Investment Thesis Advances on Strong Metallurgy, Updated MRE & Exploration

Metals & Mining

We update Pivotal Metals (ASX:PVT) with a revised **target price of A$0.033** per share, representing a **total upside of 443**% from the current share price of **A$0.006** and a **higher bull-case valuation of A$0.040, equating to 562%** upside. This uplift reflects the **substantial developments across its portfolio**, led by the flagship Horden Lake copper-nickel-PGM project in Quebec. A **43% increase in the pit-constrained CuEq resource to 341kt now underpins a 37Mt @ 1.1% CuEq JORC 2025 MRE** demonstrating a clear grade and scale potential from a low risk open-pit development scenario. The rising strategic value of Pivotal's asset base is underscored by accelerating M&A activity in the pre-development copper sector, demonstrated by the acquisition of New World Resources (A$185m) and bids for Xanadu Mines (A$160m). Both transactions were struck at substantial premiums reflecting the shortage of advanced copper development opportunities. These transactions underscore the widening disconnect between Pivotal's intrinsic value and its current market capitalisation, and reaffirm our view that the company is deeply undervalued.

Major Technical Milestones and Gold Upside at Lorraine

PVT has announced a series of high-impact technical and exploration updates that materially strengthen its investment case. Alongside Horden Lake's updated MRE resource, **exceptional metallurgical results have confirmed the production of clean, high-grade concentrates using a conventional flotation circuit. Copper recoveries reached up to 94%, with concentrate grades ranging from 22–28% Cu**, and significant payable credits in gold, silver, palladium, and cobalt—collectively de-risking the processing pathway and enhancing the project's downstream marketability. In parallel, Pivotal is ramping up exploration at its 100%-owned BAGB project, notably recently revealing a potentially transformational gold system at the Lorraine prospect where historical underground channel sampling returned **bonanza-grade intercepts including 28m @ 45.2g/t Au and 3.2% Cu** with strong mineralised continuity along a 600m strike, and located just 12km from the historic 750koz Belleterre Mine.

Updated Valuation Provides Higher Bull Case

We value **PVT at A$0.025** in our base case, representing an **upside of 324%,** and **A$0.040 in the bull case**, implying a **562% uplift** from the current share price of **A$0.006**. Despite a recent compression in peer EV/resource multiples, our updated valuation presents a higher bull case for PVT, **incorporating higher geological confidence and strong discovery momentum across Pivotal's portfolio.** With drilling underway, assays pending, and a Horden Lake resource upgrade expected within three months, PVT is primed for a potential re-rating**. The company's strategic positioning in mining-friendly Quebec, along with multiple near-term catalysts and growing resource scale, underscores its deep discount to NAV and reinforces the strong upside potential embedded in the current valuation.**

Valuation (A$m)	**Base case**	**Bull case**
Implied EV	**22.49**	**36.27**
Debt	-	-
Cash	2.12	2.12
Equity Value	**24.61**	**38.39**
Total Diluted Shares O/S (m)	966.0	966.0
Implied price (A$)	**0.025**	**0.040**
Current price (A$)	0.006	0.006
Upside	*324%*	*562%*

Date	17 June 2025
Current Price (A$)	0.006
Market Cap (A$m)	5.443
52-week L/H (A$)	0.006/0.025
Free Float (%)	60.5%
Bloomberg	PVT:AU
Reuters	PVT.AX

Price Performance (A$)

Business description

Pivotal Metals Limited, headquartered in Brisbane, is a Canadian-focused critical minerals exploration company advancing a portfolio of copper, nickel, PGM, and gold assets across the province of Quebec. The company's flagship Horden Lake Project is an advanced-stage Cu-Ni-PGM deposit with a recently updated JORC-compliant resource and demonstrated metallurgical recoveries. In parallel, Pivotal is aggressively exploring its extensive, multiple target BAGB Project.

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Exceptional Metallurgy Validates Project Economics at Horden Lake

Production of clean, high-grade concentrates through a conventional flotation flowsheet, offering a significant de-risking milestone and enhancing downstream marketing confidence

Pivotal Metals has delivered a transformational metallurgical outcome at its flagship Horden Lake copper-nickel project in Quebec, Canada, firmly elevating the asset from a promising exploration-stage deposit to a technically credible development opportunity. The company's first comprehensive metallurgical test work programme—undertaken during 2024 and announced in March 2025—has confirmed **the production of clean, high-grade concentrates through a conventional flotation flowsheet, offering a significant de-risking milestone and enhancing downstream marketing confidence**. Encouragingly, Pivotal's early-stage discussions with traders and potential offtake partners have been positive, reflecting strong interest in the project's marketable product suite and reinforcing its growing commercial appeal.

The program tested composite samples across both the gabbroic and metasedimentary domains of the deposit. **The results validated copper recoveries of up to 94% in variability testing, delivering saleable concentrates grading 22–28% copper with no deleterious elements**. Critically, the copper concentrate **also contains high levels of payable gold, silver, and palladium—unlocking a valuable secondary revenue stream** that enhances project economics and strategic optionality. The Locked Cycle Test (LCT) results (**Figure 1**), which simulate real world process conditions, demonstrated excellent metallurgical performance across the key metals (despite the feed Cu grade approximated substantially lower than the resource grade).

Figure 1: Locked Cycle Test Results from Horden Lake

	Type	Cu (%)	Ni (%)	Au (g/t)	Ag (g/t)	Pd (g/t)	Pt (g/t)	Co (ppm)
Calculated Head	Grade	0.33	0.27	0.26	11	0.2	0.06	215
Copper Concentrate	Recovery %	82.1	3.3	46.9	54.1	36	15.8	2.8*
	Grade	22.8	0.75	10.3	516	6.2	0.75	499
Nickel Concentrate	Recovery %	6.1	38.7	3.2	15.5	18.7	13.3	24.7
	Grade	2.25	11.6	0.92	197	4.3	0.84	5920
Combined LCT	**Recovery %**	**88%**	**42%**	**50%**	**69%**	**55%**	**29%**	**25%**

Source: East Coast Research

Copper recoveries of up to 94% in variability testing and 87–94% in locked cycle tests, delivering saleable concentrates grading 22–28% copper with no deleterious elements.

A separate nickel concentrate grading approximately 12% Ni was also successfully produced, underpinned by modelling that forecasts recoveries exceeding 50% at the expected average sulphur grades. This product is further enriched by cobalt, palladium, and copper credits, reinforcing its marketability. Importantly, all this **was achieved using a conventional two-product flotation flowsheet**, eliminating the need for costly and technically complex hydrometallurgical or CIL circuits. This simplicity materially reduces both capital intensity and execution risk while strengthening the project's ESG profile.

This was the first comprehensive flowsheet development ever on the project. Encouragingly, it is common for optimisation programs to yield recovery and grade improvements, which would further strengthen project economics.

These results come at a time when the global copper concentrate market is under increasing pressure, with smelter treatment charges hovering near two-decade lows—a clear signal of tightening supply. Against this backdrop, **Pivotal's ability to produce clean, high-grade, multi-**

metal concentrates free from deleterious impurities significantly enhances its appeal to offtakers and strategic partners seeking reliable, high-margin feedstock. Compounding this strategic advantage is Horden Lake's location, with **direct access to road and rail infrastructure, proximity to Canada's largest copper and nickel smelters, and abundant low-cost green hydroelectric power.** Together, these factors elevate Horden Lake into the top tier of North American copper-nickel development assets.

Significant Resource Upgrade at Horden Lake

Updated 2025 MRE stands at 37Mt @ 1.1% CuEq for 407kt of contained CuEq metal, including a 43% increase to 341kt CuEq now contained within a single optimised pit shell—grading 1.1% CuEq.

Pivotal Metals has **delivered a material upgrade to the Mineral Resource Estimate (MRE)** (Figure 2) **at its flagship Horden Lake, cementing its position as one of the leading shallow, high-grade copper systems on the ASX. The updated 2025 MRE stands at 37Mt @ 1.1% CuEq for 407kt of contained CuEq metal, including a 43% increase to 341kt CuEq now contained within a single optimised pit shell—grading 1.1% CuEq.** This growth in the pit-constrained resource is a key differentiator, as it **provides a clear pathway for a large-scale, long-life open pit development, with 84% of the total Resource now sitting within a shell less than 250m deep.** The increase is underpinned by significant gains in copper (+70% in-pit) and gold (+298% in-pit), further supported by strong by-product contributions from nickel, platinum group elements, silver and cobalt—all validated through recent metallurgical test work.

Figure 2: Horden Lake 2025 Mineral Resource Estimate

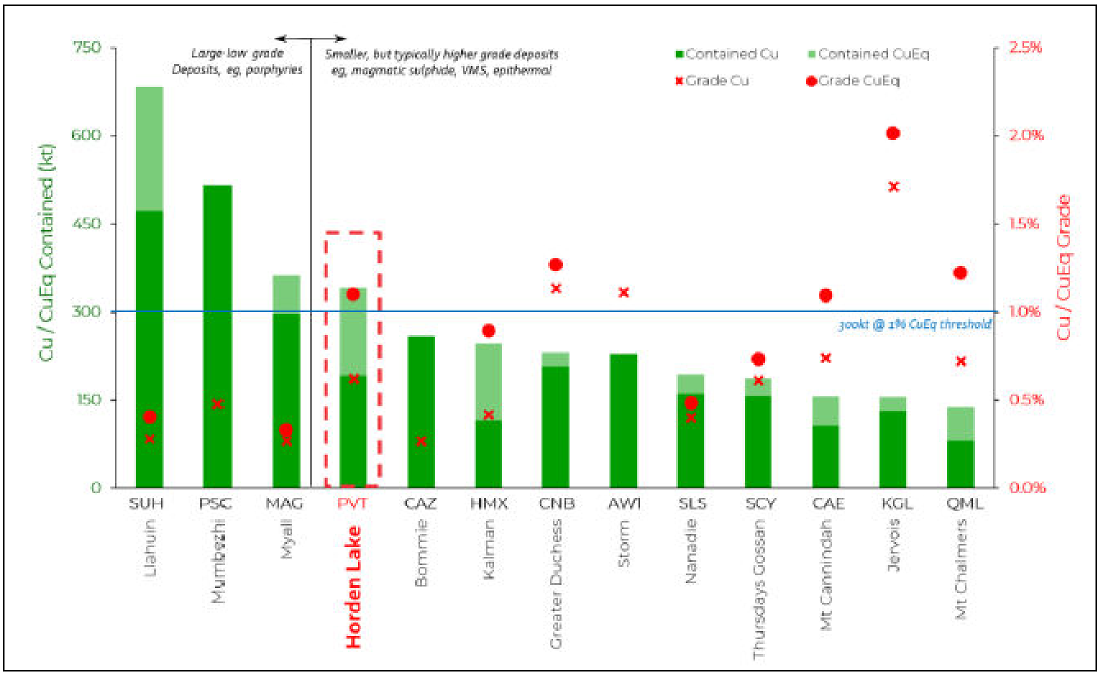
Category	Tonnes (Mt)	CuEq %	Cu %	Ni %	3E g/t	Ag g/t	Co ppm	CuEq kt	Cu kt	Ni kt	3E koz	Ag koz	Co t
MRE by cut-off category													
In-pit	31.2	1.1	0.63	0.18	0.37	10.6	140	341	198	58	375	10,598	4,353
Out-of-pit	5.8	1.13	0.65	0.24	0.32	9	151	66	38	14	80	1,672	878
Total	**37**	**1.1**	**0.63**	**0.19**	**0.37**	**10.3**	**141**	**407**	**234**	**72**	**435**	**12,270**	**5,231**
MRE by classification													
Indicated	18.5	1.17	0.72	0.19	0.35	9.8	144	229	141	37	220	8,049	2,808
Inferred	17.4	1.02	0.53	0.2	0.38	11.1	139	178	92	35	214	4,220	2,423
Total	**37**	**1.1**	**0.63**	**0.19**	**0.37**	**10.3**	**141**	**407**	**234**	**72**	**435**	**12,270**	**5,231**

Source: Company & East Coast Research
(2025 MRE cut-off: In-pit = USD 25/t NSR, Out-of-pit = USD 65/t NSR. SG = 3.12
3E = Pd + Pt + Au at average ratio of about 3.6 : 3.4 : 1)

A pit-constrained resource is the portion of a deposit that can be economically extracted using open-pit mining, based on factors like metal prices, costs, and recovery rates. For Pivotal Metals, having 84% of the Horden Lake resource within a single shallow pit shell is highly advantageous, and made possible because of the deposit's long strike extent. **It points to a lower-cost, lower-risk development path**, with simpler engineering, faster permitting, and reduced capital intensity compared to underground mining. **This positions the project within a rare, sweet spot on the ASX: a high-grade, near-surface copper system of meaningful scale.**

As shown in the comparative chart (Figure 3), Horden Lake sits in a select peer group of smaller, typically higher-grade deposits but stands out by crossing the critical threshold of >300kt contained CuEq at >1% CuEq grade. This **places Pivotal ahead of many peers in both grade and tonnage within the pit shell,** while avoiding the development complexity and cost profiles associated with deeper or lower-grade porphyry systems like those to the left (e.g. SUH, PSC). **The combination of shallow depth, strong copper and gold credits, and clean metallurgy underpins a potentially robust development case that is both capital efficient and fast to market.**

Figure 3: ASX Pit-Constrained Resources Comparables



Source: Company

M&A Activity and PVT's Strategic Appeal

PVT embodies the key attributes sought by strategic acquirers; Tier-1 jurisdictional exposure, high-grade mineralisation, and the scale to support long-life, multi-decade operations—all underpinned by established infrastructure.

The past quarter has seen a notable acceleration in M&A activity across the junior and mid-tier copper space, reflecting a broader shift among producers toward securing advanced-stage, scalable assets in favourable jurisdictions. In May 2025, Central Asia Metals (AIM: CAML) entered into a binding agreement to acquire New World Resources (ASX: NWC) in an all-cash transaction valuing the company at A$185 million—a significant premium to NWC's prevailing market capitalisation. The deal is anchored by New World's high-grade Antler Copper Project in Arizona, a development-stage VMS asset now classified under the U.S. government's Fast-41 permitting process.

Concurrently, Xanadu Mines (ASX: XAM) received a A$160.4 million takeover offer from Singapore-based Bastion Mining—representing a ~60% premium to its pre-offer share price. The move further underscores the growing appetite for large-scale copper assets located outside of China and Russia, as acquirers increasingly turn their attention to politically secure jurisdictions offering long-life production potential.

These transactions signal a broader strategic theme: major and mid-tier producers are actively bypassing the long lead times of organic exploration by acquiring near-term development assets with embedded optionality. This trend is being catalysed by mounting urgency around future copper supply security, alongside surging demand forecasts tied to global electrification and decarbonisation.

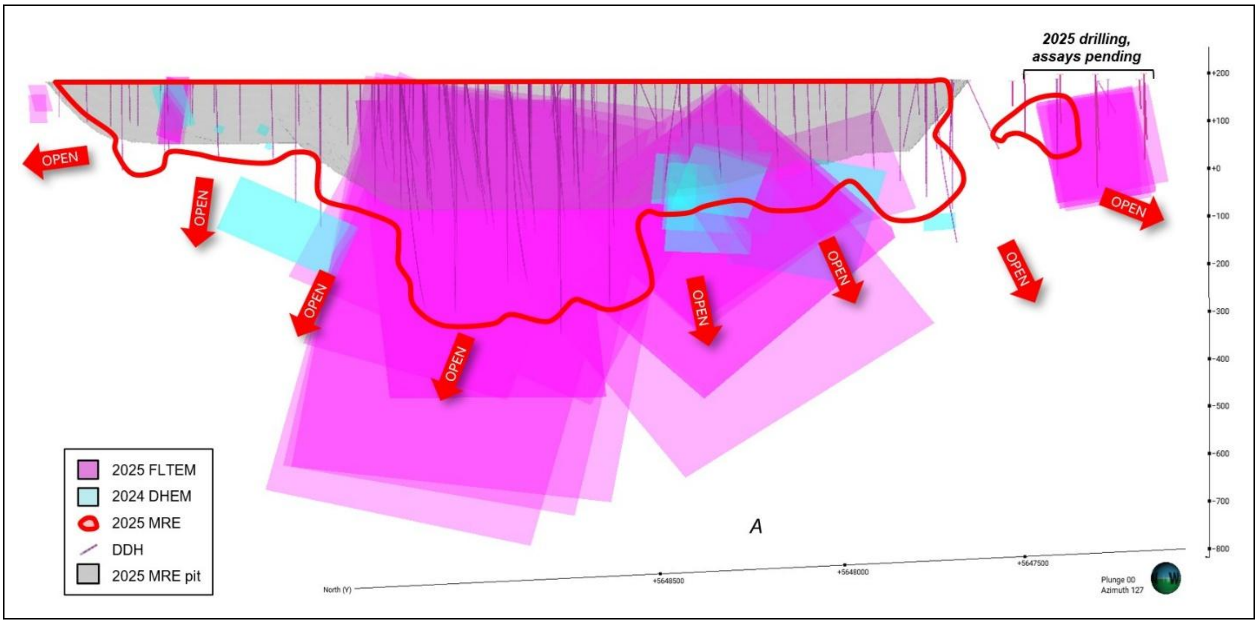
For Pivotal Metals, the current wave of consolidation presents an increasingly favourable backdrop. The company's flagship Horden Lake asset now boasts a significantly expanded copper-nickel-PGM resource, underscoring both the scale and grade potential matched by few peers at this stage of development. Complemented by the extensive, multiple-target BAGB project. PVT embodies the key attributes sought by strategic acquirers: Tier-1 jurisdictional exposure, high-grade mineralisation, and the scale to support long-life, multi-decade operations—all underpinned by established infrastructure.

Significant Exploration Upside Supported by Drilling and EM Geophysics

PVT completed its winter step-out drilling programme in March 2025 at Horden Lake, marking a major milestone in the company's strategy to expand its copper-nickel-PGM resource base. **The program comprised 11 diamond drill holes totalling 1,557 metres** and was designed to test high-priority electromagnetic (EM) anomalies identified along strike of the main Horden Lake deposit. This campaign was underpinned by the results of the Fixed Loop Time Domain Electromagnetic (FLTEM) survey completed earlier in the year, which defined multiple large, high-conductance bedrock anomalies across the 3.2km mineralised trend. **These conductors significantly extend the known footprint of the deposit, both laterally and at depth, and strongly reinforce the results of the 2024 drilling and downhole EM programs.**

Importantly, the 2025 drilling intersected the same mineralised gabbro-metasediment contact that hosts the core deposit, successfully extending mineralisation potential by 600 metres southwest of the current 2022 Mineral Resource Estimate (MRE) boundary. This area coincides with conductor TDC1—a large, shallow target supported by historic intercepts including 23.7m at 1.24% CuEq— reinforcing the strong potential for open-pit resource growth. Figure 4 shows a long section of the Horden Lake deposit with the existing 2022 MRE (outlined in red), newly defined EM conductors (pink and blue volumes), and the 2025 drill holes (green) which are targeting the edges of these plates. These conductors, particularly TDC3 and TDC4 which extend 600–900m below the main deposit, highlight the system's considerable down-plunge continuity and underscore the broader potential for underground resource expansion in areas that have never been drilled before.

Figure 4: Horden Lake Mineralisation Remains Open in Multiple Sections



Company

The program reinforces PVT's ability to expand the scale and quality of its resource base while maintaining a strong commitment to responsible exploration.

The strong spatial correlation between EM anomalies and mineralisation confirms the predictive power of the geophysics and provides a clear vector for future drilling. The 2025 drill campaign focused on shallow mineralisation within the top 230 metres, aligning with Pivotal's strategy to grow its open-pittable inventory, which **currently accounts for 31.2mt @ 1.1% CuEq within a total JORC-compliant resource of 37Mt at 1.1% CuEq.** The shallow target during the program is particularly prospective in light of recent metallurgical results and support the case for an expanded pit shell.

These assay results could act as a major near-term catalyst not only because they would confirm strike extension, geological continuity and likely mineral resources, but also because success validates the effectiveness of EM to target new resource bodies un undrilled areas. We note the large, untested conductors beneath the Main Zone—modelled to over three times the depth of historical drilling—represent compelling future targets. Execution of the winter program was completed on time and on budget, with frozen ground conditions aiding logistics and minimising impact. Operational efficiency was further enhanced by the use of a nearby exploration camp and ongoing support from the Waskaganish Cree First Nation community. **Altogether, the program reinforces PVT's ability to expand the scale and quality of its resource base while maintaining a strong commitment to responsible exploration.**

Impressive Bonanza Gold Targets at BAGB

Pivotal Metals has unveiled a significant target at Lorraine, part of the wider 100%-owned Belleterre-Angliers Greenstone Belt (BAGB) Project in Quebec, with a suite of high-grade historical gold intercepts and recent geological reinterpretation that suggest the potential for a major, previously underappreciated gold system. Originally mined for copper-nickel sulphides, the Lorraine Mine has revealed **compelling gold potential with historical underground channel samples reporting 28m @ 45.2 g/t Au and 3.2% Cu and a follow-up strike sample of 9.5m @ 14.1 g/t Au and 3.2% Cu. This target offers timely exposure to gold amid record-high prices.** Further confirmation of mineralisation continuity is seen in diamond drilling 12m below the underground workings with **intercepts including 0.97m @ 56.2 g/t Au, including 0.15m @ 233.9 g/t Au.** These results provide strong evidence for a robust Au-Cu-quartz vein system that remains largely untested across a broad 600m corridor. Encouragingly, visible gold has been encountered in drilling above the historical workings, and assays from surface samples up to 6.4 g/t Au demonstrate scale potential across strike.

Compelling gold potential with historical underground channel samples reporting 28m @ 45.2 g/t Au and 3.2% Cu and scale potential derived from an interpreted strike length >600m.

The **Lorraine project is located just 12km southwest of the historic Belleterre Mine, now controlled by TSXV-listed Vior Inc (TSXV:VIO)**, **which produced 750koz @ 10.7 g/t Au** and is the centrepiece of a renewed district-scale exploration campaign. Vior, backed by Osisko, is in the midst of a 100,000m drill program targeting the broader Belleterre camp and is supported by a treasury of over C$50 million. **The significant capital being deployed by Vior underscores both the geological fertility and strategic relevance of the BAGB.** With structural trends at Belleterre interpreted to extend into Pivotal's Lorraine ground, and with similarly bonanza-grade mineralisation already confirmed, **Pivotal stands to benefit both from the growing market recognition of the region and from potential discovery synergies, as well as M&A potential**. The comparison provides a valuable analogue for scale and valuation upside, with **Pivotal in effect trading with zero value ascribed to its Belleterre properties—yet holding significant geological potential.** Pivotal has already initiated a field program aimed at delineating drill targets, including detailed surface mapping, channel sampling, and a magnetic survey to refine structural controls. With bonanza-grade intercepts and a broad, mineralised corridor already delineated, the **upcoming drill program has strong potential to yield discovery-scale results.**

Major Prospectivity Elsewhere at BAGB

The broader BAGB project, encompasses 160km^2 of tenure hosting multiple high-grade copper-nickel-PGM occurrences, including the advanced Alotta and Midrim prospects that host globally significant Cu-Ni-PGM intersections including 9.4m @ 4.3% Cu, 3.5% Ni & 4.6 g/t PGE. Each of the major project areas at BAGB host multiple surface and drill intercepts evidencing a major polymetallic mineralising system that remains largely under-explored outside existing outcrop discoveries. **With infrastructure-rich access, proximity to multiple mills, and some of the lowest-cost hydropower globally (~5.5c/kWh), discoveries in the area have a major advantage for future development.**

Updated valuation with higher Bull Case; $0.040

We derive a base case valuation of **A$0.025** per share for Pivotal Metals, representing an upside of **324.7%** from the current share price of **A$0.006.** In the bull case, we estimate a valuation of **A$0.040 per share**, implying a **562.3%**. Notably, **this represents an increase from our previous bull case valuation** of A$0.036 per share**, despite a decline in the peer group's average value—reflecting our higher confidence in near-term discovery and increased value attribution to the BAGB project following recent discovery**. The midpoint target price is **A$0.033 per share**, equating to a **443.5% upside** from the current level and a **Price/NAV multiple of 0.18x**. This updated valuation incorporates revised peer assumptions, expanded resource expectations, and enhanced BAGB project weighting following recent gold intercepts.

Figure 5: PVT Valuation Model

Pivotal Metals Valuation (A$m)	Base Case	Bull Case
Pivotal Metals Resources (mt CuEq)	0.407	0.407
~Incremental resource post-drill test works (mt CuEq)	0.041	0.081
Sector Average (EV/mt CuEq)	35.89	49.51
Horden Lake Project Value	16.07	24.18
BAGB Project Value	6.43	12.09
Implied EV	**22.49**	**36.27**
Cash & cash equivalents	2.12	2.12
Provisions and Liabilities	-	-
Total value	**24.61**	**38.39**
Number of shares (m)*	966.0	966.0
Implied price (A$)	**0.025**	**0.040**
Current price (A$)	0.006	0.006
Upside (%)	*324.7%*	*562.3%*
Mid-point Target Price (A$)	**0.033**	
Price / NAV (X)	**0.18x**	

Source: East Coast Research

Since our previous valuation in November, we have updated our sum-of-the-parts (SOTP) valuation for Pivotal Metals to reflect both evolving market conditions and meaningful progress across the company's asset base and capital structure. Peer EV/resource multiples for early-stage copper developers have compressed materially—now averaging A$35.89/mt CuEq, down from A$45.00/mt CuEq—due to broader market weakness across junior explorers, short-term softness in copper pricing, and macroeconomic caution. We believe these headwinds are temporary in nature. **As fundamentals tighten and investor sentiment improves, we expect a sector-wide re-rating, with quality copper developers like Pivotal well-positioned to benefit.**

We expect a sector-wide re-rating, with quality copper developers like Pivotal well-positioned to benefit.

Our updated base case applies the current sector average valuation of A$35.89/mt CuEq, which reflects the recent compression in peer valuations and results in an implied valuation of A$0.025 per share. For the bull case, we retain the higher peer multiple of A$49.51/mt CuEq—consistent with our November model—to illustrate the upside potential should valuations improve, as we expect they will. We believe the current suppressed multiples do not accurately reflect the long-term value of early-stage copper developers and are more a function of short-term market dislocation than a structural repricing. The November EV/mt CuEq figures are more representative of historical norms and provide a better benchmark for assessing the potential upside of a company like Pivotal.

We also note the now-advanced stage of Horden Lake, and the potential to progress to economic study stage which would allow Pivotal to graduate to NPV driven multiples, which are typically higher than resource multiples.

Additional upside has also been attributed to near-term discovery potential. Pivotal continues to advance an aggressive exploration campaign across both Horden Lake and BAGB, with assays pending. Given the promising early results and intensity of current activity, we see high probability of additional discoveries in the coming months. We have **increased our valuation weighting for the BAGB Project to reflect the recent gold discovery, growing geological confidence and elevated activity.** In the base case, BAGB is now valued at 40% of Horden Lake's value (previously 25%), while the bull case applies a 50% weighting. BAGB is a massive blue-sky opportunity which remains largely unpriced by the market.

Figure 6: PVT Peer Comparables

Company Name	Ticker	Market Cap (A$m)	EV (A$m)	Mineral Resource Estimate (Mt)	CuEq %	CuEq (kt)	EV/ Resource (A$/mt)
Hammer Metals Limited	ASX:HMX	32.85	30.20	39.19	1.27	500.0	60.4
Southern Hemisphere Mining Limited	ASX:SUH	21.35	18.80	169.00	0.40	676.0	27.8
Magmatic Resources Limited	ASX:MAG	13.76	8.30	110.00	0.33	354.0	23.4
Alvo Minerals Limited	ASX:ALV	5.98	4.90	7.60	2.00	153.6	31.9
Median		**17.56**	**13.55**	**74.60**		**427.0**	**29.86**
Average		**18.49**	**15.55**	**81.45**		**420.9**	**35.89**
Pivotal Metals Limited	ASX:PVT	6.35	3.40	37.00	1.1.%	407.0	8.4

Source: East Coast Research & Capital IQ

Our conviction in Pivotal Metals remains firmly intact, supported by sustained project momentum, an intensifying exploration effort, and the growing scale and quality of its multi-metal portfolio. Notably, despite a decline in peer group valuations since November, our updated analysis delivers an **even higher bull case target of A$0.038 per share**—up from A$0.036—driven by increased geological confidence and the value uplift stemming from recent high-grade gold intercepts at BAGB. **Trading at a substantial discount to NAV, with multiple near-term catalysts and further discovery potential on the horizon, we believe Pivotal remains deeply undervalued and well-positioned to rerate.**

Catalysts for the re-rating of PVT

PVT is currently trading significantly below our mid-point target valuation. Meeting the following milestones can enable a re-rating on the stock, thereby increasing shareholder value:

- **Horden Lake Reaching Economic Study Stage:** any announcement on economic studies for the Horden Lake project could further re-rate the stock price in line with developer peers, and boost investor interest in the stock.
- **Ongoing exploration at the BAGB Project offers significant value upside:** With the project at an early stage, continued exploration success—particularly through the definition of new mineralised zones or extensions—could materially enhance the geological model and drive a reassessment of project potential.
- **Tailwinds from Commodity Prices**: Any further rise in copper prices will directly impact the project's expected cash flows and return profile.
- **JV or strategic partner engagement at Horden Lake:** Progress on monetisation or farm-in discussions for the Canadian copper-PGM asset—particularly if tied to downstream players or critical minerals funding—could unlock value and reduce funding burden.
- **Government support or critical minerals grant eligibility**: Given PVT's exposure to copper, nickel, and PGEs—key inputs for energy transition infrastructure—additional exploration grants or strategic funding would boost financing.

Key Risks

Although we think the Pivotal Metals copper mining project makes up a lucrative investment opportunity, there still exist a few critical risks to our investment thesis:

- **Commodity price risk:** PVT's valuation is highly sensitive to fluctuations in copper prices and exchange rates. These variables fluctuate due to macro factors, and any unexpected changes will impact our investment thesis.
- **Regulatory Risks:** Any changes in the Canadian government's policies or permissions to operate the mines will broadly impact the company's mining and exploration activities.
- **Execution Risks**: PVT's copper mining projects are at an exploration stage. If the drilling fails to deliver new discoveries it may impact investor sentiment.
- **Funding Risk:** The company will require further financing in the future, in addition to the funds raised currently, as the projects are still at an exploration stage. The company might face challenges in the future in raising funds on favourable terms for further exploration.
- **Geological Risk:** For an exploration-stage mining company such as PVT, there exists a potential risk of downward estimates of reserve figures. There also exists a risk of re-categorising a percentage of indicated resources to inferred resources in further studies. Any such incident will negatively impact the NAV of the projects and, therefore, Pivotal Metals' valuation.

Appendix I: PVT's SWOT Analysis

Figure 7: SWOT analysis

Strengths	Weakness
(1) PVT has built a portfolio of two 100% owned promising multi-metal projects in the top tier of Quebec, an established mining jurisdiction with smelters, a skilled workforce and access to critical infrastructure. (2) The recently announced JORC 2025 Mineral Resource Estimate outlines 37Mt @ 1.1% CuEq, with 341kt CuEq (84%) contained within a shallow, optimised open-pit shell—supporting the potential for a large-scale, low-cost development scenario in Quebec. (3) Horden Lake's metallurgical testwork demonstrates clean, conventional flotation recoveries for copper, nickel, and PGEs, supporting a low-risk processing route and enhancing project economics. (4) PVT has a highly experienced leadership team with significant experience in the mining industry.	(1) PVT's projects are still nascent, with a lot of funding required to bring them online. Any delay in financing will impact investors' confidence. (2) Some of the valuation upside is predicated on making new discoveries and associated exploration risks.
Opportunities	**Threats**
(1) Besides Cu, the Horden Lake project offers a significant polymetallic opportunity with Ni and other by-products like Au, Pt, Pd, Co and Ag. Recovery improvements would boost project economics. (2) The BAGB Project, spanning a substantial 160km^2 landholding, presents multiple high-potential exploration targets—highlighted by recent bonanza-grade gold results at the Lorraine prospect, which reinforce the project's prospectivity and upside. (3) Sector wide multiples for copper explorers are at historically low levels. Renewed investor sentiment in the sector would lead to a re-rating of PVT.	(1) PVT's valuation is highly susceptible to fluctuations in the prices of copper (mainly) and Nickel, which vary based on macroeconomic factors. (2) Inflationary pressures might increase the cost of the project.

Source: East Coast Research

Appendix II: Highly experienced team in place

PVT's management team possess rich and diverse experience working across investment, wealth management, mining as well as commodity markets (Figure 8).

Figure 8: PVT's leadership team

Name and Designation	Profile
Mr. Simon Gray **Non-Executive Chairman**	• Mr. Gray has extensive experience working in Australia's investment and wealth management domain. • He serves as Non-Executive Director of Probiotec Ltd., Chair of ASX's Appeals Tribunal, and Chair of the Australian Securities and Investment Committee's Markets Disciplinary Panel. • He previously worked on Morgans Financial Ltd.'s boards, Shaw and Partners Ltd. He also worked as Shaw's Deputy CEO and General Counsel. • He holds a Bachelor of Law and a Master of Law in Corporate and Commercial Law and is a graduate of the Australian Institute of Company Directors.
Mr. Ivan Fairhall **Managing Director**	• Mr. Fairhall is a chartered engineer, finance and capital markets professional with c.20 years of experience working in the mining industry. • Most recently, he was CEO of a TSX-listed gold developer and previously a Senior Investment Manager with the UK private equity group, Greenstone Capital (US$500m AUM), where he led the sourcing, execution and management of its development stage base and precious metals investments. • He holds a Bachelor of Engineering (Hons.) and a Bachelor of Business. He is a Chartered Engineer with the Institute of Mechanical Engineers.
Mr. Daniel Rose **Non-Executive Director**	• Mr. Rose has over 20 years of experience working in the commodity markets in Sydney, London, Hong Kong, and Singapore. • He is the deputy CEO of MCM Partners, a Hong Kong-based asset management firm and boutique merchant bank. Before MCM Partners, he was CEO and Director of VTB Capital Hong Kong, overseeing an Investment Banking platform focused on natural resources activities. • He holds a Bachelor of Law (Honors) and Bachelor of Commerce degrees from Bond University.
Dr. Robert Wrixon **Non-Executive Director**	• Dr. Wrixon has over 20 years of experience in corporate strategy, commodities marketing, mining M&A and mineral exploration management. • He is currently a Director of the mining venture capital group, Starboard Global Ltd. and has previously run two listed junior resources companies in Australia. • He holds a PhD in mineral engineering from the University of California, Berkeley.
Mr. Paul Nagerl **Exploration Manager**	• Quebec based professional senior geologist. • Previously 17 years with Falconbridge, one of the worlds leading exploration and mining companies, where he worked across global business units focusing specifically on magmatic Cu-Ni-PGM projects. • Also held senior and executive level exploration focused positions from early stage to to operating environments, building and leading teams in variety of global locations.

Source: East Coast Research

Appendix IV: Analyst's Qualifications

Will Cairns is an experienced finance professional with over six years' experience in equity research, portfolio management, and investment analysis. Will applies a disciplined, research-driven approach to uncover investment opportunities and deliver actionable insights that support long-term portfolio growth.

Will holds a Master of Science in Economics from the University of St Andrews and a Master of Arts in Economics from the University of Aberdeen. He is a qualified Financial Adviser (DipPFS) and has completed CFA Levels I and II, as well as the CFA ESG Investing Certificate. Will is passionate about combining rigorous economic analysis with market research to provide clear, data-driven recommendations to investors and stakeholders.

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