

## Drill rigs turning at Horden Lake; assay results likely to drive substantial re-rating

### Drilling underway at Horden Lake

Pivotal has commenced a two-rig, 8,000m drill program at Horden Lake that has the potential to both substantially enlarge and improve the quality of the current 27.8Mt at 1.49% copper-equivalent (CuEq) resource. Pivotal aims to 1) target an increase in grade by including by-product credits not in the existing resource; 2) target an increase in tonnage; and 3) collect samples for metallurgical testing. The program seems likely to focus investors' attention on the extreme value and potential upside in Pivotal shares. **First assays are expected 1Q24.**

In the current resource, gold is only modelled in the central part of the deposit. Cobalt, platinum, and silver, although assayed in some historical drilling are not included at all. Based on historical intercepts and current metals prices, including these elements could lift the CuEq resource by as much as 20%.

Horden Lake remains open at depth across the entire strike length. Drilling will test proximal areas towards the southwest of the deposit, and high-grade copper shoots at depth in the centre of the deposit where only four drillholes have been drilled deeper than 440m.

Pivotal is also conducting downhole EM surveys using historical and newly drilled holes, a technique that is considered effective for identifying potential extensions of the massive and semi-massive sulphide sections. It is hoped this will highlight areas of potential substantial resource growth.

### Belleterre-Angliers MT survey results expected this quarter

Pivotal completed a 3D magnetotelluric (MT) survey over c7.5km<sup>2</sup> of the Midrim and Alotta discoveries in December 2023. These areas host very high-grade surface and near-surface mineralisation and a cluster of high priority VTEM anomalies. The MT survey should confirm the VTEM data and enable robust targeting of any deeper structures discovered. Analysis of the MT data is underway after successful data collection. **MT survey results are expected in the next few weeks.**

*Continued...*

8 February 2024

### Key financial data

|                                   |        |
|-----------------------------------|--------|
| Share price, A\$/share            | 0.017  |
| Share on issue, millions          | 704.1  |
| Options, warrants, millions       | 96.5   |
| Fully diluted shares, millions    | 800.47 |
| Market cap., A\$ m                | 12.0   |
| Net cash, 31 December 2023, A\$ m | 5.1    |
| EV, A\$ m                         | 6.9    |

### Valuation

|                                                                                                                                                                        |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Current, A\$/share                                                                                                                                                     | 0.12      |
| Horden Lake valued at A\$170/t CuEq Resource and Belleterre-Angliers valued at A\$10m                                                                                  |           |
| Upside scenarios, A\$/share                                                                                                                                            | 0.14-0.29 |
| Based on estimated potential by-product credits, a 25% increase in the overall resource at Horden Lake, and a re-rating in sector valuations to A\$300/t CuEq resource |           |

### Website

[www.pivotalmetals.com](http://www.pivotalmetals.com)

### Company snapshot

Pivotal is exploring and developing the Horden Lake and Belleterre-Angliers projects in Quebec, Canada, both of which are regarded as world-class exploration plays. Horden Lake has a Mineral Resource of 27.8Mt at 1.49% CuEq for a resource of 412,000 tonnes CuEq.

### Key catalysts and news

- 1Q24: Assay results from the current drilling program at Horden Lake and results of the downhole EM surveys
- 1Q24: Results of the MT survey at Belleterre-Angliers
- 1Q24: Results of the Horden Lake mineralogy studies
- 2H24: Updated Mineral Resource at Horden Lake
- 2H24: Metallurgical test work results

### Share price chart



Source: ASX

Simon Francis

[simonfrancis@oriorcap.com](mailto:simonfrancis@oriorcap.com)

+852 9389 5506

### Strong management team

Over the past few months Pivotal has made a number of significant hires. The company has a highly experienced management team with expertise in mineral exploration, mine finance, corporate strategy and value creation.

The team is led by Managing Director, Ivan Fairhall who joined Pivotal in September 2023. Mr. Fairhall is a chartered engineer, finance and capital markets professional with nearly 20 years of mining industry experience. Most recently he was CEO of a TSX-listed gold developer, and prior to that, a Senior Investment Manager with the UK private equity group Greenstone Capital where he lead the sourcing, execution and management of its development stage base and precious metals investments. A Chartered Engineer with the Institute of Mechanical Engineers, Mr Fairhall also has an extensive technical grounding in development of mining assets across the commodity and geographic spectrum.

Mr Simon Gray, Non-Executive Chairman, joined Pivotal in August 2023. Mr Gray has a strong background in law and capital markets. He currently serves as Non-Executive Director of Probiotec Limited and as Chair of its Audit and Risk Management Committee; Chair of ASX's Appeals Tribunal; and Chair of the Australian Securities and Investment Committee's Markets Disciplinary Panel. Mr Gray was previously a director of Morgans Financial Limited and before that Shaw and Partners Limited, both of which are among the largest investment and wealth management firms in Australia.

Eddy Canova, Executive Operations Manager also joined Pivotal in August 2023. Mr Canova, is a professional senior geologist (OGQ (403)-PGeo) with extensive experience of advancing exploration projects both in Quebec and internationally. Based in Quebec, he manages the exploration programs at Horden Lake and Belleterre-Angliers. Mr Canova has successfully advanced Canadian exploration projects from inception to mine development, managed mining operations, and undertaken various development studies.

Daniel Rose, Non-Executive Director, joined the board in November 2022. Mr Rose was previously CEO and Director of VTB Capital Hong Kong, overseeing an SFC regulated Investment Banking platform focused on natural resources activities across Global Markets, Structured & Corporate Finance, M&A and Asset Management. Mr Rose also led the bank's Asian Commodities business which actively traded physical metals, energy, bulks, agri-products and provided bespoke financing, credit and derivative solutions to clients across the Asia-Pacific region.

Dr Robert Wrixon, Non-Executive Director, is a Director of mining venture capital group Starboard Global Ltd. Dr Wrixon had previously managed two listed junior resources companies in Australia, and prior to that worked in corporate strategy for Xstrata plc. Starboard has been notably supportive of the Horden Lake acquisition with its investor base supplying the bulk of the acquisition funding.

### Pivotal is one of the cheapest copper explorers globally

After delays caused by lack of site access in 2023, and after two years of weak markets for juniors generally, Pivotal is trading at an EV of A\$7m, and an EV/t CuEq resource of just A\$17. This represents a 90% discount to a sample of seven ASX-listed copper-dominant explorer peers, which themselves are trading at cycle low valuations. Valuing Horden Lake in line with peers, and Belleterre-Angliers at just A\$10m, suggests a valuation of A\$0.12/share (12 cents a share). This is 7x the current share price.

**The combination of an unjustifiably cheap valuation and near-term drill results represents an opportunity for investors.** When the market recognises this, it should drive a substantial re-rating.

# Pivotal looks compellingly cheap

## Current valuation of A\$0.12/share

The market is currently valuing Pivotal at a market capitalisation of A\$12.0m and an EV of just A\$6.9m. Based on the current resource at Horden Lake of 27.8Mt at 1.49% CuEq for 412,000 tonnes CuEq, Pivotal is being valued at an EV/t of CuEq resource of just A\$17. **This incredibly cheap valuation makes Pivotal one of the cheapest copper explorers globally.**

A sample of seven ASX-listed copper-dominant explorer peers (all pre-PFS stage) currently trades at an EV of around A\$170/t CuEq. Pivotal is trading at a substantial and unjustifiable 90% discount to this group, representing an opportunity for investors.

Valuing the Horden Lake project in line with peers and the earlier stage Belleterre-Angliers project at an 'IPO-type' valuation of A\$10m implies a valuation of A\$0.12/share (12 cents a share). Valuing Pivotal in with peers in the current weak market and after share prices have generally declined for the past two years means that this valuation, even though it is 7x the current share price, is very much regarded as a 'trough valuation'. Any recovery in copper prices, as is broadly anticipated over the next few years, would be expected to underpin a higher valuation as suggested in the upside scenarios below.

## Upside scenarios A\$0.14/share to A\$0.29/share

The current drill program at Horden Lake is expected to test the areas drilled by INCO for copper and nickel but not assayed for gold, silver, cobalt, palladium, platinum and other platinum-group elements (PGEs), and to test the higher-grade copper ore shoots.

A primary aim is to bring the remainder of the gold, cobalt, platinum and silver into the resource. Broadly, based on grades seen in drilling by El Condor Minerals in 2012 and current metals prices, this could boost the resource by some 96,214 tonnes CuEq to 508,000 tonnes CuEq (see below), boost the CuEq grade from 1.49% to 1.83%, and underpin a valuation of A\$0.14/share (14 cents a share).

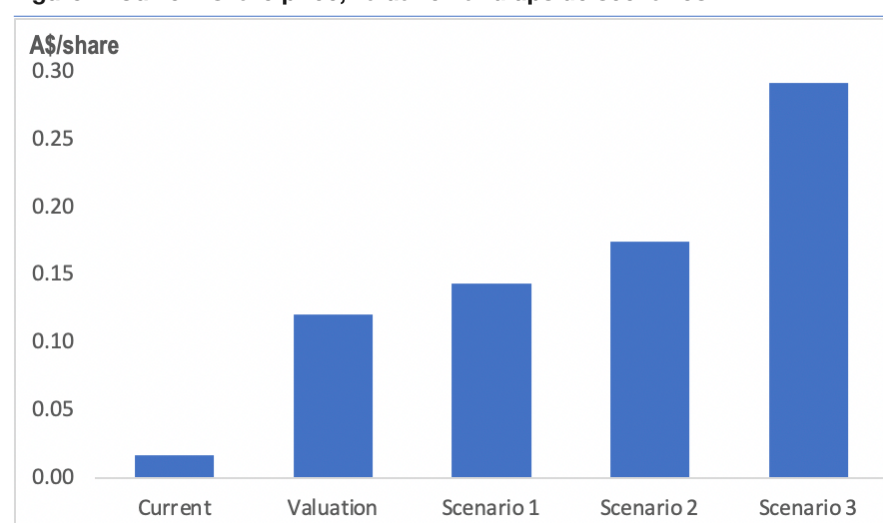
Management also aims to grow the resource. Together with additional by-product credits, further growth in the resource of 25% to 34.8Mt at a grade of 1.83% CuEq for 635,000 tonnes CuEq could underpin a valuation of A\$0.17/share (17 cents a share).

Some recovery in market valuations, perhaps driven by a tighter copper market to say, A\$300/t CuEq, which is considered a very reasonable mid-cycle valuation, could underpin a valuation of A\$0.29/share (29 cents a share).

In all of these upside scenarios, the Belleterre-Angliers project is still being valued at just A\$10m. Belleterre-Angliers is an excellent exploration project in an area that hosts a number of historical mines, where drilling has returned high-grade intercepts and where there are a large number of EM targets. In short, Belleterre-Angliers appears to have the potential to be a company making asset.

**Figure 1: Current valuation and upside scenarios**

| Scenario                    | Assumptions                                                                 | Value<br>A\$ m |
|-----------------------------|-----------------------------------------------------------------------------|----------------|
| <b>Base case</b>            | <b>Based on current resource at Horden Lake</b>                             |                |
| Horden Lake                 | 27.8Mt at 1.49% CuEq for 412,000 tonnes CuEq, at A\$170/t CuEq              | 70.0           |
| Belleterre-Angliers         | Estimated 'IPO-type' valuation for early stage nickel-dominant project      | 10.0           |
| Net cash                    | As at 31 December 2023                                                      | 5.1            |
| Asset value                 |                                                                             | 85.1           |
| Shares in issue, m          |                                                                             | 704.1          |
| <b>Valuation, A\$/share</b> |                                                                             | <b>0.12</b>    |
| <b>Scenario 1</b>           | <b>Includes the estimated value of by-product credits in Au, Ag, Co</b>     |                |
| Horden Lake                 | Current 412,000t CuEq, plus est. 96,214t CuEq from credits at A\$170/t CuEq | 86.4           |
| Belleterre-Angliers         |                                                                             | 10.0           |
| Net cash                    |                                                                             | 5.1            |
| Asset value                 |                                                                             | 101.5          |
| Shares in issue, m          |                                                                             | 704.1          |
| <b>Valuation, A\$/share</b> |                                                                             | <b>0.14</b>    |
| <b>Scenario 2</b>           | <b>Further 25% uplift in resource tonnage</b>                               |                |
| Horden Lake                 | 34.7Mt at 1.83% CuEq for 635,268 tonnes CuEq at A\$170/t CuEq               | 108.0          |
| Belleterre-Angliers         |                                                                             | 10.0           |
| Net cash                    |                                                                             | 5.1            |
| Asset value                 |                                                                             | 123.1          |
| Shares in issue, m          |                                                                             | 704.1          |
| <b>Valuation, A\$/share</b> |                                                                             | <b>0.17</b>    |
| <b>Scenario 3</b>           | <b>Assume some recovery in market valuations to A\$300/t CuEq</b>           |                |
| Horden Lake                 | 34.7Mt at 1.83% CuEq for 635,268 tonnes CuEq at A\$300/t CuEq               | 190.6          |
| Belleterre-Angliers         |                                                                             | 10.0           |
| Net cash                    |                                                                             | 5.1            |
| Asset value                 |                                                                             | 205.6          |
| Shares in issue, m          |                                                                             | 704.1          |
| <b>Valuation, A\$/share</b> |                                                                             | <b>0.29</b>    |

**Source: Orior Capital****Figure 2: Current share price, valuation and upside scenarios****Source: Orior Capital**

Other factors that might be expected to drive valuations such as further discovery success at Horden Lake and positive developments at Belleterre-Angliers are not considered at this stage.

## Peer valuations

A sample of seven ASX-listed copper-dominant explorers with projects in Australia, Chile and the USA, currently trades at an EV-weighted average EV/t CuEq resource of around A\$170.

Compared to this sample, **Pivotal has by far the lowest valuation despite having the fourth largest mineral endowment and the second highest grade.**

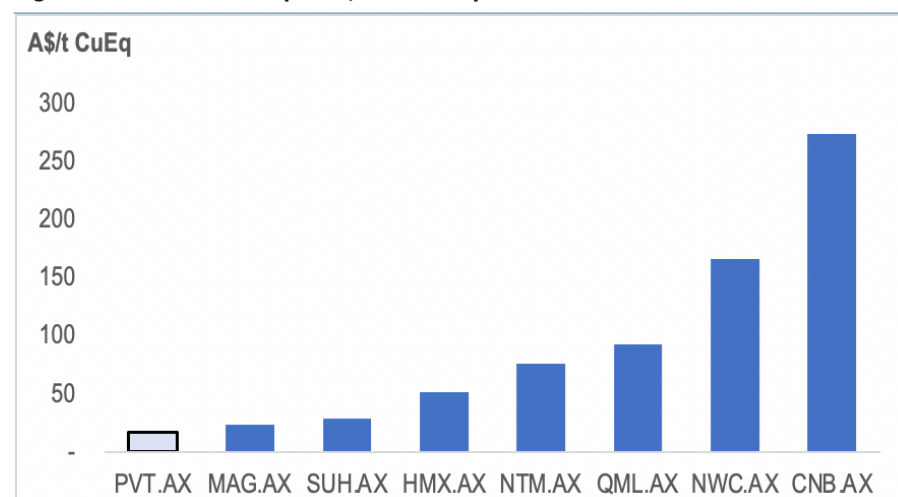
**Figure 3: ASX-listed copper explorer peers**

| Company          | Pivotal<br>Metals | Carnaby<br>Resources | Hammer<br>Metals | Magmatic<br>Resources | New World<br>Resources | NT<br>Minerals  | QMiner<br>Resources | Southern<br>Hemis. |
|------------------|-------------------|----------------------|------------------|-----------------------|------------------------|-----------------|---------------------|--------------------|
| Code             | PVT.AX            | CNB.AX               | HMX.AX           | MAG.AX                | NWC.AX                 | NTM.AX          | QML.AX              | SUH.AX             |
| Main project     | Horden<br>Lake    | Greater<br>Duchess   | Kalman           | Myall                 | Antler<br>Copper       | Redbank         | Mt<br>Chalmers      | Llahun             |
| Location         | Quebec<br>Canada  | QLD<br>Australia     | QLD<br>Australia | NSW<br>Australia      | Arizona<br>USA         | NT<br>Australia | QLD<br>Australia    | Chile              |
| Stage            | Resource          | Resource             | Resource         | Resource              | Scoping<br>Study       | Resource        | Resource            | Resource           |
| <b>Resource</b>  |                   |                      |                  |                       |                        |                 |                     |                    |
| Tonnage, Mt      | 27.8              | 21.8                 | 39.2             | 110                   | 11.4                   | 8.1             | 15.1                | 169                |
| Grade, % CuEq    | 1.49              | 1.4                  | 1.27             | 0.33                  | 4.1                    | 1.1             | 1.3                 | 0.4                |
| Tonnes, CuEq     | 412,000           | 315,400              | 530,000          | 354,000               | 468,848                | 88,600          | 170,967             | 680,000            |
| % Inferred       | 45                | 45                   | 56               | 100                   | 21                     | 100             | 20                  | 12                 |
| <b>Valuation</b> |                   |                      |                  |                       |                        |                 |                     |                    |
| EV, A\$m         | 6.9               | 86.3                 | 27.4             | 8.3                   | 77.9                   | 6.7             | 15.8                | 19.7               |
| <b>EV/t CuEq</b> | <b>16.8</b>       | <b>273.7</b>         | <b>51.7</b>      | <b>23.5</b>           | <b>166.1</b>           | <b>75.9</b>     | <b>92.2</b>         | <b>28.9</b>        |

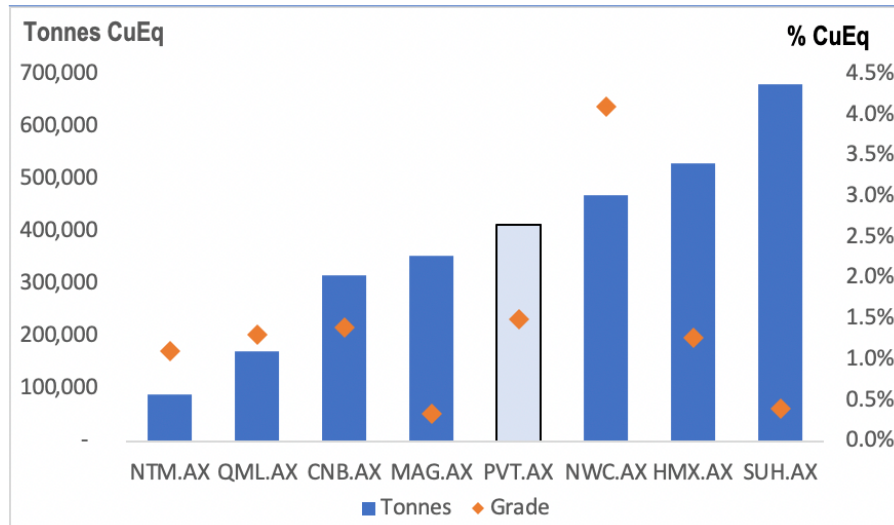
Notes: QMiner's Resource includes 51% of Devlin Creek. Hammer Metals' Resource is for Kalman only. Tonnes CuEq estimated based on tonnage and grade.

**Source: Company data, Orior Capital**

**Figure 4: Pivotal versus peers, EV/t CuEq resource**



**Source: Company data, Orior Capital estimates**

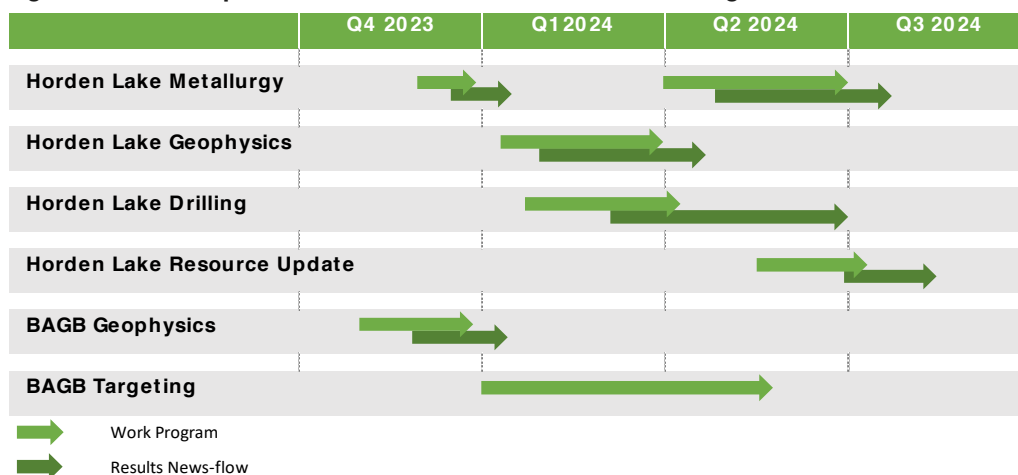
**Figure 5: Pivotal and peers copper-equivalent resources and grades**

Source: Company data, Orior Capital estimates

## Share price catalysts

There are a number of factors expected to drive the share price over the next year or so including:

- Assay results from the ongoing 8,000m drilling program at Horden Lake
- Completion of downhole EM surveys at Horden Lake to highlight potential extensions to the currently open mineralisation
- Results of the metallurgical testwork, which includes the mineralogical assessment already in progress
- Results of the magnetotelluric (MT) survey at Belleterre-Angliers
- An upgraded resource at Horden Lake targeted for 2H24
- Greater recognition by the market of the opportunity and value in the Canadian asset portfolio
- Higher market valuations generally as the markets for critical raw materials such as copper are expected to tighten

**Figure 6: Pivotal expected to deliver consistent newsflow through 2024**

Source: Pivotal

# Horden Lake

Horden Lake is located 140km north of the town of Matagami in Township 1408, James Bay District, Quebec, Canada. It is located 10km west of Route 109, the James Bay Highway, an all-weather road that connects Matagami to the Hydro-Québec James Bay power complex at Radisson. The potential for simple access to clean energy is highly attractive in today's market. Pivotal acquired the project (100%) in 2022. Quebec is an established mining district. Pivotal's operational base is in Val D'Or.

The project is a magmatic sulphide deposit associated with mafic and ultramafic rocks. These types of deposits typically occur as massive or disseminated bodies along the contact of mafic to ultramafic intrusions with the surrounding rock. At Horden Lake, copper and nickel mineralisation is hosted in a massive to disseminated sulphide zone at the basal contact of a gabbro complex with metasediments. The mineralised zone occurs along the contact of the mafic intrusion into paragneiss.

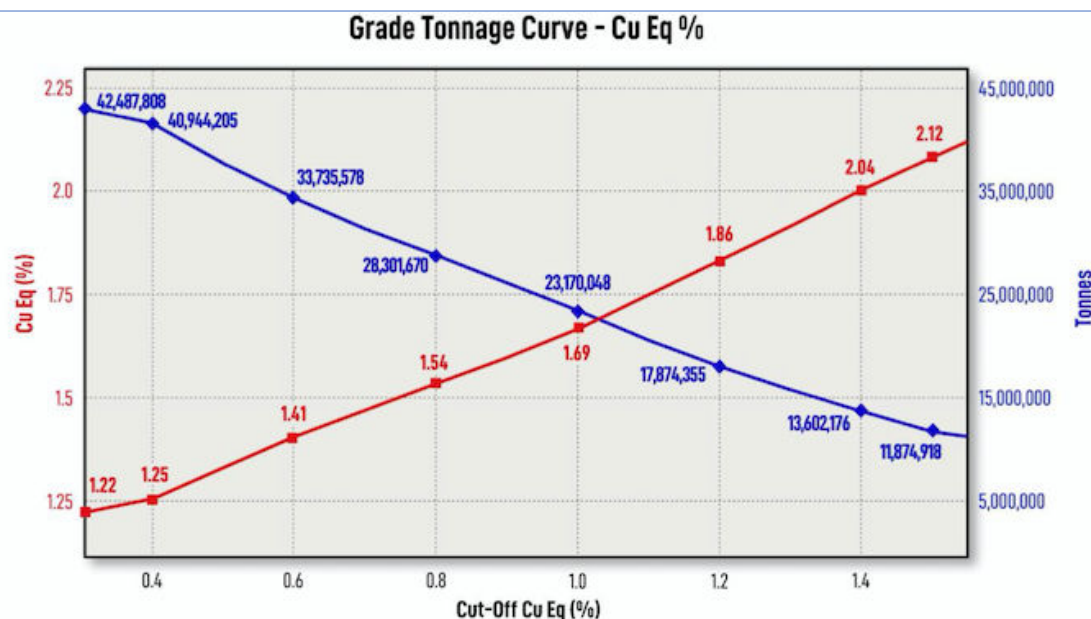
Horden Lake already hosts a substantial copper-nickel-PGM resource comprising 27.8Mt at 1.49% CuEq and is regarded as an excellent exploration target with potential upside both in terms of grade arising from the inclusion of elements not assayed in historical work, and by expanding the resource tonnage. Furthermore, the deposit geometry should allow for relatively simple mining with an initial open-pit operation, a key advantage.

**Figure 7: Horden Lake Mineral Resource Statement, CuEq cut-offs of 0.3% open pit and 1.12% below pit**

| Category     | Tonnes            | Grade       |             |             |             |             | Contained metal |               |               |                |
|--------------|-------------------|-------------|-------------|-------------|-------------|-------------|-----------------|---------------|---------------|----------------|
|              |                   | CuEq %      | Cu %        | Ni %        | Au ppm      | Pd ppm      | Cu tonnes       | Ni tonnes     | Au oz         | Pd oz          |
| Indicated    | 15,238,042        | 1.50        | 0.77        | 0.20        | 0.12        | 0.19        | 117,576         | 30,535        | 59,364        | 1,332          |
| Inferred     | 12,538,163        | 1.47        | 0.67        | 0.25        | 0.02        | 0.19        | 84,018          | 31,392        | 6,881         | 76,696         |
| <b>Total</b> | <b>27,776,205</b> | <b>1.49</b> | <b>0.72</b> | <b>0.22</b> | <b>0.07</b> | <b>0.19</b> | <b>201,594</b>  | <b>61,927</b> | <b>66,245</b> | <b>168,028</b> |

Source: Pivotal

**Figure 8: Horden Lake grade tonnage curve, CuEq %**



Source: Pivotal

## 2024 drill program

In January, Pivotal commenced an 8,000m drill program comprising two drill rigs, with an option for a third if necessary. The drilling is being undertaken by Orbit Garant Drilling Services, one of Canada's largest drilling companies. The winter program has three main objectives:

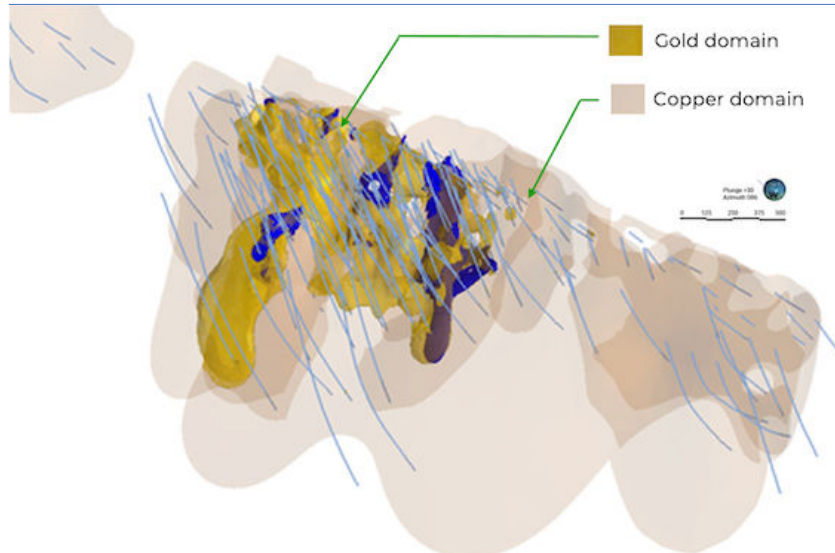
- Target an increase in grade by including by-product credits not historically included
- Target an increase in tonnage
- Collect significant samples for metallurgical test work

### Grade

Of the 180 drillholes used in the resource calculation, 96 were drilled by INCO. The INCO holes were only analysed for copper and nickel. Subsequent drilling in the central part of the deposit conducted in 2008 and 2012 did benefit from multi-element analysis. In the resource, the gold wireframe was constrained to this area (about 40% of the deposit), and the grade consequently diluted across the entire resource. Further, although silver, cobalt and platinum were assayed in the central part of the resource they were not included in the resource model.

Consequently, **there is significant potential upside from gold credits as gold is analysed across the rest of the deposit, and potential to add silver, cobalt and platinum credits to the resource.** Part of the 2024 drill program is aimed at collecting further assays for these metals so they can be modelled in a resource update later this year.

**Figure 9: Comparison of the gold and copper domains in the current resource**



**Source: Pivotal**

Drilling by El Condor in 2012 returned typical silver grades of 9-40 ppm Ag, and typical cobalt grades of 200-500 ppm Co, highlighting the opportunity.

While it is difficult to estimate the impact of including these by-products at this stage, assuming a consistent gold grade across the whole deposit, a silver grade of 15 ppm, a cobalt grade of 300 ppm, and current metals prices, **the inclusion of gold, silver and cobalt credits could lift the resource by some 96,214 tonnes CuEq, an increase of 23%.** This would also lift the resource grade from 1.49% to 1.83%.

**Figure 10: El Condor key drill intersects at Horden Lake, 2012**

| Hole ID                               | From m | Length m | Cu % | Ni % | Au g/t | Pd g/t | Co %  | Pt g/t | Ag g/t |
|---------------------------------------|--------|----------|------|------|--------|--------|-------|--------|--------|
| <i>Excluded from current Resource</i> |        |          |      |      |        |        |       |        |        |
| HN-12-80                              | 198.1  | 2.9      | 0.28 | 0.13 | 0.90   | 0.17   | 0.012 | 0.09   | 7.4    |
| and                                   | 210.4  | 5.6      | 0.71 | 0.26 | 0.10   | 0.18   | 0.022 | 0.06   | 9.1    |
| HN-12-81                              | 85.3   | 2.1      | 0.43 | 0.02 | 0.51   | 0.21   | 0.005 | 0.08   | 32.0   |
| and                                   | 114.3  | 3.0      | 0.49 | 0.14 | 0.03   | 0.11   | 0.022 | 0.02   | 5.0    |
| and                                   | 136.9  | 4.5      | 0.99 | 0.21 | 0.07   | 0.59   | 0.020 | 0.01   | 8.6    |
| HN-12-82                              | 69.8   | 7.7      | 2.74 | 0.45 | 1.30   | 0.47   | 0.052 | 0.41   | 40.1   |
| HN-12-83                              | 141.9  | 17.4     | 0.79 | 0.35 | 0.29   | 0.25   | 0.050 | 0.09   | 9.3    |
| HN-12-84                              | 87.4   | 15.8     | 1.72 | 0.35 | 0.32   | 0.33   | 0.029 | 0.05   | 25.9   |
| HN-12-85                              | 37.0   | 8.0      | 0.26 | 0.13 | 0.10   | 0.27   | 0.007 | 0.07   | 2.3    |
| and                                   | 145.0  | 2.1      | 1.29 | 0.41 | 0.10   | 0.23   | 0.017 | 0.07   | 20.6   |
| HN-12-86                              | 49.3   | 12.8     | 0.85 | 0.25 | 0.06   | 0.11   | 0.044 | 0.02   | 7.7    |
| HN-12-87                              | 135.4  | 15.7     | 0.87 | 0.21 | 0.08   | 0.11   | 0.016 | 0.03   | 9.7    |
| HN-12-88                              | 169.2  | 26.9     | 2.19 | 0.58 | 0.27   | 0.56   | 0.051 | 0.16   | 30.5   |
| HN-12-89                              | 40.4   | 18.1     | 0.87 | 0.31 | 0.08   | 0.15   | 0.025 | 0.04   | 8.8    |
| HN-12-90                              | 154.7  | 10.3     | 0.82 | 0.24 | 0.11   | 0.19   | 0.019 | 0.08   | 9.4    |
| HN-12-91                              | 111.0  | 3.3      | 0.38 | 0.16 | 0.64   | 0.35   | 0.009 | 0.11   | 9.8    |
| and                                   | 188.1  | 12.3     | 1.10 | 0.25 | 0.15   | 0.19   | 0.014 | 0.14   | 16.4   |

**Source: Pivotal****Figure 11: Example of potential resource grade uplift from the inclusion of gold, silver and cobalt credits**

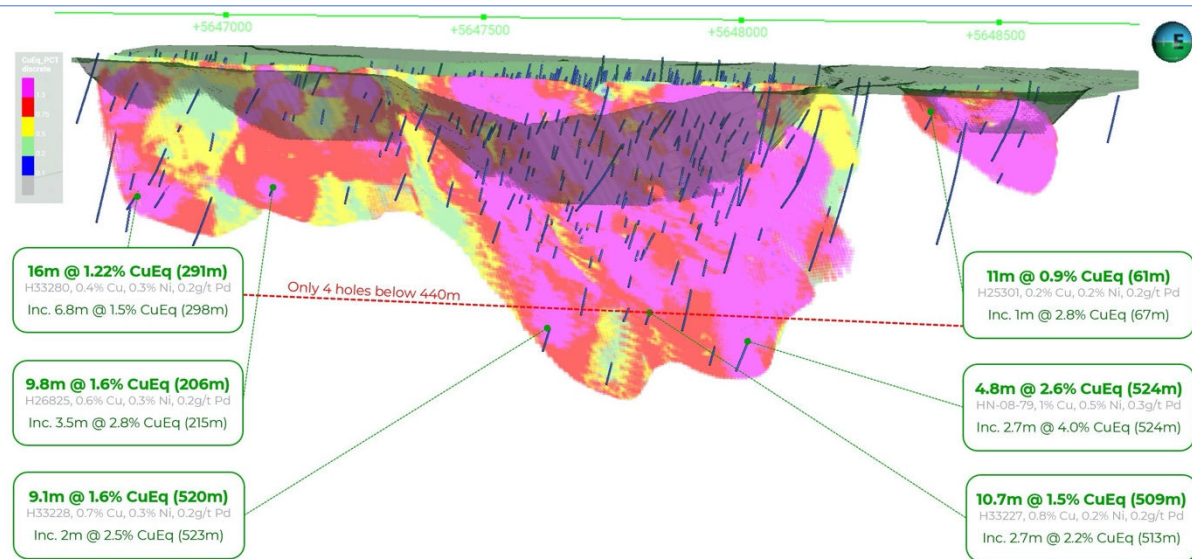
| Metal                                                                                                                  | Estimated potential                                                 | US\$ m       |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------|
| Gold                                                                                                                   | 66 koz across 40% of the deposit suggests ~100 koz potential upside | 200          |
| Silver                                                                                                                 | 27.8Mt at 15 ppm Ag for 13.4 moz silver                             | 308          |
| Cobalt                                                                                                                 | 27.8Mt at 300 ppm Co for 8,340 tonnes cobalt                        | 300          |
| <b>Total</b>                                                                                                           |                                                                     | <b>808</b>   |
| Tonnes CuEq                                                                                                            |                                                                     | 96,214       |
| <b>Grade uplift, % CuEq</b>                                                                                            | <b>96,214 tonnes copper over 27.8Mt resource</b>                    | <b>0.35%</b> |
| Note: Values based on metals prices of US\$2,000/oz gold, US\$23/oz silver, US\$30,000/t cobalt and US\$8,400/t copper |                                                                     |              |

**Source: Orior Capital**

## Tonnage

Another key aspect of the winter drilling is to target an increase in tonnage. The deposit remains open at depth across the entire strike length. Resource modelling of the copper has highlighted higher-grade ore shoots that represent excellent drill targets. Drilling is expected to focus on testing areas towards the southwest of the deposit that were drilled by INCO in the 1960s and which remain open, testing high-grade copper shoots at depth in the centre of the deposit where only 4 drillholes have been drilled deeper than 440m, and testing whether the two lodes are connected. One upshot of the program, although not the primary aim, may well be to convert additional material from the Inferred category to Indicated.

Pivotal plans to use downhole geophysics to refine targets for further step-out drilling. Downhole EM is an effective tool for targeting conductors below and around a hole. It is typically employed on the deeper holes of a project. Given the existence of massive sulphides, high-grade shoots, and to date few 'false positive' conductors (such as graphite) it has very good potential to highlight extensions of the mineralisation outside the current resource boundary.

**Figure 12: Horden Lake cross-section; mineralisation remains open across the entire strike length**

Source: Pivotal

### Metallurgical testing

A further aspect of the drilling program is to collect sufficient samples for metallurgical testing and to support more detailed engineering studies.

Historical metallurgical work has demonstrated good metals recoveries. In 2012, Resource Development Inc (RDI) achieved bulk flotation rougher recoveries of 95% copper, 66% nickel, 74% gold and 84% cobalt in a 23% wt. concentrate. RDI also conducted sequential copper-nickel rougher and cleaner flotation, though no attempt was made to optimise this metallurgy for this process option. Earlier sequential flotation tests undertaken by WGM (1992) and INCO demonstrated copper recoveries of 85% to 96% in 22-30% copper concentrates.

This historical work has been fragmented, and very limited mineralogy work has been completed to support flotation design. As a result, there is a huge opportunity to optimise the flowsheet. This year, Pivotal plans to conduct a fundamental metallurgy program using experienced laboratories and modern reagents. The program includes:

- Petrology and QEMSCAN mineralogy on ~25 samples
- Full scoping level flotation test work program
- Targeting highest NSR, most likely from producing high-grade copper and nickel concentrates

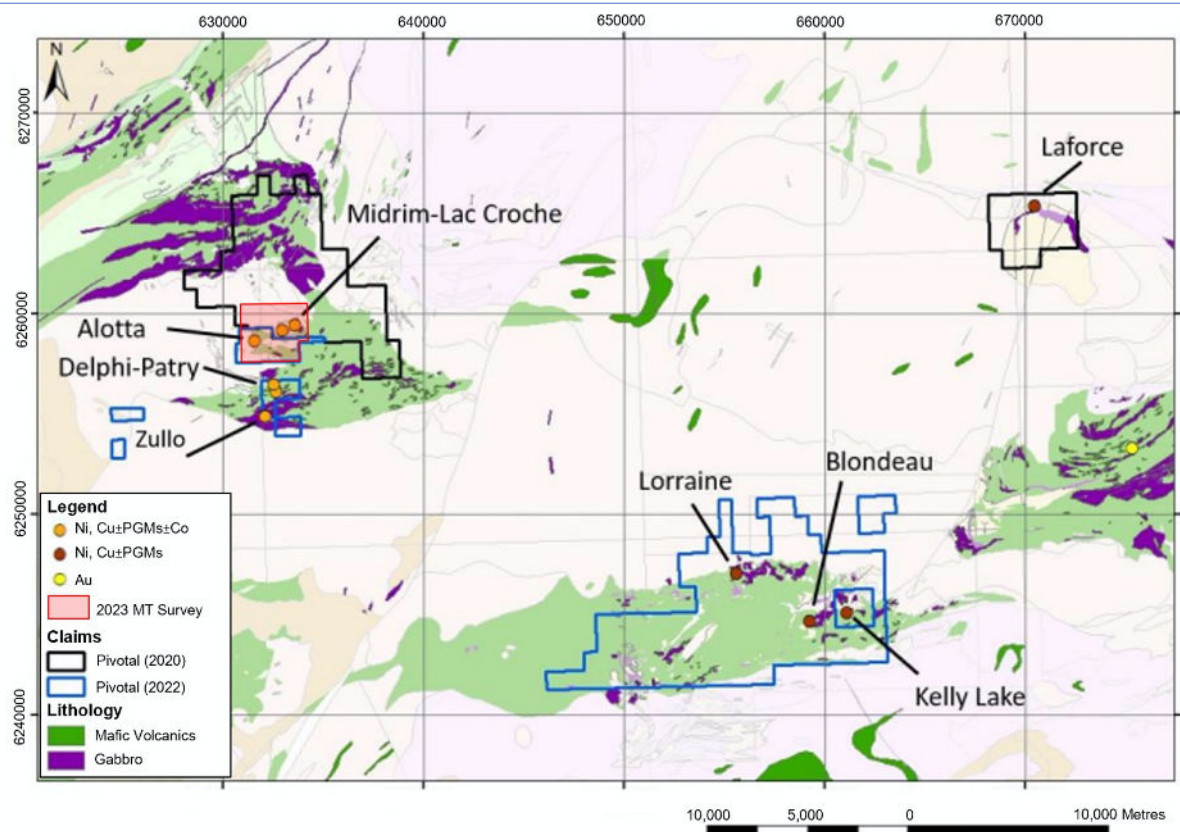
# Belleterre-Angliers

Belleterre-Angliers is a first-class exploration project situated on the volcano-sedimentary Belleterre-Angliers Greenstone Belt (BAGB) in southern Quebec. The area is situated just north of the Grenville Front and south of the Abitibi Greenstone Belt. The BAGB is the youngest and southernmost greenstone belt in the Archean Superior Province of the Canadian Shield. Pivotal has assembled a substantial 157 km<sup>2</sup> land package comprising the Midrim, Laforce, Alotta and Lorraine claims, and which covers a number of gabbroic intrusions. Geological modelling of these small but relatively high-grade intrusions suggests a broader intrusive complex that may host substantial massive and semi-massive sulphide accumulations. There are numerous historical mines in the area with identified resources of nickel, copper, PGEs, gold and silver.

Previous owners were focused on near-surface mineralisation and ignored many deeper targets. **Management's view is that fertile gabbroic intrusions are prospective for sulphide mineralisation along their entire conduit path** because the production of sulphide mineralisation depends on the passage of vast amounts of sulphide-bearing magma. That is, the presence of sulphides already discovered within the gabbroic intrusion are an indication of potential along the intrusive path and at depth.

In July 2022, Pivotal announced that preliminary geophysical work focusing on areas previously overlooked for lying more than 300m in depth, had identified 137 new and reclassified EM anomalies, with 20 of these being classified as high priority.

**Figure 13: Regional geology of the Belleterre-Angliers Greenstone Belt**



Source: Pivotal

**In December 2023, Pivotal completed a 3D magnetotelluric (MT) survey over approximately 7.5 km<sup>2</sup> of the Midrim and Alotta discoveries** which host high-grade surface and near-surface mineralisation, as well as a cluster of high priority VTEM anomalies. Magnetotellurics has the potential to target low resistivity anomalies with depths of 300-1,200m, depending on lithology. It is a complimentary technique that should confirm the VTEM data and also provide better targeting of any deeper conduits discovered.

Management hopes that by understanding the fertile deeper feeder structures, it will be possible to map the path of intrusive magmas, enabling the more effective targeting of conductors along its path.

**Where these pathways come to the surface, and where they are coincident with VTEM anomalies, would present very strong targets.**

Management has commented that data collection was successful and that analysis of the MT data is underway. **Results are expected to be released this quarter.**

**Figure 14: Historical significant massive sulphide intersections from Midrim**

| Hole ID   | From<br>m | To<br>m | Interval<br>m | Ni<br>% | Cu<br>% | PGE<br>g/t |
|-----------|-----------|---------|---------------|---------|---------|------------|
| MR00-01   | 15.5      | 35.2    | 19.7          | 1.85    | 2.98    | 2.74       |
| MR00-05   | 30.9      | 51.0    | 20.1          | 2.06    | 1.93    | 2.74       |
| including | 46.6      | 51.0    | 4.4           | 6.29    | 2.90    | 6.21       |
| and       | 57.2      | 61.5    | 4.3           | 6.57    | 5.15    | 7.15       |
| MR01-17   | 10.2      | 19.4    | 9.2           | 2.74    | 2.47    | 2.94       |
| MR01-37   | 48.0      | 52.6    | 4.6           | 5.97    | 4.92    | 3.40       |
| MR01-38   | 41.4      | 54.0    | 12.6          | 1.38    | 2.52    | 2.97       |
| MR17-01   | 28.0      | 50.1    | 22.1          | 1.64    | 2.38    | 2.56       |
| including | 43.0      | 50.1    | 7.1           | 3.22    | 4.43    | 4.08       |
| and       | 56.6      | 66.0    | 9.4           | 3.52    | 4.25    | 4.59       |
| including | 56.6      | 62.0    | 5.4           | 5.32    | 6.15    | 6.46       |

**Source: Pivotal**

Historic drilling at Alotta, as reported by Kilbourne in 2018 and 2020, returned similar high-grade intersections as at Midrim.

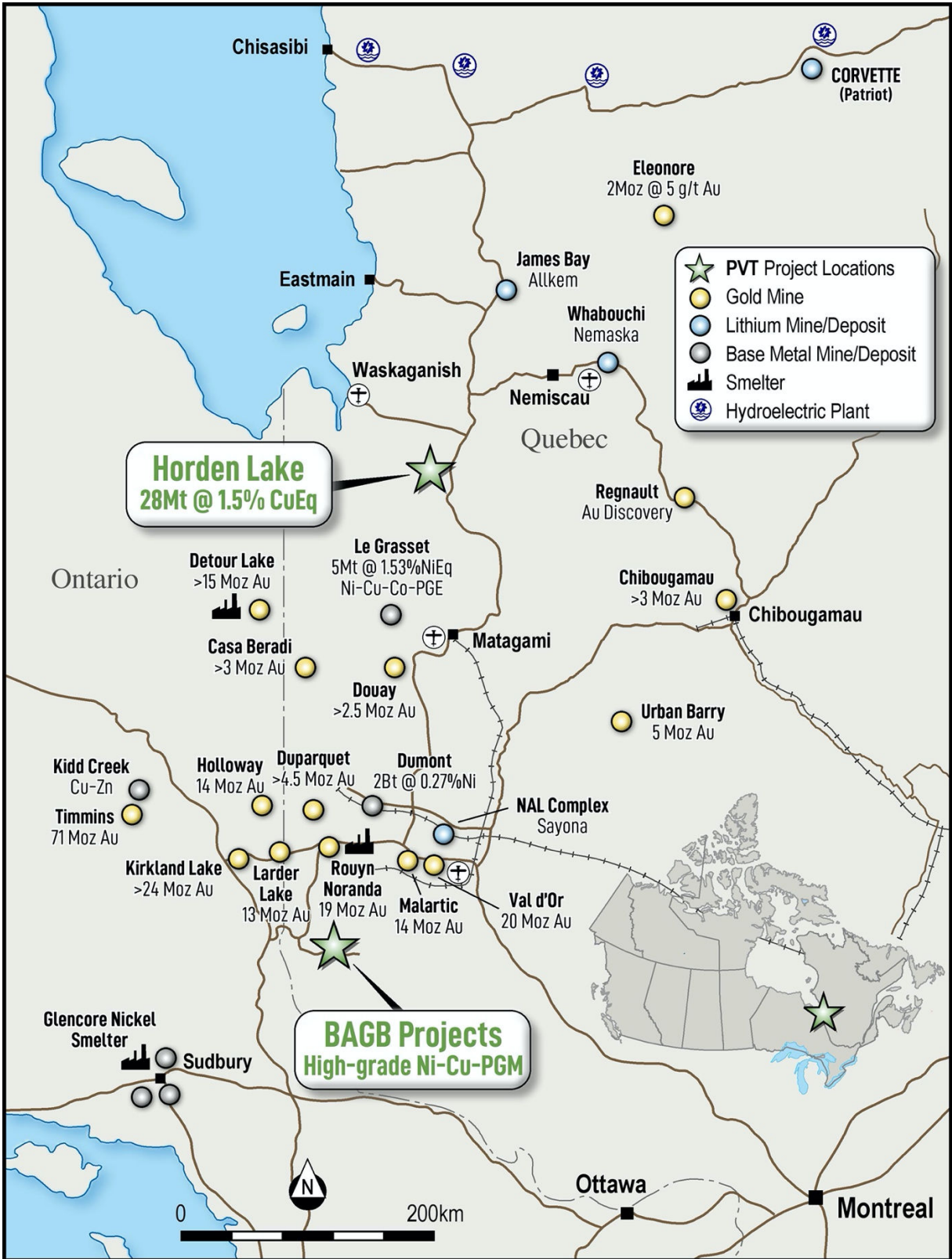
**Figure 15: Selected drill intersections in the Alotta licences**

| Hole ID  | From<br>m | To<br>m | Interval<br>m | 2PGE+Au<br>% | Ni<br>% | Cu<br>% |
|----------|-----------|---------|---------------|--------------|---------|---------|
| ZA-18-03 | 40.70     | 61.50   | 20.80         | 1.41         | 1.18    | 1.50    |
| ZA-18-04 | 53.10     | 77.27   | 24.17         | 1.85         | 1.23    | 2.31    |
| ZA-18-05 | 61.15     | 72.43   | 11.28         | 3.10         | 2.17    | 2.15    |
| ZA-18-06 | 63.30     | 68.60   | 5.30          | 1.99         | 3.04    | 0.84    |
| ZA-18-08 | 85.20     | 94.40   | 9.20          | 3.55         | 2.59    | 2.79    |
| ZA-18-09 | 81.00     | 84.68   | 3.68          | 1.17         | 0.59    | 0.60    |
| ZA-19-05 | 54.00     | 71.00   | 17.00         | 3.33         | 1.52    | 2.90    |

**Source: Pivotal, Kilbourne 2018 and 2020**

Given the extremely high grades seen at surface at BAGB, any larger accumulations discovered at depth could be transformational for the company.

Figure 16: Project location map



Source: Pivotal

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