

PIVOTAL METALS

ASX ANNOUNCEMENT

12 December 2022

Pivotal Metals Limited
ABN: 49 623 130 987

ASX: PVT

Projects

CANADA

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

SPAIN

- **Santa Comba**
W-Sn development
- **San Finx**
W-Sn development

*pending completion



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Pivotal Metals completes \$4.3M capital raising for the Horden Lake acquisition

Pivotal Metals Limited (ASX:PVT) ('Pivotal' or the 'Company') announces that it has successfully raised the funding necessary to complete the acquisition of the Horden Lake Cu-Ni-PGM deposit in Quebec, Canada announced on 13 September 2022 ('Acquisition Announcement')¹ and commence the exploration programme on the project, with the placement of 77.8 million shares for \$3.3 million, and \$1.0 million available through the execution of the Riverfort funding agreement.

Investment Highlights

- \$3.3M raised through a non-brokered private placement at \$0.042/share (the 'Placement Price'), representing a 12.5% discount to the Company's last traded share price on 7 December 2022, a 7.7% discount to the 5-day VWAP (\$0.0455) and a 1.2% premium to the 15-day VWAP (\$0.0415). No broker fees are payable on the private placement.
- \$1.0M raised through the execution of the Riverfort funding agreement detailed in the Acquisition Announcement.
- The vendor of the Horden Lake assets has agreed a variation to the acquisition terms, accepting the issuance of C\$1.5M equivalent in shares at the Placement Price in exchange for an increase in the total consideration of C\$500k, resulting in a reduction in the balance of the consideration payable in cash to C\$2.5M. The revised terms will leave the Company with a cash balance in excess of \$2.5m after settlement of the transaction.
- To support its strategic pivot to Canadian exploration and project development activities, the Company has entered into a mandate with Red Cloud Financial Services Inc. to help increase investor awareness for the Company and its Quebec assets, and enable access to the highly cost-effective Canadian flow through share scheme.
- This highly positive market response reflects the quality of Pivotal's newly assembled Canadian mineral exploration portfolio, the advanced nature of the Horden Lake project and the increasing value of future facing metals projects located in Tier 1 jurisdictions.

Managing Director Steven Turner said: "The end of 2022 has seen challenging equity markets. The Company is therefore delighted to be able to announce the successful closing of the financing for the transformational acquisition of the Horden Lake deposit. In keeping with the strategy to advance this project as quickly as possible, the Company has already engaged a specialist Canadian mining investment bank as we look to an active 2023 exploration and pre-feasibility study programme."

¹ See ASX announcement dated 13 September 2022 "Terms agreed over the Horden Lake Copper-Nickel PGM deposit in Quebec, Canada"

Financing Details

The non-brokered placement (the 'Placement') of 77.8 million shares has raised \$3.3 million, at \$0.042/share; representing a 12.5% discount to the Company's last traded share price on 7 December 2022, a 7.7% discount to the 5-day VWAP (\$0.0455) and a 1.2% premium to the 15-day VWAP (\$0.0415). The total shares to be issued fall within the existing capacity approved at the Company's AGM on 22 November 2022. The Placement has been made to 'sophisticated investors' (as defined in section 708(8) of the Corporations Act), and 'professional investors' (as defined in section 708(11) of the Corporations Act). The Placement was managed by the Company and no broker fees are payable. The shares are expected to be issued on 19 December 2022.

The Placement includes 7.1 million shares being subscribed for by the directors of the Company, amounting to \$300,000 on the same Placement terms as for all subscribers. The issuance of these directors' shares will be subject to shareholder approval in accordance with ASX Listing Rule 10.11.

In addition, the Company has executed the financing documents for the funding agreement with Riverfort Global Opportunities PCC Limited, previously announced as part of the Acquisition Announcement. Details of the key terms are set out in Appendix A of the Acquisition Announcement. The face value of the convertible securities is \$1.08 million, with the discount to face value (amount available to the Company) being \$1.0 million; the difference representing the 8% interest disclosed in the Acquisition Announcement. There have been no material changes to the terms previously disclosed.

Variation to the Claims Purchase Agreement

The acquisition terms for the Horden Lake deposit were detailed in the Acquisition Announcement. The consideration for the acquisition was C\$4 million, payable in cash, plus a 1% net smelter royalty. The vendor has agreed a variation to the claims purchase agreement whereby, in exchange for accepting the part satisfaction of the consideration in Pivotal shares, the total consideration payable has increased to C\$4.5 million, payable as C\$3.0 million in cash and C\$1.5 million in Pivotal shares. C\$0.5 million has already been paid as a deposit, leaving the outstanding cash consideration payable of C\$2.5 million. At closing, the Company will issue C\$1.5 million equivalent in Pivotal shares, converted at the prevailing exchange rate. The closing date has been advanced to 20 December 2022.

Appointment of Red Cloud Financial Services Inc.

The Company is pleased to announce that it has mandated the Canadian mining capital markets advisory firm Red Cloud Financial Services Inc. ('Red Cloud') to help increase investor awareness for the Company and its Canadian projects. Red Cloud, supported by global mining investment bank Red Cloud Securities Inc., provides a tailored marketing program dedicated to reaching a global network of mining investors and extensive research coverage attention to explorers, developers, and junior producers. Red Cloud will facilitate access to the flow through share incentive schemes available in Canada to allow further cost-effective funding to be made available for the planned Quebec exploration programs at both Horden Lake and the high grade Belleterre-Angliers Greenstone Belt ('BAGB') copper-nickel-cobalt-PGM project. The mandate is effective from 1 January 2023 and has been agreed for a minimum period of 6 months for a monthly retainer.

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

Ends

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About Pivotal Metals

Pivotal Metals Limited (ASX:PVT) is an explorer and developer of world-class mineral deposits. Pivotal holds a battery metals exploration portfolio in Canada located within the prolific Belleterre-Angliers Greenstone Belt comprised of the Midrim, Laforce, Alotta and Lorraine high-grade nickel copper PGM sulphide projects in Quebec. These projects are now complemented by the flagship Horden Lake property, subject to a binding acquisition agreement, which contains a JORC compliant pit constrained resource of 27.8Mt at 1.49% CuEq, comprising copper, nickel, palladium and gold with further upside to come following work in 2023 to incorporate known occurrences of silver and cobalt. The combination of these projects offers significant upside for the Company shareholders in a supportive mining jurisdiction as modern economies look to transition to renewables.

Pivotal also owns the San Finx and Santa Comba tin and tungsten development projects in Spain. The two projects are located within 50km of each other in Galicia, NW Spain, all within the same geological belt, strengthening the Company's strategic position in the Iberian Peninsula and its long-term goal of being a significant supplier of the critically listed metals of tungsten and tin.

To learn more please visit: www.pivotalmetals.com

Forward Looking Statements Disclaimer

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