

PIVOTAL

M E T A L S

Limited

And Controlled Entities

ABN: 49 623 130 987

HALF YEAR REPORT

For the Period Ended 31 December 2023

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CORPORATE DIRECTORY

DIRECTORS

Simon Gray	Non-Executive Chairman
Ivan Fairhall	Managing Director & CEO
Steven Turner	Non-Executive Director
Robert Wrixon	Non-Executive Director
Daniel Rose	Non-Executive Director

SECRETARY

Amanda Wilton-Heald

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AUDITORS

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STOCK EXCHANGE LISTING

Australian Securities Exchange
ASX Code: PVT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Pivotal Metals Limited (referred to hereafter as the 'Company' or 'parent entity' or 'Pivotal Metals') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 ('**H1 FY24**').

DIRECTORS

The following persons were Directors of Pivotal Metals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Name	Title
Simon Gray	Independent Non-Executive Chairman (appointed 1 August 2023)
Steven Turner	Managing Director (until 19 September 2023) Non-Executive Director (from 19 September 2023)
Ivan Fairhall	Managing Director & CEO (appointed 19 September 2023)
Robert Wrixon	Non-Executive Director
Daniel Rose	Non-Executive Director
Peter Hatfull	Independent Non-Executive Chairman (resigned 1 August 2023)
Ashley Hood	Non-Executive Director (resigned 19 September 2023)

COMPANY SECRETARY

Name	Title
Amanda Wilton-Heald	Company Secretary

PRINCIPAL ACTIVITIES

The principal activity of the Group is exploration for and development of copper, nickel, platinum group metals (**PGM**). Pivotal Metals holds the Horden Lake copper, nickel and PGM deposit in northwest Quebec, Canada, the Belleterre-Angliers nickel, copper and PGM Belleterre Angliers Greenstone Belt (**BAGB**) exploration project in southwest Quebec, Canada.

Company Focus and Mission

The strategic focus of Pivotal Metals is the investment in, and development of, high value projects in Canada containing metals necessary for the successful transition of modern economies to sustainable technology. The Company has successfully built a portfolio of two such projects in Quebec with access to critical infrastructure and is now looking to advance these investments to create and realise substantial shareholder value. Those projects are Horden Lake and BAGB.

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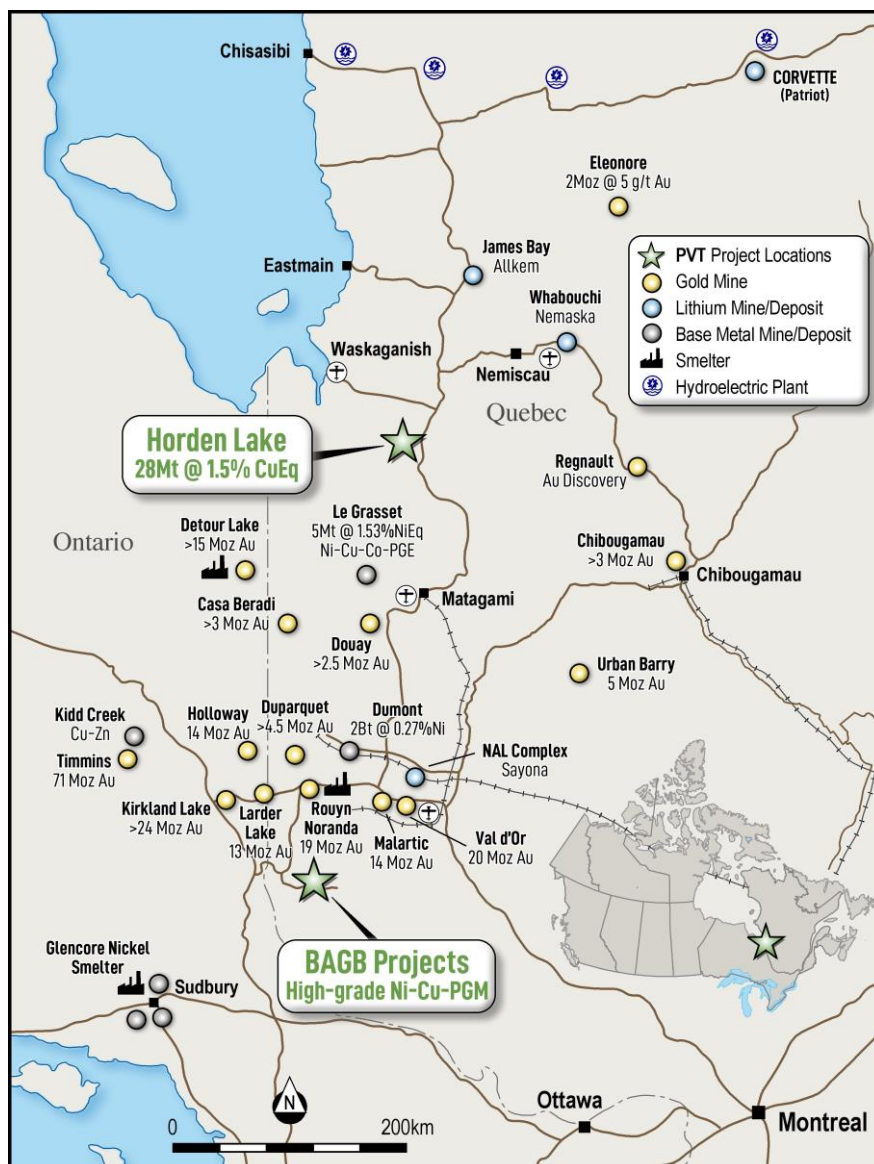


Figure 1: Pivotal's Canadian Portfolio

CANADA

Horden Lake

Pivotal Metals completed the acquisition of 100% of Horden Lake on 20 December 2022¹. Horden Lake is located in James Bay, 140km north of Matagami in northwest Quebec, and 10km from the all weather James Bay Highway, linking Matagami to the La Grande Hydroelectric dam network to the north. The James Bay region is an active mining and exploration area.

The deposit was discovered in the 1960s by INCO and has seen over 52,000m of drilling, with the most recent being in 2012. Pivotal Metals engaged Caracle Creek Consulting to remodel the resource using the extensive data base and on 14 November 2022 the Company released the pit constrained JORC compliant Mineral Resource Estimate² (MRE) of 27.8 Mt of 1.49% CuEq (0.3% CuEq Open Pit cut-off and 1.12% CuEq Underground cut-off applied), with 55% currently classified in the Indicated Resource category and 45% in the Inferred Category.

Cautionary Statements

There is a lower level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated mineral resources.

On 25 July 2023, Pivotal appointed a locally based experienced Executive Operations Officer, Mr Eddy Canova, to manage the ongoing exploration and development programmes at its projects in Quebec, Canada. During the period, preparations were put in place for a comprehensive 2024 exploration and development program.

Drilling

The Q1 2024 drill program (which commenced on 25 January 2024) consists of up to 8,000m of drilling. During the reporting period drilling and logistics contracts were put in place to support the operation. The program represents the first time the project has been drilled in over 10 years, during which time it was held in private ownership. The drill program has three principal aims:

- ① **Target increase in grade** by collecting Au, Ag, Pt and Co by-product assay data for parts of the deposit that were not assayed for these metals in the past. Only the central part of the deposit has full multi-element assay. The resource estimate currently constrains the gold wireframe to this area (consequently diluting grade across the entire resource). Ag, Pt and Co were assayed in the central part, but have not been domained in the model. Further assay for these metals will be collected and modelled in a future resource update.
- ② **Target increase in tonnage** by drilling open areas of mineralisation that fall outside the 27.8 mt resource envelope. As referenced above, geophysics will be used to refine targets, as well as potentially identify new priority target areas for drilling.
- ③ **Collect sample for metallurgical testwork.**

¹ See ASX announcements dated 21 December 2022 "Acquisition of Horden Lake polymetallic deposit completed" and ASX announcement dated 13 September 2022 "Terms agreed over the Horden Lake copper-nickel PGM deposit in Quebec, Canada"

² See 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"

Pivotal has consolidated 18,208 metres of core from the 2008 and 2012 drill programs on the property. Within this core there are 2,275.6 metres of mineralised intersections, including many of the better intersections from the resource area. The core is in good condition, showing limited signs of weathering and thus suitable for certain additional metallurgical test work.

Metallurgical testwork

The Company progressed its planned testwork program through engaging with consultants and metallurgical laboratories. The aim of the program is to optimise the current flowsheet targeting a highest net smelter return approach from contained metals. This will include investigating a sequential Cu-Ni flowsheet, with the aim of producing a high-grade copper and high-grade nickel concentrate. Reviews by the Company have shown mineralogy has not been a focus in previous programs, and it considers that this represents a significant opportunity to improve the optimisation potential of the program. The flotation testwork will commence once fresh samples acquired from the 2024 drill program are available.

Rock unit samples were selected for mineralogical study from historical core to identify the principal minerals, and in the mineralised zones to identify the principal sulphides; the copper and nickel sulphides, sulphide textures and paragenesis. Samples were sent for analysis towards the end of the period. Mineralogy assessment will support future logging, as well as underpin the flowsheet development metallurgical testwork program planned for 2024 from fresh core collected from the upcoming program.

Geophysics

The current mineral resource extent remains open at depth at many points across the main strike extent, with drilling demonstrating zones of semi-massive and massive sulphides that may continue at depth.

A downhole EM survey will be completed to test for off-hole conductors which may indicate the presence of additional mineralisation outside of the resource envelope. Despite the well understood applicability of this method to the target mineralisation, surveys of this kind have not been conducted in the past on the deposit.

Belleterre-Angliers Greenstone Belt (BAGB) Exploration Project

BAGB is a large scale, high impact exploration project, that has exceptional near surface grades of nickel, copper and PGMs already discovered. The Company's geological model suggests the relatively small but ultra-high grade gabbroic intrusions drilled to date point to a broader intrusive complex that could host substantial massive and semi-massive sulphide accumulations. Preliminary geophysical work completed by Pivotal reprioritised the exploration targets, focusing on those previously overlooked lying greater than 300m in depth. 137 new and reclassified electromagnetic (**EM**) anomalies were identified with 20 of these being classified as Priority 1 for further investigation.

In December Pivotal completed a 3D magnetotelluric (MT) survey over an approximate 7.5km² area that encompasses the Midrim and Alotta discoveries which contain high grades of surface and near surface mineralisation, and hosts a cluster of the prioritised targets.

Analysis of the MT data is in progress. Data collection was successful, with measured DC and resistance values all within acceptable limits. Preliminary analysis and interpretation of results is expected in Q1 2024.

SPAIN

The Company is focused on its Canadian portfolio, and reports the following activities for its legacy Spanish asset.

San Finx tin and tungsten project

On 20 July 2023 the Company announced that it has sold Tungsten San Finx S.L. ('TSFx'), the 100% owner of the San Finx tin and tungsten mine.

The sale was executed with Metáis Estratégicos, S.L. ("MESL") with an effective date of 30 June 2023. It should be noted that Pivotal had made no consideration payments to Valoriza Minería S.L.U. ('Valoriza' the previous owner) under the sale agreement dated 27 December 2021, having only incurred working capital expenditure prior to the sale. MESL has assumed the obligations payable to Valoriza ('Valoriza Consideration') and in addition will pay Pivotal a 3% royalty on sales, capped at US\$1m, commencing in the quarter following the satisfaction in full of the Valoriza Consideration. This consideration, in addition to €150,000 paid upfront, results in a total effective consideration payable of €1.15m to the Company, the majority of which is deferred until after production.

Santa Comba tungsten and tin project

On 30 March 2023, the Mining Authority in Galicia informed the Company that it had cancelled the Santa Comba mining concessions. The Company is awaiting a review and possible revision of that decision, which if not forthcoming would require an appeal. The entirety of the carrying value was written down in the FY2023 accounts.

CORPORATE

- ① On 1 August 2023 Peter Hatfull resigned as Chairman and Simon Gray was appointed as Chairman.
- ① As required by the waiver from ASX Listing Rule 7.3.2 granted on 7 August 2019, the Company advises that 15,000,000 fully paid ordinary shares (Milestone 2 shares³) lapsed on 9 September 2023.
- ① On 19 September 2023 Steven Turner resigned as Managing Director and was appointed as Non-Executive Director; Ivan Fairhall was appointed as Managing Director & CEO and Ashley Hood resigned as Non-Executive Director.
- ① On 28 November 2023 the Company announced a capital raising of \$2.5m for the purpose of redeeming \$1m of convertible notes and to strengthen the balance sheet & register in advance of the 2024 work program and news flow. On 5 and 11 December 2023, the first tranche of shares from this capital raising were issued.

³ Announced to the ASX on 27 May 2019 and 9 August 2019.

DIRECTORS' REPORT continued

The following security issues occurred during the period:

Date	Details	No. Shares	No. Options	No. Performance Rights	No. Convertible Securities	Issue Price	Option Exercise Price	Security Expiry Date	Listed / Unlisted
25-Jul-23	Director placement securities	5,338,462	2,669,231	-	-	\$0.0325	\$0.065	25-Jul-25	Listed / Unlisted
25-Jul-23	Broker options	-	1,500,000	-	-	-	\$0.050	29-Sep-25	Unlisted
01-Sep-23	Employee Tranche 1 performance rights	-	-	546,700	-	-	-	01-Sep-24	Unlisted
01-Sep-23	Employee Tranche 2 performance rights	-	-	546,700	-	-	-	01-Sep-25	Unlisted
01-Sep-23	Employee Tranche 3 performance rights	-	-	546,700	-	-	-	01-Sep-26	Unlisted
12-Oct-23	Conversion of convertible securities	3,267,974	-	-	(50,000)	\$0.0153	-	-	Listed / Unlisted
05-Dec-23	Placement securities as per 28-Nov-23 announcement	127,500,000	-	-	-	\$0.0160	-	-	Listed
05-Dec-23	Director options	-	3,000,000	-	-	-	\$0.0425	05-Dec-26	Unlisted
05-Dec-23	Director Tranche 1 options	-	4,000,000	-	-	-	\$0.0300	05-Dec-27	Unlisted
05-Dec-23	Director Tranche 2 options	-	4,000,000	-	-	-	\$0.0425	05-Dec-27	Unlisted
05-Dec-23	Director Tranche 3 options	-	4,000,000	-	-	-	\$0.0550	05-Dec-27	Unlisted
05-Dec-23	Director Milestone 1 performance rights	-	-	1,300,000	-	-	-	30-Dec-25	Unlisted
05-Dec-23	Director Milestone 2 performance rights	-	-	1,300,000	-	-	-	30-Dec-25	Unlisted
05-Dec-23	Director Milestone 3 performance rights	-	-	1,300,000	-	-	-	30-Dec-25	Unlisted
11-Dec-23	Placement securities as per 28-Nov-23 announcement	4,687,500	-	-	-	\$0.0160	-	-	Listed
11-Dec-23	Redemption of convertible securities	-	-	-	(980,000)	-	-	-	Unlisted

REVIEW OF RESULTS

The loss after tax for the period ended 31 December 2023 was \$1,153,342 (2022: loss of \$17,461,542).

The earnings of the Group for the financial periods since incorporation are summarised below:

	31 December 2023 \$	30 June 2023 \$	31 December 2022 \$	30 June 2022 \$
Revenue	15,218	138,013	320	1,693
EBITDA	(1,070,494)	(18,895,245)	(17,319,916)	(1,992,188)
EBIT	(1,127,779)	(19,014,433)	(17,375,922)	(2,086,971)
Loss after income tax	(1,153,342)	(19,052,197)	(17,461,542)	(2,092,195)

The factors that are considered to affect total shareholders return are summarised below:

	31 December 2023 \$	30 June 2023 \$	31 December 2022 \$	30 June 2022 \$
Share price at financial period end	0.025	0.021	0.044	0.030

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

No shares as a result of the exercise of the options were issued as at the date of this report. 3,267,974 shares as a result of conversion of the convertible securities were issued as at the date of this report.

Waiver Securities

As required by the waiver from ASX Listing Rule 7.3.2 granted on 7 August 2019, the Company advises that 15,000,000 fully paid ordinary shares (Milestone 2 shares) remain to be issued. The details of these Milestone 2 shares were announced to the ASX on 27 May 2019 and 9 August 2019. On 9 September 2023 the Milestone 2 shares expired.

EVENTS SUBSEQUENT TO REPORTING DATE

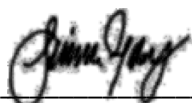
There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Group in future financial years other than the following:

- On 24 January 2024 the remaining 24,062,500 shares at an issue price of \$0.016 were issued to Directors and the placement participants as announced on 28 November 2023 and as approved by shareholders at the 18 January 2024 general meeting.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.



Simon Gray
Non-Executive Chairman
5 March 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Pivotal Metals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.


RSM AUSTRALIA PARTNERS


AIK KONG TING
Partner

Perth, WA
Dated: 5 March 2024

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RSM Australia Partners ABN 36 965 185 036

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Group 31 December 2023 \$	Group 31 December 2022 \$
Revenue		15,218	320
Accounting fees		(43,795)	(50,227)
Compliance fees		(90,979)	(116,852)
Consultancy fees		(23,277)	(42,919)
Depreciation and amortisation	5	(57,285)	(56,006)
Directors and employee benefits expense		(272,217)	(181,577)
Exploration expenditure impairment	6	(84,729)	(16,531,525)
Finance fees		(118,264)	-
Foreign exchange gain/(loss)		(42)	(71,261)
Insurance expense		(38,446)	(34,900)
Interest expense		(25,563)	(85,620)
IT expenses		(9,111)	(804)
Legal fees		(72,385)	(86,253)
Marketing		(12,821)	(48,084)
Other expenses		(162,373)	(53,899)
Share based payments expense	9	(69,032)	(10,500)
Travel expenses		(88,241)	(91,435)
Loss before tax		(1,153,342)	(17,461,542)
Income tax expense		-	-
Net loss for the period from operations		(1,153,342)	(17,461,542)
Other comprehensive (loss) / income			
(Loss) / gain on revaluation of equity instrument at fair value through other comprehensive income		(105,000)	(15,000)
(Loss) / gain on foreign currency translation		(127,560)	136,145
Total comprehensive loss for the period		(1,385,902)	(17,340,397)
Basic and diluted loss per share (cents)		(0.20)	(5.53)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group 31 December 2023 \$	Group 30 June 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	4,883,478	5,366,145
Trade and other receivables	4	103,127	54,299
Other assets	5	251,926	325,200
Total Current Assets		5,238,531	5,745,644
Non-Current Assets			
Investments held at fair value through other comprehensive income		57,000	162,000
Plant and equipment	6	37,108	630
Exploration and evaluation assets	7	8,704,362	7,983,776
Total Non-Current Assets		8,798,470	8,146,406
Total Assets		14,037,001	13,892,050
LIABILITIES			
Current Liabilities			
Trade and other payables	8	474,654	181,287
Convertible notes payable	9	-	984,173
Provisions		6,930	65,626
Total Current Liabilities		481,584	1,231,086
Non-Current Liabilities		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		481,584	1,231,086
Net Assets		13,555,417	12,660,964
EQUITY			
Contributed equity	10	39,524,338	37,321,659
Reserves	11	2,054,653	2,209,537
Accumulated losses		(28,023,574)	(26,870,232)
Total Equity		13,555,417	12,660,964

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023**

Group	Contributed Equity	Fair Value through Other Comprehensive Income Reserve	Foreign Currency Translation Reserve	Options Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	37,321,659	12,000	170,510	126,080	1,900,947	(26,870,232)	12,660,964
Loss for the period	-	-	-	-	-	(1,153,342)	(1,153,342)
Other comprehensive loss	-	(105,000)	(127,560)	-	-	-	(232,560)
Total comprehensive loss for the period	-	(105,000)	(127,560)	-	-	(1,153,342)	(1,385,902)
Equity issues	2,398,500	-	-	-	-	-	2,398,500
Equity issue expenses	(195,821)	-	-	-	-	-	(195,821)
Share based payments	-	-	-	-	77,676	-	77,676
Balance at 31 December 2023	39,524,338	(93,000)	42,950	126,080	1,978,623	(28,023,574)	13,555,417

Group	Contributed Equity	Fair Value through Other Comprehensive Income Reserve	Foreign Currency Translation Reserve	Options Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	25,785,157	15,000	(384,579)	126,080	1,621,523	(7,818,035)	19,345,146
Loss for the period	-	-	-	-	-	(17,461,542)	(17,461,542)
Other comprehensive income	-	(15,000)	136,145	-	-	-	121,145
Total comprehensive loss for the period	-	(15,000)	136,145	-	-	(17,461,542)	(17,340,397)
Equity issues	7,737,290	-	-	-	-	-	7,737,290
Equity issue expenses	(294,000)	-	-	-	-	-	(294,000)
Share based payments	-	-	-	-	166,642	-	166,642
Balance at 31 December 2022	33,228,447	-	(248,434)	126,080	1,788,165	(25,279,577)	9,614,681

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Group 31 December 2023 \$	Group 31 December 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(876,007)	(750,188)
Interest received		65	4
Interest paid		-	(1,951)
Payment for exploration and evaluation		(592,669)	(4,321,853)
Net cash used in operating activities		(1,468,611)	(5,073,988)
Cash flows from investing activities			
Acquisition of plant and equipment		-	(109,104)
Proceeds from sale of plant and equipment		8,358	-
Net cash used in investing activities		8,358	(109,104)
Cash flows from financing activities			
Proceeds from equity issues		2,288,500	5,928,222
Proceeds from shares pending allotment		60,000	50,190
Payment for costs of equity issues		(190,831)	(95,532)
Proceeds from borrowings		-	1,028,292
Repayment of borrowings		(1,094,027)	(9,302)
Net cash from financing activities		1,063,642	6,901,870
Net increase/(decrease) in cash held		(396,611)	1,718,778
Cash and cash equivalents at beginning of the period		5,366,145	691,835
Foreign exchange effect on cash and cash equivalents		(86,056)	4,410
Cash and cash equivalents at period end	3	4,883,478	2,415,023

The accompanying notes form part of these financial statements.

1. Corporate information

This half year report covers Pivotal Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 (the "Group"). The presentation currency of the Group is Australian Dollars ("A\$"). A description of the Group's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Group is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "PVT". The financial statements were authorised for issue on 5 March 2024 by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

2. Accounting policies

a. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'. These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

b. New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	Group 31 December 2023 \$	Group 30 June 2023 \$
3. Cash and cash equivalents		
Cash at bank	786,747	1,393,807
Term deposits	2,978,363	5,128
Trust account ⁴	1,118,368	3,967,210
	4,883,478	5,366,145
4. Trade and other receivables		
Accrued interest revenue	7,611	46
Tax refunds	95,516	54,253
	103,127	54,299
5. Other assets		
Bond ⁵	172,158	174,472
Prepaid expenses	79,768	150,728
	251,926	325,200
6. Plant and equipment		
Cost	219,589	266,653
Accumulated Depreciation	(146,468)	(182,228)
Provision for impairment	(36,013)	(83,795)
Written down value at end of period	37,108	630
Written down value at beginning of period	630	1,884,429
Additions	-	117,576
Disposals	(45,511)	(2,240,598)
Foreign exchange translation	89,337	372,535
Depreciation	(55,130)	(49,517)
Write-back of / (provision for) impairment	47,782	(83,795)
Written down value at end of period	37,108	630

⁴ Restricted cash to be used for qualifying Canadian exploration expenditure only.

⁵ EUR 106,410/ (A\$172,157) is held by the Spanish mining authority as a bond against an approved restoration plan in respect of the Santa Comba mining concession.

	Group 31 December 2023 \$	Group 30 June 2023 \$
7. Exploration and evaluation assets		
Balance at beginning of year	7,983,776	18,435,732
Exploration expenditure acquired – fair value of exploration expenditure acquired from the acquisition of the Horden Lake project ⁶	-	4,830,428
Exploration and evaluation expenditure incurred during the year	805,315	981,766
Impairment	(84,729)	(16,264,150)
Balance at end of period	8,704,362	7,983,776
8. Trade and other payables		
Accrued expenses	46,679	49,765
Director payables	24,695	9,282
Trade creditors	403,280	122,240
	474,654	181,287
9. Convertible notes		
Face value ⁷	1,000,000	1,000,000
Conversion	(100,000)	(50,000)
Interest	80,000	34,173
Repayment	(980,000)	-
	-	984,173

⁶ Consideration for the acquisition of the Horden Lake project consisted of CAD1,500,000 in shares and CAD 3,000,000 in cash.

⁷ On 16 December 2022 the Group issued 1,080,000 convertible securities with a face value of \$1.00 each, for total proceeds of \$1,000,000. Interest is paid at the end of the conversion period, but recognised throughout the term, at a rate of 8% based on the face value. The notes are convertible into fully paid ordinary shares of the Company, at any time at the option of the Group, or repayable on 17 March 2024. The conversion rate is 1 fully paid ordinary share for every convertible security held, exercisable at the lower of \$0.045 and 92% of the average of 5 day preceding the conversion notice date VWAP not less than the extension price.

	Group 31 December 2023		Group 30 June 2023	
	No.	\$	No.	\$
10. Contributed equity				
Balance at beginning of year	539,261,849	37,321,659	234,787,926	25,785,157
Share issue: 5 August 2022	-	-	46,035,923	1,064,326
Share issue: 29 September 2022	-	-	46,768,426	1,035,674
Share issue: 11 October 2022	-	-	24,000,000	874,500
Share issue: 24 November 2022	-	-	4,571,429	160,000
Share issue: 16 December 2022	-	-	60,517,187	2,541,722
Share issue: 20 December 2022 ⁸	-	-	38,377,698	1,535,107
Share issue: 22 December 2022	-	-	10,220,681	449,205
Share issue: 3 March 2023	-	-	7,142,858	300,000
Share issue: 9 March 2023	-	-	2,045,982	82,199
Share issue: 5 May 2023	-	-	1,858,736	50,000
Share issue: 2 June 2023	-	-	61,387,080	3,891,942
Share issue: 5 June 2023	-	-	1,538,923	50,015
Share issue: 25 July 2023	5,338,462	173,500	-	-
Share issue: 12 October 2023	3,267,974	50,000	-	-
Share issue: 5 December 2023	127,500,000	2,040,000	-	-
Share issue: 11 December 2023	4,687,500	75,000	-	-
Share issue approved: 18-Jan-24	-	60,000	-	-
Share issue costs	-	(195,821)	-	(498,188)
Balance at end of year	680,055,785	39,524,338	539,261,849	37,321,659

	Group 31 December 2023 \$	Group 30 June 2023 \$
11. Reserves		
<u>Fair value through other comprehensive income reserve</u>		
Balance at beginning of period	12,000	15,000
Revaluation of investments	(105,000)	(3,000)
Balance at end of period	(93,000)	12,000
<u>Foreign currency translation reserve</u>		
Balance at beginning of period	170,510	(384,579)
Foreign exchange on translation of operations	(127,560)	555,089
Balance at end of period	42,950	170,510

⁸ A total of 38,377,698 shares amounted to CAD1,500,000 were issued as consideration for the acquisition of Horden Lake project.

	Group 31 December 2023 \$	Group 30 June 2023 \$
11. Reserves (continued)		
<u>Options reserve</u>		
Balance at beginning of period	126,080	126,080
Options issued	-	-
Balance at end of period	126,080	126,080
<u>Share based payments reserve</u>		
Balance at beginning of period	1,900,947	1,621,523
Options granted ⁹	74,430	279,424
Performance rights granted ¹⁰	3,246	-
Balance at end of period	1,978,623	1,900,947

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE PERIOD ENDED 31 DECEMBER 2023

11. Reserves (continued)

⁹Variables used to calculate the valuations of options are as follows:

Inputs	Broker Options	Director Placement, Placement & Broker Options	Debt Funder Options	Broker Options	Director Options	Director Options	Director Options	Director Options
Number of options	1,500,000	10,500,000	7,518,796	1,500,000	3,000,000	4,000,000	4,000,000	4,000,000
Exercise price	\$0.12	\$0.05	\$0.045	\$0.05	\$0.0425	\$0.03	\$0.0425	\$0.055
Expiry date	13-Apr-24	29-Sep-25	05-May-26	29-Sep-25	05-Dec-26	05-Dec-27	05-Dec-27	05-Dec-27
Grant date	28-Apr-22	23-Sep-22	05-May-23	25-Jul-23	21-Nov-23	21-Nov-23	21-Nov-23	21-Nov-23
Issue date	28-Apr-22	29-Sep-22	05-May-23	25-Jul-23	05-Dec-23	05-Dec-23	05-Dec-23	05-Dec-23
Share price at grant date	\$0.05	\$0.035	\$0.034	\$0.02	\$0.017	\$0.017	\$0.017	\$0.017
Risk free interest rate	0.024%	3.63%	3.01%	3.98%	4.09%	4.14%	4.14%	4.14%
Volatility	136.13%	85%	90%	95%	95%	95%	95%	95%
Option value	\$0.025	\$0.01488	\$0.015	\$0.0057	\$0.017	\$0.019	\$0.019	\$0.019

¹⁰Variables used to calculate the valuations of performance rights are as follows:

Inputs	Employee Performance Rights – Milestone 1	Employee Performance Rights – Milestone 2	Employee Performance Rights – Milestone 3	Director Performance Rights – Milestone 1	Director Performance Rights – Milestone 2	Director Performance Rights – Milestone 3
Number of performance rights	546,700	546,700	546,700	1,300,000	1,300,000	1,300,000
Expiry date	01-Sep-24	01-Sep-25	01-Sep-26	30-Dec-25	30-Dec-25	30-Dec-25
Grant date	01-Sep-23	01-Sep-23	01-Sep-23	21-Nov-23	21-Nov-23	21-Nov-23
Issue date	01-Sep-23	01-Sep-23	01-Sep-23	05-Dec-23	05-Dec-23	05-Dec-23
Vesting date	01-Sep-24	01-Sep-25	01-Sep-26	30-Sep-24	30-Mar-25	30-Sep-25
Share price at grant date	\$0.016	\$0.016	\$0.016	\$0.017	\$0.017	\$0.017
Risk free interest rate	N/A	N/A	N/A	4.16%	4.16%	4.16%
Volatility	N/A	N/A	N/A	90%	90%	90%
Performance right value	\$0.016	\$0.016	\$0.016	\$0.017	\$0.017	\$0.017

	Group 31 December 2023 No.	Group 30 June 2023 No.
11. Reserves (continued)		
<u>Unlisted options</u>		
Balance at beginning of period	71,640,126	69,821,424
Options granted – share based payment	1,500,000	12,518,796
Options granted – free attaching	2,669,231	36,247,251
Options granted - Director	15,000,000	715,750
Options expired	-	(47,663,095)
Balance at end of period	90,809,357	71,640,126
<u>Listed options</u>		
Balance at beginning of period	-	-
Options expired	-	-
Balance at end of period	-	-
<u>Performance rights</u>		
Balance at beginning of period	-	4,042,799
Performance rights granted	1,640,100	(142,799)
Performance rights granted - Director	3,900,000	-
Performance rights converted	-	-
Performance rights cancelled	-	(3,900,000)
Performance rights expired	-	-
Balance at end of period	5,540,100	-

12. Operating segments

The Group has determined operating segments based on the information provided to the Board of Directors. The Group operates predominantly in one business segment being the exploration for minerals in three geographic segments, being Australia, Spain and Canada.

	Australia	Canada	Spain	Corporate	Total
31 December 2023					
Segment revenue	-	5,086	(447)	10,579	15,218
Segment loss	-	(188,289)	(170,313)	(794,740)	(1,153,342)
Segment assets	-	10,679,256	457,649	2,900,096	14,037,001
Segment liabilities	-	(377,924)	(5,452)	(98,208)	(481,584)
30 June 2023					
Segment assets	-	10,512,245	788,218	2,591,587	13,892,050
Segment liabilities	-	(15,547)	(76,024)	(1,139,515)	(1,231,086)
31 December 2022					
Segment revenue	-	-	269	51	320
Segment loss	-	(592,924)	(16,212,182)	(656,436)	(17,461,542)

13. Events after the end of the reporting period

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Group in future financial years other than the following:

- On 24 January 2024 the remaining 24,062,500 shares at an issue price of \$0.016 were issued to Directors and the placement participants as announced on 28 November 2023 and as approved by shareholders at the 18 January 2024 general meeting.

Group 31 December 2023 \$	Group 30 June 2023 \$
------------------------------------	--------------------------------

14. Commitments and contingencies

- a. Commitments relating to operating and exploration expenditures

Not longer than 1 year	589,885	550,077
More than 1 year but not longer than 5 years	359,388	362,791
More than 5 years	64	1,973
	949,337	914,841

14. Commitments and contingencies (continued)

b. Contingent assets

As at 31 December 2023, the contingent asset relates to the contingent consideration payable on the sale of Tungsten San Finx S.L.U whereby the buyer will pay the Company a 3% royalty on sales, capped at US\$1m, commencing in the quarter following the satisfaction in full of the Valoriza Consideration.

c. Contingent liabilities

As at 31 December 2023, the contingent liability arises from the acquisition of the Horden Lake project. The Horden Lake project is subject to two separate 1% net smelter return royalties. BABG is comprised of almost 300 separate mining claims, various of which are subject to net smelter return royalties of up to 2.5%. Any royalties on the projects are payable only upon commercial production.

15. Interests in controlled entities

Company Name	Place of Incorporation	31 December 2023 % Ownership	30 June 2023 % Ownership
Yukon Metals Pty Ltd	Australia	100%	100%
Biscay Minerals Pty Ltd	Australia	100%	100%
Overland Resources (BC) Limited	Canada	100%	100%
9426-9198 Québec Inc	Canada	100%	100%
Galicia Tin & Tungsten SL	Spain	100%	100%

16. Related party transactions

During the reporting year, there were the following related party transactions:

- During the period, the Company paid \$17,493 (30 June 2023: \$166,486) of consultancy fees to Susana Garcia (spouse of Steven Turner) in regards to work performed for Galicia Tin & Tungsten SL. Ms. Garcia is a professional senior business consultant having worked at international consultancy firms and brings over 20 years of relevant experience. Commercial terms for the engagement were approved by the Board.

17. Dividends

No dividends were paid or declared during the half-year. The Directors do not recommend the payment of a dividend.

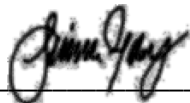
DIRECTORS' DECLARATION

In the Directors' opinion:

- ① the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- ① the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half year ended on that date; and
- ① 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 in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Simon Gray
Non-Executive Chairman

5 March 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Pivotal Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Pivotal Metals Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pivotal Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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 Company 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.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pivotal Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of Pivotal Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.


RSM AUSTRALIA PARTNERS


AIK KONG TING
Partner

Perth, WA
Dated: 5 March 2024