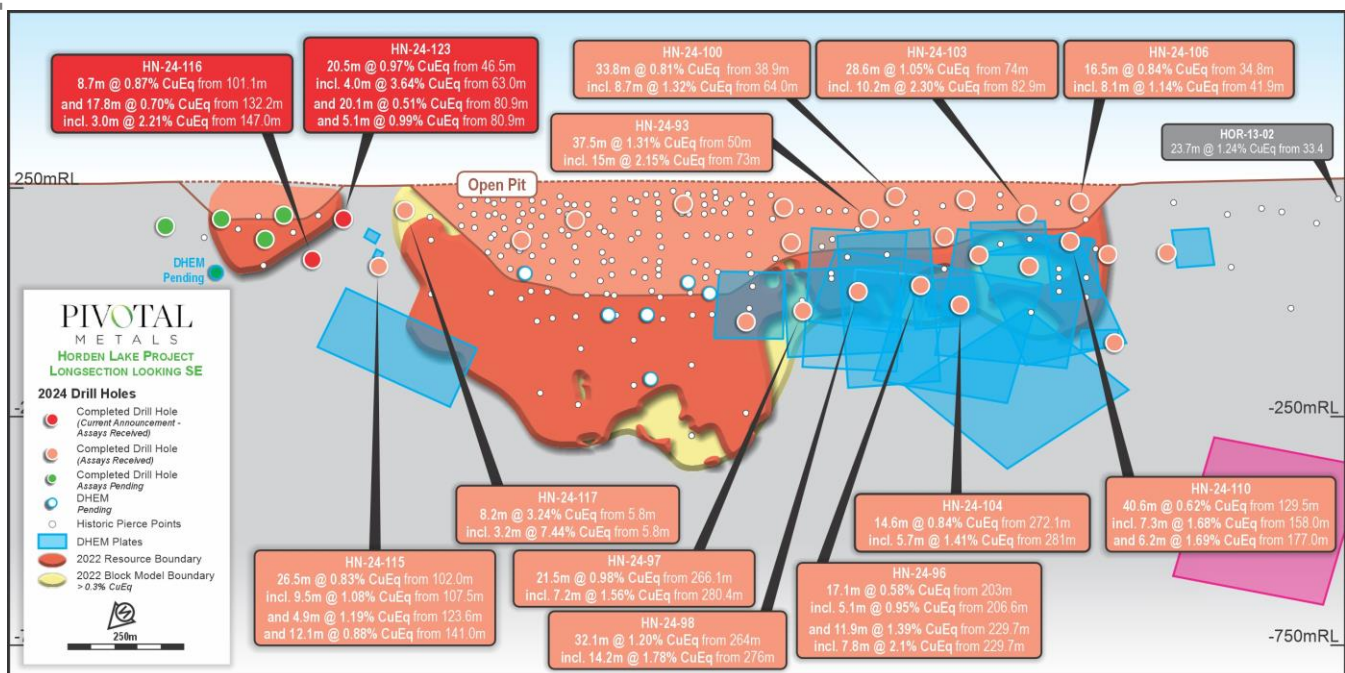


Figure 1: Longitudinal section looking southeast through the Horden Lake deposit (Refer ASX announcement 19 Sept, 2024)

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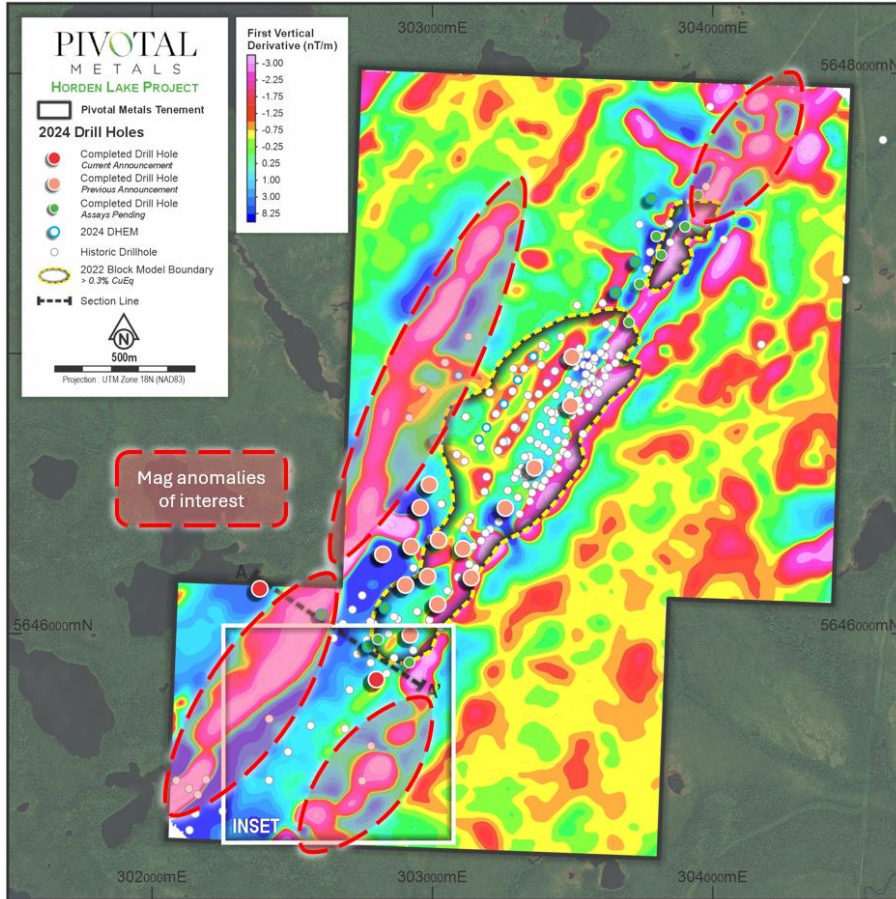


Figure 2: UAV (drone) Magnetic Survey of Horden Lake Project
(Refer ASX announcement 6 August, 2024)

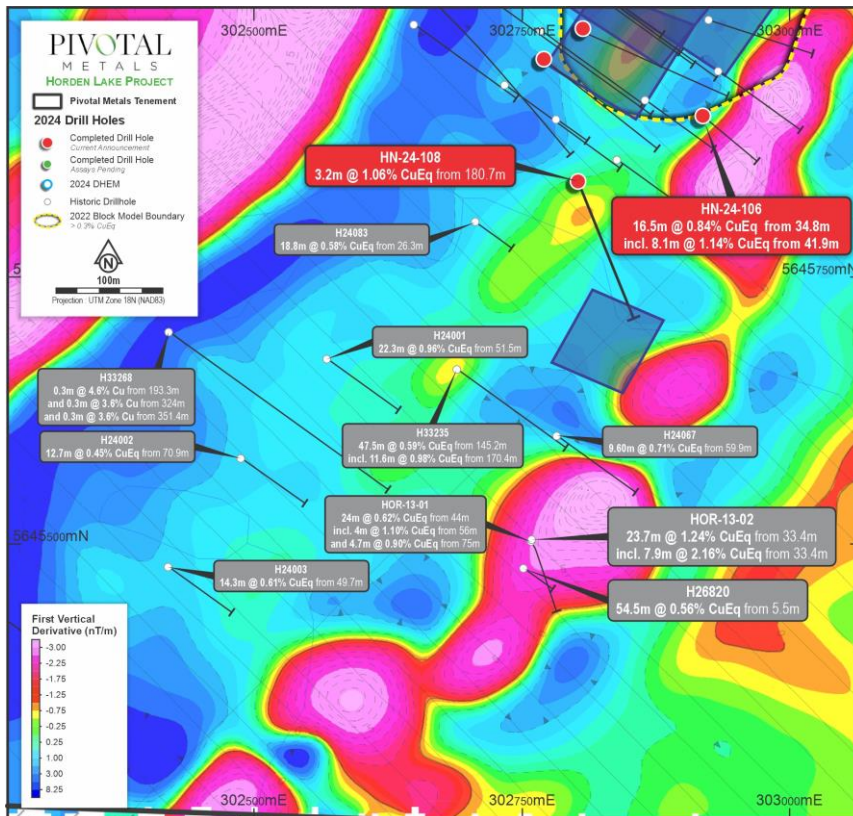


Figure 3: Along strike SW extension of the main Horden Lake magnetic trend
(Refer ASX announcement 6 August, 2024)

Table 1: 2022 Horden Lake Mineral Resource Estimate, broken down by resource category and open pit/underground

| Category | Tonnes | Grade | | | | | Contained Metal | | | | |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|--------------|-------------|-------------|--------------|
| | | CuEq (%) | Cu (%) | Ni (%) | Au (g/t) | Pd (g/t) | CuEq (kt) | Cu (kt) | Ni (kt) | Au (koz) | Pd (koz) |
| Indicated | 15.2 | 1.50 | 0.77 | 0.20 | 0.13 | 0.19 | 228.6 | 117.6 | 30.5 | 59.4 | 91.3 |
| Inferred | 12.5 | 1.47 | 0.67 | 0.25 | 0.02 | 0.20 | 184.3 | 84.0 | 31.4 | 6.9 | 76.7 |
| Total | 27.8 | 1.49 | 0.74 | 0.22 | 0.08 | 0.19 | 413.9 | 201.6 | 61.9 | 66.2 | 168.0 |

| Category | Tonnes | Grade | | | | | Contained Metal | | | | |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|--------------|-------------|-------------|--------------|
| | | CuEq (%) | Cu (%) | Ni (%) | Au (g/t) | Pd (g/t) | CuEq (kt) | Cu (kt) | Ni (kt) | Au (koz) | Pd (koz) |
| Open Pit | 17.3 | 1.38 | 0.67 | 0.21 | 0.08 | 0.19 | 239.6 | 115.7 | 35.6 | 43.9 | 100.5 |
| Underground | 10.5 | 1.66 | 0.82 | 0.25 | 0.01 | 0.13 | 173.9 | 85.9 | 26.3 | 22.3 | 67.5 |
| Total | 27.8 | 1.49 | 0.74 | 0.22 | 0.08 | 0.19 | 413.9 | 201.6 | 61.9 | 66.2 | 168.0 |

Copper equivalent “CuEq” formula per the 2022 MRE. $CuEq = Cu(\%) + Ni(\%)*2.59 + Au(ppm)*0.63 + Pd(ppm)*0.74$. Assumes (recovery / US\$ prices): Cu 90% / \$7,300, Ni 80% / \$21,300, Au 80% / \$1,600, Pd 80% / 1,900. Excludes any Pt, Co or Ag credit. It is the company’s opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

The Horden Lake Mineral Resource Estimate has been prepared and reported in accordance with the JORC Code (2012). The information in the Report that relates to Technical Assessment of the Mineral Assets or Exploration Results is based on information compiled and conclusions derived by Dr. Jobin-Bevans and Mr. Simon Mortimer, both Competent Persons as defined by JORC Code (2012). Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owner’s estimates, but the acquirer has not independently validated the former owners’ estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

Refer to ASX announcement dated 16 November 2022 “Outstanding Horden Lake 27.8Mt JORC estimate”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements Disclaimer

This announcement contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.