

PIVOTAL

METALS

ASX ANNOUNCEMENT

28 November 2023

Pivotal Metals Limited
ABN: 49 623 130 987

ASX: PVT

Projects

CANADA

- **Horden Lake**
Ni-Cu-PGM development
- **Belleterre-Angliers**
Ni-Cu-PGM exploration

\$2.5m Placement Completed

Pivotal Metals Limited (ASX:PVT) ('Pivotal' or the 'Company') is pleased to advise it has received oversubscriptions and firm commitments for a \$2.5 million placement (Placement)) at \$0.016 per share, being a 5.6% discount to the 5 day VWAP. The offer was oversubscribed and scale backs were applied.

Highlights

- ① Firm commitments for \$2.5m Placement received, endorsing the value proposition in Pivotal's 100% owned Quebec Cu-Ni-PGM projects.
- ① Placement combined with existing cash to:
 - Redeem \$1m of convertible notes, which were subject to either discounted conversion, or repayment by 14 March 2024.
 - Execute on 2024 exploration work program which includes 8,000 diamond drilling, geophysics, metallurgical testwork and a resource update.
 - Fully fund 'non flow-through' qualifying expenditure into 2025.
- ① Introduction of new funds and a strategic high net worth investor.
- ① All Directors participated in the Placement for a total scaled back allocation of \$235k (subject to shareholder approval).

The Company was delighted to work with Morgans Financial Ltd as Lead Manager for the Placement, welcoming new interest in the Company's assets and endeavours from its extensive client base.

Managing Director, Mr Fairhall said:

"This successful placement sets Pivotal up for an exciting 2024. Early repayment of the convertible note prevents the overhang of dilutive equity conversions, and the decision to replace that note with strong primary equity demand was a purposeful one. Allocation of the Placement was focussed on high-net-worth investors and long-term holders of the Company's shares, to strengthen the Company's position and register.

With a very strong balance sheet shareholders now enjoy a cleared path for extensive news flow through 2024, as Horden Lake is drilled and advanced for the first time in over a decade.

We remain very grateful to our loyal shareholders, particularly those that participated in the offer and warmly welcome our new shareholders."



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Catalysts and Work Program

The Company has commenced an extensive work program on its Canadian Cu-Ni-PGM projects, with the majority of focus on its 100% owned Horden Lake project, which already hosts a 28mt at 1.5% CuEq inferred and indicated resource¹.

The Horden Lake exploration program is of particular importance, as it represents:

- ① The first since Pivotal acquired Horden Lake in late-2022 from private ownership,
- ① The first on the project in over 10 years; and
- ① The first within an ASX listed company.

Key catalysts over the next 2-3 quarters are as follows:

- ① 8,000m diamond drilling on Horden Lake, targeting grade and tonnage upside.
- ① Downhole EM survey at Horden Lake, targeting massive sulphide extensions below open mineralisation.
- ① Metallurgical testwork to optimise a flowsheet for maximum net smelter return from contained metals.
- ① Horden Lake resource update.
- ① Geophysics results from BAGB surveys recently completed, and ongoing interpretation and targeting.

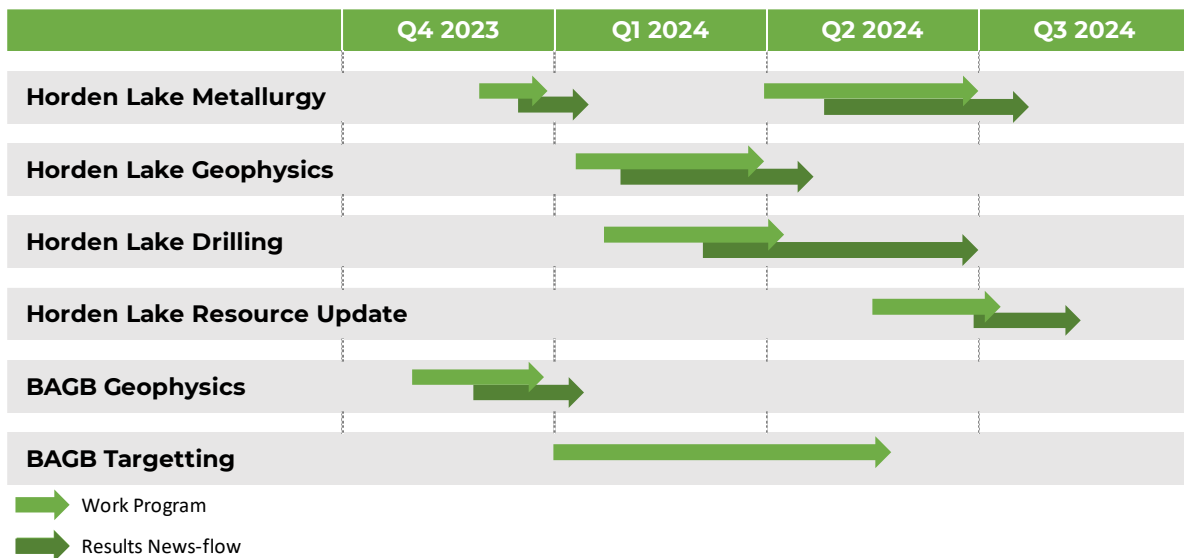


Figure 1: Pivotal Metals work program and news flow timeline

Refer to the Company’s ASX announcement dated [3 October 2023](#) “Exploration and Development Work Program for Quebec Projects” for additional information.

Placement Details

As of the date of this release, the Company has received firm commitments to a raise \$2.5m through the issuance of 156,250,000 new shares at \$0.016/share; representing a 5.6% discount to the 5 day VWAP and 20% discount to the last traded share price on 23 November 2023.

The shares will be issued in two tranches. Tranche 1 will comprise the issuance of 132,187,500 shares which fall within the existing capacity under ASX Listing Rules 7.1 and 7.1A, approved at the Company’s AGM on 21 November 2023. Settlement of Tranche 1 is expected to take place on or around 4 December 2023, with allotment and quotation of new shares expected to occur on 5 December 2023.

¹ Refer to ASX announcement dated 16 November 2022 “JORC Compliant Mineral Resource Estimate at Horden Lake Deposit (Quebec), delivers an outstanding 27.8Mt at 1.49% CuEq”. 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 issue of 24,062,500 shares in Tranche 2 of the Placement includes 14,687,500 shares to the Directors of the Company (or their nominees), and is subject to shareholder approval in accordance with ASX Listing Rules 7.4 and 10.11, which will be sought at the Company's next General Meeting, targeted on or around 12 January 2024.

The Placement has been made to 'sophisticated investors' and 'professional investors' (as defined in sections 708(8) and 708(11) of the Corporations Act).

The Placement was lead managed by Morgans Financial. A total of 5.8% broker and finders' fees are payable.

No options were issued as part of the Placement.

Convertible Note Redemption

As announced on 13 September 2022, the Company entered a convertible loan note agreement ('Note') with Riverfort Global Opportunities PCC (Riverfort). Under the terms of the Note, tranches of the 'Outstanding Balance' of any size could be converted to free trading equity at an 8% discount to any 5 day VWAP over the previous 20 trading days. Any Outstanding Balance remaining at maturity (14 March 2024) is repayable in cash.

The Company has issued Riverfort Global Opportunities PCC (Riverfort) a notice to redeem the now Balance Outstanding of A\$0.98m subject to the terms of the agreement. Riverfort have 10 business days to elect to convert all or a portion of the Balance Outstanding at a price of \$0.045 per share, following which any amounts not converted will be redeemed, plus a redemption fee of 10%.

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

Ends

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About Pivotal Metals

Pivotal Metals Limited (ASX:PVT) is an explorer and developer of world-class mineral projects. Pivotal holds the recently acquired flagship Horden Lake property, which contains a JORC compliant pit constrained inferred and indicated resource of 27.8Mt at 1.49% CuEq¹, comprising copper, nickel, palladium and gold.

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.

To learn more please visit: www.pivotalmetals.com

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.

Competent Person Statement

The information in this announcement that relates to Horden Lake has been prepared and reported in accordance with the JORC Code (2012). The information in this announcement 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). The Authors have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the “Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. The Authors consent to the inclusion in the Announcement of the matters and the supporting information based on his information in the form and context in which it appears.

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