Orior Capital
HONG KONG

Pivotal Metals, PVT.AX

The best value in copper

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Index

Executive summary

Pivotal Metals is focused on exploring and developing the Horden Lake and Belleterre-Angliers projects in Quebec, Canada. Both projects are regarded as world class exploration plays and highly prospective for copper, nickel, platinum group elements (PGEs), gold and silver. Horden Lake, the more advanced project, already hosts a Mineral Resource of 27.8Mt at 1.55% copper-equivalent (CuEq) based on current metals prices, for a resource of 431,000 tonnes CuEq. Pivotal also owns the Santa Comba and San Finx tin-tungsten projects in Spain and is looking for third party investors to bring the assets into production.

Pivotal looks incredibly cheap: Based on the current resource at Horden Lake, and ascribing no value to other assets, **Pivotal is trading at an EV/t CuEq resource of just A$40.** This represents a 79% discount to a sample of ASX and TSX-V listed copper dominant explorers with projects in top tier jurisdictions that trades at around A$200/t CuEq. **Valuing the Horden Lake project in line with peers, and Belleterre-Angliers at an 'IPO-type' valuation of A$10m**, and ascribing no value to the Spanish assets **suggests a valuation of A$0.21/share** (21 cents per share). **This is 5x the current share price.**

Upside potential from additional metals credits…: The Horden Lake resource is based on historical drilling including by INCO in the 1960s. INCO only assayed for nickel and copper. As a result, gold has only been assessed on about 40% of the resource area. Drilling by El Condor Minerals highlighted silver intersects of 9-40 ppm and cobalt intersects of 200-500 ppm. Neither silver nor cobalt are included in the current resource. Including an estimate for additional gold, and also silver and cobalt credits could add some 86,400 tonnes CuEq to the resource at current metals prices, an uplift of 20%. **This could increase the resource grade from 1.55% CuEq to 1.86% CuEq.**

…Further exploration success…: The Horden Lake resource is open at depth along the entire 2.2km strike length. Drilling this year aims to test high-grade copper shoots at depth and whether the two current lodes are connected.

Broadly speaking, including an estimate for the gold, silver and cobalt credits and a 25% increase in resource tonnage could underpin a valuation of A$0.30/share (30 cents a share).

…And a rebound in market valuations: 18 months ago, copper-dominant explorers traded around A$600/t of CuEq resource. As the battery metals markets tighten, and as the market recognises the dearth of independent companies with excellent projects, valuations may rise. Including estimated gold, silver and cobalt credits, a 25% expansion in resource tonnage, and a recovery in market valuations to A$300/t CuEq resource could underpin a valuation of A$0.44/share (44 cents per share). This is 11x the current share price.

The conservative approach adopted herein places no value on the Santa Comba and San Finx tin and tungsten projects in Spain. This is despite Pivotal last year publishing an Advanced PFS for the open-pit mine at Santa Comba with a 'Management Case' pre-tax NPV_5 of A$95m, and the San Finx mine only being put on care and maintenance in 2017. The previous owners invested heavily in new infrastructure. Yet, Pivotal's acquisition of the Horden Lake project in December 2022, and the company's consolidation of Belleterre-Angliers, has clearly shifted the focus to Canada. The company is now seeking third party investors to bring the Spanish assets into production. At this stage what type of transaction, and what value may be achieved is unclear. **Any value derived from the Spanish assets is viewed as potential upside.**

Horden Lake is a world-class exploration asset: The project represents a substantial, near surface, magmatic sulphide deposit associated with mafic and ultramafic rocks. Copper and nickel mineralisation is hosted in a massive to disseminated sulphide zone at the basal contact of a gabbro complex with metasediments. Magmatic sulphide deposits represent about 40% of global nickel resources and more than 60% of world supply.

In November 2022, Pivotal announced a JORC compliant pit shell constrained Mineral Resource Estimate of 27.8Mt at 1.49% CuEq, (calculated herein to be 1.55% at current metals prices) based on a 0.3% open-pit cut-off and a 1.12% underground cut-off. Some 55% of the resource is classified in the Indicated category. Drilling in 2023 is aimed at bringing additional metal credits into the resource and testing high-grade copper shoots; the deposit remains open at depth along its entire strike length. Further, the mineralisation has yet to be assayed for rhodium (Rh), suggesting potential for increased PGE grades. There is potential to develop a significant Cu-Ni-PGE-Au-Ag resource. **Management aims to publish an updated resource estimate in 4Q23, and a PFS by 2Q24.**

The deposit starts near-surface, dips at about 55° and has a consistent width of 15m to 40m along its entire strike length. This geometry suggests **Horden Lake is amenable to an initial open-pit operation** followed by underground development from the bottom of the open-pit. **This is a key advantage.**

Belleterre-Angliers offers phenomenal exploration upside: The project comprises four claim areas on the volcano-sedimentary Belleterre-Angliers Greenstone Belt in southern Quebec. Pivotal has successfully consolidated a substantial 157 km^2 land package hosting a number of gabbroic intrusions. Management believes 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. The presence of sulphides within the gabbroic intrusion are an indication of potential along the intrusive path and at depth. The intention is to test this with magnetotellurics (a system capable of targeting very deep areas). Cross referencing the results with VTEM data should enable the identification of strong drill targets. Previous owners ignored many deeper targets, meaning **the system is broadly open 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 Priority 1**. The company has also identified 7 shallow High Priority Targets that are yet to be drill tested. The company intends to drill some of these targets in the near-term, possibly this year. **Belleterre-Angliers is a target-rich environment; it has potential to be a 'company-making asset'.**

Canadian flow-through share issues offer substantial advantages: With two exploration assets in Canada, it seems likely Pivotal will take advantage of the excellent Canadian flow-through share financing scheme to raise funds. The scheme allows public companies that would normally be unable to get tax deductions for exploration expenditures because of a lack of taxable income to "flow-through" the deductions to investors. The initial purchaser of the flow-through shares is allowed to claim a tax deduction for the amount invested. This typically applies to both Federal and Provincial taxes and means the effective cost of investment can be as low as half of the amount invested. Consequently, flow-through share issues are usually done at a premium to prevailing share prices. The scheme is well-established; flow-through financing accounts for about 65% of monies raised for exploration on Canadian stock exchanges.

The scheme is applied particularly generously in Quebec, where Pivotal's projects are located. Quebec allows investors to deduct up to 120% of qualifying exploration expenses incurred by non-producing companies. **Raising money this way would be accretive, and thus excellent news, for existing Australian investors.**

Strong management team: Pivotal 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, Steven Turner. Before joining Pivotal, Mr Turner was Head of Business Development at Round Oak Minerals, a private mining group, where he was instrumental in successfully growing the company from a junior to mid-tier Australian base metals producer. He was previously Executive Director and Head of Energy Corporate Finance at ABN AMRO for all of Asia.

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.

Share price catalysts: Over the next year or so, greater recognition by the market of the opportunity and value in the Canadian asset portfolio, drilling results, an updated resource (4Q23), and a PFS (2Q24) at Horden Lake, any positive developments at Belleterre-Angliers, any realisation of value in the Spanish assets, and a rebound in market valuations of critical minerals projects, are all factors expected to drive the share price.

Pivotal represents one of the most compelling copper plays in all of junior mining. Management has successfully steered the company into two assets in Canada that each have phenomenal potential. When the market realises this, it should drive a substantial re-rating in the shares.

Simon Francis February 2023

Key financial data

Figure 1: Shareholding structure

ASX code		PVT.AX
Share price, 24 February 2023	A$/share	0.04
Shares on issue	Millions	465.3
Options and warrants	Millions	32.7
Fully diluted shares	Millions	498.0
Market capitalisation.	A$ millions	18.6
Net cash, 31 December	A$ millions	1.4
Enterprise value	A$ millions	17.2
Top 20 shareholding	%	61.6

Source: Pivotal, ASX

Key Management:

Peter Hatfull, Non-executive Chairman: Mr Hatfull has over 30 years' experience in a range of senior executive positions with Australian and International companies. He has an extensive skill-set in the areas of business optimisation, capital raising and company restructuring. Mr Hatfull has held senior financial and Board positions in Australia, Africa and the UK. He has particular experience in revitalising business plans, attracting investor funding, and implementing profitable strategies. Mr Hatfull graduated as a Chartered Accountant in the United Kingdom, where he worked for Coopers and Lybrand (now PriceWaterhouseCoopers), and subsequently moved to Africa, where he spent 8 years in Malawi. Mr Hatfull moved to Perth in 1988.

Steven Turner, Managing Director: Steven Turner brings over 25 years of experience in the resource sector, having held senior roles in both industry and investment banking. During his career, Mr Turner has been based in London, Aberdeen, Singapore, Brisbane and Madrid. He has raised significant capital for the development of resource projects, including equity, public bonds and project finance. Most recently Mr Turner was head of business development at Round Oak Minerals, a private mining group, where he was instrumental in the successful growth of the company from a junior to mid-tier Australian base metal operator. Aeris Resources agreed to acquire Round Oak from WH Soul Pattinson in April 2022 for A$234m. Mr Turner was previously Executive Director and Head of Energy Corporate Finance at ABN AMRO for all of Asia. He holds Australian, Canadian and UK citizenships and is a Fellow of The Chartered Accountants of England and Wales and a Member of the Australian Institute of Company Directors.

Dr. Robert Wrixon, Non-Executive Director: Robert Wrixon is currently a Director of the mining venture capital group Starboard Global Limited and has 20 years of experience in corporate strategy, commodities marketing, mining M&A and mineral exploration management. He has previously run two listed junior resources companies in Australia, and prior to that spent five years in corporate strategy for Xstrata plc based in Sydney and London. Dr Wrixon is an Irish national and holds a PhD in mineral engineering from the University of California, Berkeley.

Daniel Rose, Non-Executive Director: Daniel has extensive experience in the investment banking industry, commodity financing, origination and trading. He most recently served as CEO and Director of VTB Capital Hong Kong (VTBC), overseeing an SFC regulated Investment Banking platform

focused on natural resources activities across Global Markets, Structured & Corporate Finance, M&A and Asset Management. In addition to his role as CEO, Daniel 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. Daniel has spent 18 years in the commodity markets working for Société Generale (prior to VTBC) in Sydney, London, Hong Kong and Singapore. He brings considerable expertise across trading, structured finance, capital markets activities and investment. Daniel enjoys long-standing relationships with a diverse group of investors, financial market institutions, credit / hedge / PE funds, commodity producers, trading houses and family offices. Daniel holds a Bachelor of Law (Hons) and Bachelor of Commerce degrees from Bond University .

Ashley Hood, Non-executive Director: Mr Hood has more than 15 years' experience in the mining industry having worked in mine and exploration operations for junior and large mining companies based in Australia and throughout the Pacific including New Zealand. He has broad senior management experience having held a number of ASX appointed board positions whilst working on some of Australia's major JORC resources. Mr Hood predominantly specialises in project/people management, native title negotiations, logistics, project diligence/acquisitions and has personally held and managed a number of his own exploration projects.

Figure 2: Pivotal share price chart

Source: ASX

Pivotal looks compellingly cheap

- Valuing Horden Lake in line with peers, and Belleterre-Angliers at A$10m suggests a valuation of A$0.21/share; this is 5x the current share price
- Factoring in estimated gold, silver and cobalt credits, and a 25% increase in resource tonnage could underpin a valuation of A$0.30 share
- Key catalysts for the shares include greater market recognition of the Canadian assets, drill results and an updated resource, and realisation of value in Spain

Current valuation of A$0.21/share

A base case valuation is established that values the Horden Lake project in line with peers, the earlier stage Belleterre-Angliers project at an 'IPO-type' valuation of A$10m, and places no value on the Spanish tin and tungsten assets, Santa Comba and San Finx. This may seem conservative. Last year, Pivotal published an Advanced PFS for the open-pit mine at Santa Comba with a 'Management Case' pre-tax NPV_5 of A$95m. The San Finx mine was only put on care and maintenance in 2017, the previous owners having invested heavily in new infrastructure. Yet, Pivotal's acquisition of the Horden Lake project in December 2022, and the company's consolidation of the land package in Belleterre-Angliers, has clearly shifted the focus to Canada. The company is now seeking third party investors and partners to bring the Spanish assets into production. At this stage what type of transaction, and what value may be achieved is unclear. **The conservative approach adopted herein is to focus solely on the Canadian assets** with any value derived from Spanish assets viewed as potential upside.

A sample of eight ASX and TSX-V listed copper dominant explorers and developers with projects in the top-tier jurisdictions of Australia, Canada and the USA, currently trades at an EV of around A$200 per tonne of copper-equivalent resource. Valuing the Horden Lake project in line with peers suggests a valuation of A$0.21/share (21 cents per share). **This is 5x the current share price.**

Figure 3: Pivotal current valuation

Asset	Valuation methodology	Value, A$ m
Horden Lake	27.8Mt at 1.55% CuEq for 431,000 tonnes CuEq, at A$200/t CuEq	86.1
Belleterre-Angliers	Estimated 'IPO-type' valuation for early stage nickel-dominant project	10.0
Net cash	As at 31 December 2022	1.4
Total		**97.6**
Shares in issue, m		465.3
Valuation, A$/share		**0.21**
Note: Horden Lake copper-equivalent resource stated using US$9,000/t copper, US$27,500/t nickel, US$1,500/oz palladium, and US$1,830/oz gold		

Source: Orior Capital

The market is valuing Pivotal at a market capitalisation of A$18.6m and an EV of just A$17.2m. Based on the current resource at Horden Lake of 27.8Mt at 1.55% CuEq for 431,000 tonnes CuEq based on current metals prices, (and ignoring all other assets) **Pivotal is being valued at an EV/t of resource of just A$40. This represents a discount of 79% to peers.**

Upside scenarios

A number of upside scenarios are considered. **These are not forecasts.** Rather the scenarios serve to illustrate how further exploration success could potentially impact valuations. The 2023 drill program at Horden Lake is expected to test the areas drilled by INCO for metals other than copper and nickel, particularly gold, silver, cobalt, palladium, platinum and other platinum-group elements (PGEs) and to test the higher-grade copper ore shoots.

Scenario 1 is based on Pivotal being able to bring the remainder of the gold, and the silver and cobalt into the resource. Pivotal is also expected to assay for rhodium, for the first time at Horden Lake, though this is ignored herein. Broadly, based on grades seen in drilling by El Condor Minerals in 2012 and current metals prices, this could boost the overall copper-equivalent grade of the resource from 1.55% CuEq to 1.86% CuEq, adding some ~86,400 tonnes to resources, representing an uplift of ~20%. Valuing Horden Lake on this assumed resource and in line with peers' current valuations would suggest a valuation of A$0.25/share (25 cents per share).

Figure 4: Current valuation and upside scenarios

Scenario	Assumptions	Value A$ m
Scenario 1	**Incorporates gold, silver, cobalt credits into the resource**	
Horden Lake	Current ~431,000 t CuEq, plus ~86,400 t CuEq from credits at A$200/t CuEq	103.4
Belleterre-Angliers		10.0
Net cash		1.4
Asset value		114.9
Shares in issue, m		465.3
Valuation, A$/share		**0.25**
Scenario 2	**25% uplift in resource tonnage plus Au, Ag and Co credits**	
Horden Lake	34.7Mt at 1.86% CuEq for 646,500 tonnes CuEq at A$200/t CuEq	129.3
Belleterre-Angliers		10.0
Net cash		1.4
Asset value		140.7
Shares in issue, m		465.3
Valuation, A$/share		**0.30**
Scenario 3	**Increased resource, metals credits and higher valuation**	
Horden Lake	34.7Mt at 1.86% CuEq for 646,500 tonnes CuEq at A$300/t CuEq	193.9
Belleterre-Angliers		10.0
Net cash		1.4
Asset value		205.3
Shares in issue, m		465.3
Valuation, A$/share		**0.44**

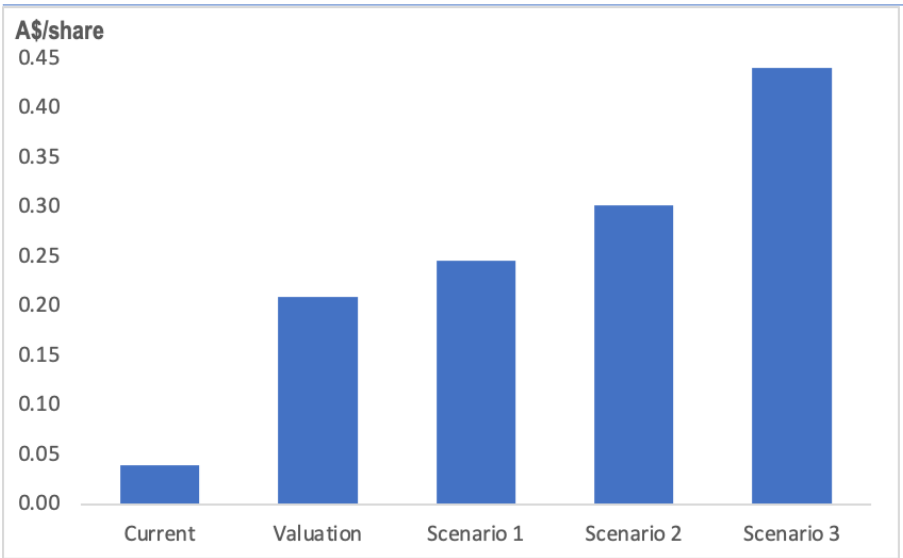
Source: Orior Capital

Scenario 2 incorporates the gold, silver and cobalt credits from Scenario 1, and assumes a 25% increase in resource tonnage to 34.7Mt at 1.86% CuEq for 646,500 tonnes CuEq. This could underpin a valuation of A$0.30 (30 cents per share).

Scenario 3 is based on some recovery in copper developer valuations. Current valuations of around A$200/t CuEq are close to trough levels. A year and a half ago, valuations were about A$600/t CuEq. It seems likely that as the copper and other battery-metals markets tighten, and as the market recognises the dearth of high-quality copper projects, valuations will recover. Incorporating the potential resource upside set out in Scenarios 1 and 2, and valuing the Horden Lake project at say,

A$300/t CuEq would suggest a valuation of A$0.44/share (44 cents/share). **This is 11x the current share price.**

Figure 5: Current share price, valuation and upside scenarios



Source: Orior Capital

Other factors that might be expected to drive valuations such as the discovery of rhodium at Horden Lake, positive developments at Belleterre-Angliers, or the realisation of value from the Spanish assets, are not considered at this stage.

Peer valuations

There are a number of copper dominant development companies listed on the ASX and TSX-V. A sample of eight of these companies with projects in Australia, Canada and the USA, currently trades at an EV-weighted average EV/t CuEq of A$194.

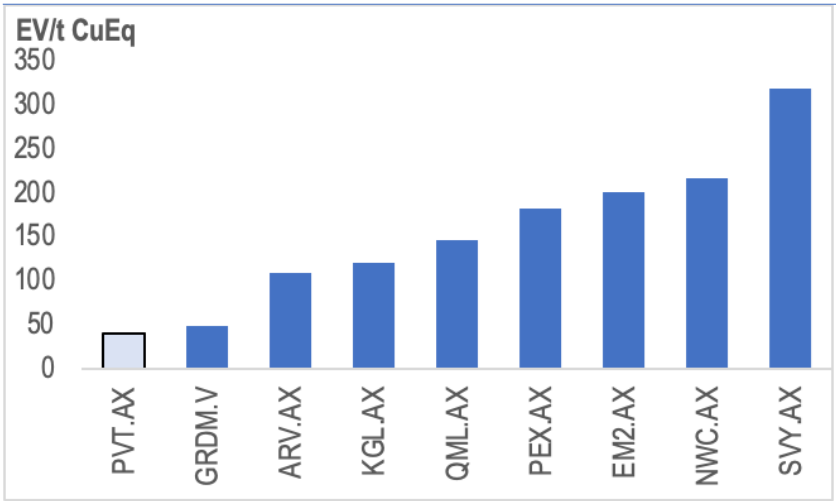
Figure 6: ASX and TSX-V listed copper dominant explorer and developer peers

Company	Code	Project	Location	EV A$ m	EV/t CuEq A$/t
Artemis Resources	ARV.AX	Greater Carlow	WA, Australia	19	109
Eagle Mountain Mining	EM2.AX	Oracle Ridge	Arizona, USA	58	200
Grid Metals	GDRM.V	Makwa Mayville	Manitoba, Canada	26	49
KGL Resources	KGL.AX	Jervois Copper	NT, Australia	68	120
New World Resources	NWC.AX	Antler Copper	Arizona, USA	103	217
Peel Mining	PEX.AX	Mallee Bull	NSW, Australia	76	181
QMines	QML.AX	Mount Chalmers	QLD, Australia	20	145
Stavely Minerals	SVY.AX	Stavely Copper-Gold	VIC, Australia	76	318
EV weighted average					**194**

Note: All resources calculated based on US$1,830/oz Au, US$22/oz Ag, US$36,000/t Co, US$9,000/t Cu, US$3,100/t Zn US$2,100/t Pb, US$1,500/oz Pd and US$1,000/oz Pt

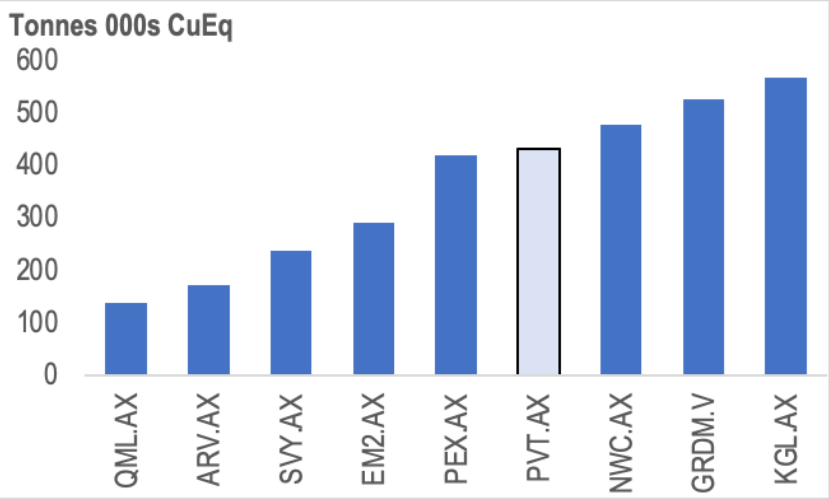
Source: Company data, Orior Capital

Figure 7: Pivotal versus peers, EV/t resource CuEq



Source: Company data, Orior Capital estimates

Figure 8: Pivotal and peers copper equivalent resources



Source: Company data, Orior Capital estimates

Given the copper-nickel nature of the deposit, the recent transactions in nickel are also indicative of potential value. In November 2022, Archer Exploration completed its acquisition of the Quebec and Ontario nickel assets, including a 100% interest in the Grasset nickel sulphide project in Quebec, from Wallbridge Mining. The deal was valued at C$53.6m. The Grasset project hosts an indicated resource of 5.5Mt at 1.53% nickel equivalent (NiEq). Restating the resource in terms of copper equivalent based on metals prices at the time of the deal, Archer paid an estimated A$234/t CuEq.

In 2021, BHP and Wyloo Metals competed to acquire Noront Resources and its Eagle's Nest project in northern Ontario which hosts high-grade nickel, copper, platinum and palladium. Wyloo had opened the bidding at C$0.315 per share in May 2021 before finally bidding C$1.10 in December 2021 in a deal that valued Noront at C$616.9m. According to Noront's 1Q22 presentation, Eagle's Nest hosts 11.1Mt of Reserves grading 0.9% Cu, 1.7% Ni, 3.1 ppm Pd and 0.9 ppm Pt and Inferred Resources of 9.0Mt grading 1.1% Cu, 1.1% Ni, 3.5 ppm Pd and 1.2 ppm Pt. **Based on metals prices and exchange rates at the time of the deal, Wyloo paid an estimated A$530/t CuEq for Noront.**

The Wyloo deal in particular demonstrates that well-informed, motivated buyers are willing to pay much higher prices than currently seen in the general market in order to secure future supplies of scarce commodities.

In February 2023, Canada Nickel announced that Anglo American would acquire a 9.9% stake in the company for C$24m, at a price representing a 10% premium to the 30-day VWAP price. Canada Nickel is developing the Crawford Nickel Sulphide Project in Ontario. In May 2021, a Preliminary Economic Assessment for the project demonstrated a post-tax NPV_8 of US$1.2bn and a 16% IRR.

Share price catalysts

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

- Greater recognition by the market of the opportunity and value in the Canadian asset portfolio
- Results of the upcoming drilling program at Horden Lake which is aimed at incorporating additional gold credits from areas only drilled by INCO, and silver and cobalt credits, testing high-grade copper shoots, and assaying for rhodium
- An upgraded resource at Horden Lake targeted for 4Q23, and the release of a PFS that management aims to complete by 2Q24
- Any positive developments at Belleterre-Angliers
- The realisation of value from the Spanish assets
- Higher valuations in the market generally as the markets for critical raw materials such as copper and nickel are expected to tighten

Horden Lake; a readily mineable deposit

- Horden Lake is a substantial, near surface, magmatic sulphide deposit, with open-pit start-up potential
- Drilling in 2023 is aimed at bringing additional metal credits into the resource and testing high-grade copper shoots; the deposit remains open at depth
- Management targets an upgraded resource in 4Q23, and a PFS by 2Q24

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 in 2022.

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. The deposits form by the exsolution (where molten rock separates into constituent minerals upon cooling) of immiscible sulphide liquid from mafic to ultramafic magmas. The exsolved sulphide liquid tends to segregate under gravity forming massive sulphide layers. Other elements, including Au, Co and PGEs, partition into the sulphide liquid as it settles (Foose et al., 1995). Deposits typically have near vertical feeder conduits, and structural features in the basal contact that act as traps to concentrate the massive sulphide.

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.

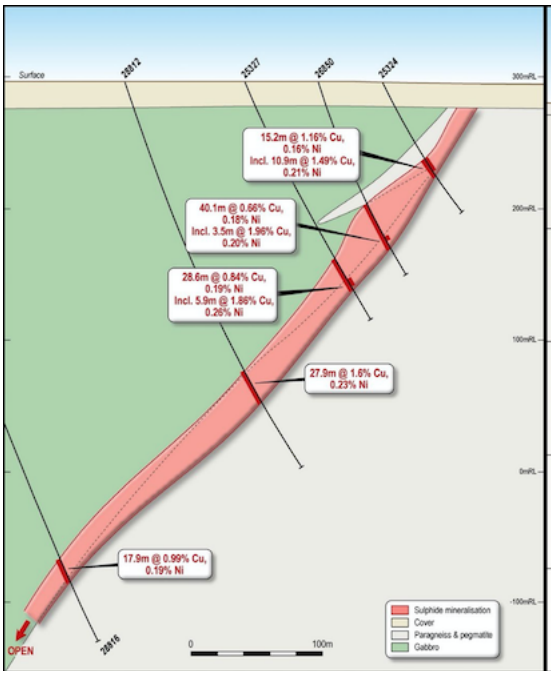
Magmatic sulphide deposits host about 40% of global resources of nickel, more than 90% of the global resources of platinum group elements (PGEs), and about 3% of the global resources of copper. They supply more than 60% of the world's nickel market and more than 99% of the world's demand for PGEs (Song et al, 2011).

Horden Lake already hosts a substantial copper-nickel resource 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. **There is potential to develop a significant Cu-Ni-PGE-Au-Ag resource.** Furthermore, the deposit geometry should allow for relatively simple mining with an initial open-pit operation. **This is seen as a key advantage.**

A readily mineable deposit

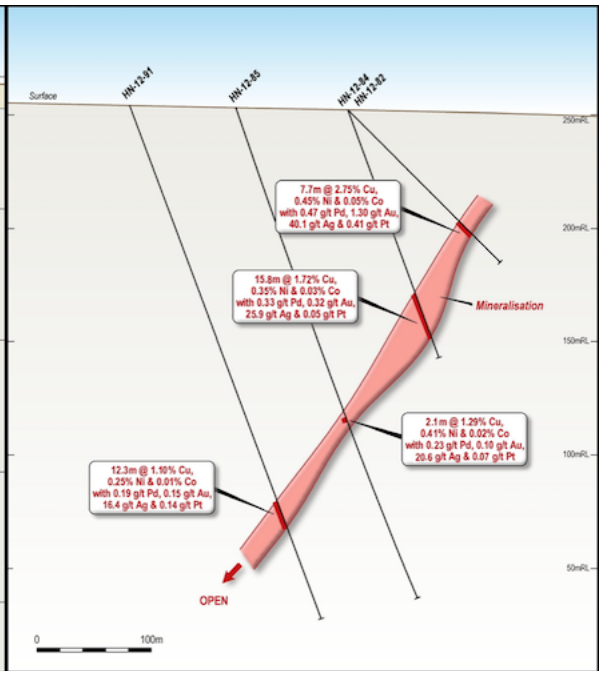
The deposit starts near-surface, and dips at about 55°. It is a consistent 'slab' for most of its 2.2km strike length, varying in width from 15m to 40m. The geometry suggests an initial open-pit operation followed by underground development from the bottom of the open-pit.

Figure 9: INCO cross section



Source: Pivotal

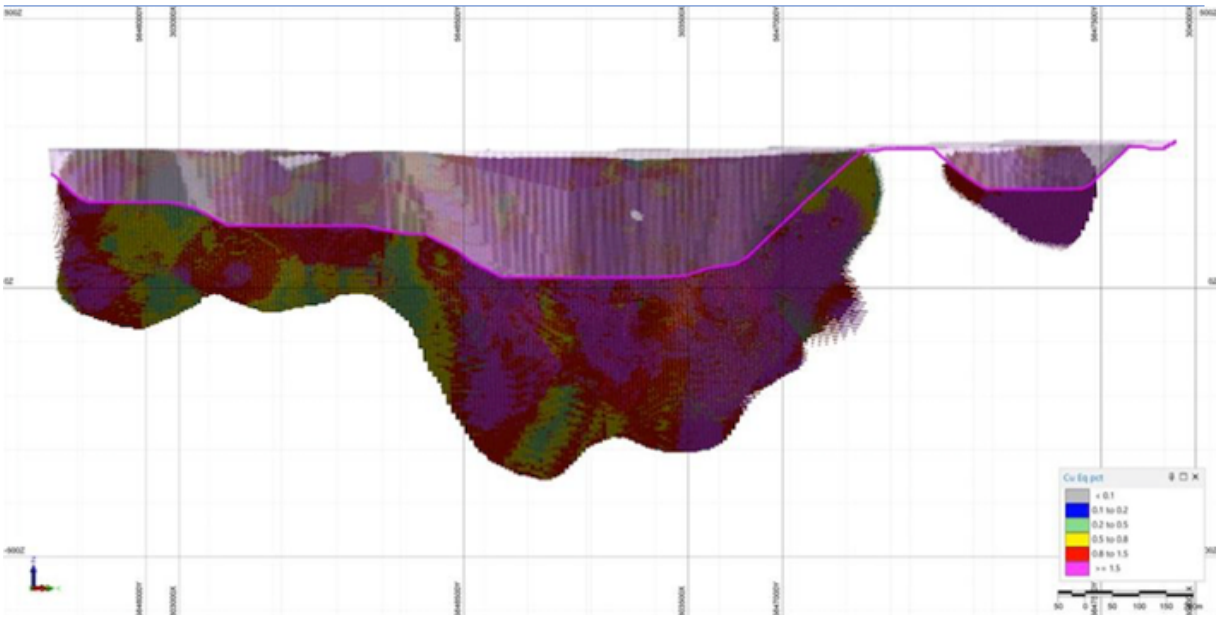
Figure 10: El Condor 2012 cross-section



Source: Pivotal

The pit constrained resource envisages an open-pit operation down to approximately 150m from surface that would capture 62% of the current resource. The resource remains open at depth along its entire strike length, suggesting the underground mine could be larger than currently assumed.

Figure 11: Optimised pit shell overlain on the current mineral resource estimate, looking west-northwest and showing the % CuEq grades



Source: Pivotal

Initial metallurgical work shows potential for high recoveries

In the early 1970s, INCO performed preliminary flotation testing on five samples of drill core from Horden Lake at various sections along strike. According to Watts, Griffis and McOuat Ltd (WGM), who completed a prefeasibility study for the Horden Lake deposit for Kingswood Resources Ltd in 1993, the **tests demonstrated that saleable grades of copper concentrates could be made at recoveries varying from 85% to 96% of copper in the feed.** Copper concentrate grades varied from 21.5% Cu to 30.4% Cu. According to WGM, these concentrates also contained quantities of silver and traces of gold and platinum group elements.

INCO had performed simple mill tests as early as 1968, achieving recoveries of 96.4% Cu, 69.4% Ni (in a lower grade concentrate), 77.5% Ag and 68.2% in other PGEs. In 1981, INCO noted that improvements in processing techniques should lead to higher recoveries.

In 2012, El Condor Minerals commissioned Resource Development Inc (RDI) to conduct detailed metallurgical test work with a view to developing parameters for a Preliminary Economic Assessment of Horden Lake. The tests focused on production of a saleable copper concentrate with significant by-products. Three composite samples were prepared; Composite 1 (70.2kg) comprised metasediment-hosted massive to semi-massive sulphide and ore grade disseminated mineralisation, which is the most widespread ore-type in the resource; Composite 2 (102.6kg) comprised pyroxenite-hosted blebby to disseminated sulphide; and Composite 3 (20.8kg) comprised gabbro-hosted blebby to disseminated sulphides.

Bulk-sulphide rougher flotation tests were undertaken to provide a high level evaluation of process parameters such as grind, flotation time, reagent type and dosage, and pH, in order to maximise copper, nickel and precious metals recoveries to rougher flotation concentrates. Composite 1 (head grade 1.76% Cu, 0.49% Ni, 0.17g/t Au) **achieved rougher recoveries, to 23% wt. concentrates of 95% copper, 66% nickel, 74% gold and 84% cobalt.** RDI also conducted sequential copper-nickel rougher and cleaner flotation, though no attempt was made to optimise this metallurgy for this process option.

RDI concluded that it is reasonable to assume 90% of the Cu, Au and Ag could be recovered in a copper circuit, and that rejected Ni, Pt, Pd, Au and Ag would report to a nickel circuit and 80% recoveries could be assumed.

Pivotal plans to commence metallurgical testing this year with a view to optimising the flowsheet. At this stage it is not clear what the trade-offs are between single stage and sequential copper-nickel flowsheets. This work is expected to be a major focus of the PFS.

Substantial Mineral Resource

In November 2022, Pivotal announced a JORC compliant pit shell constrained Mineral Resource Estimate of 27.8Mt at 1.49% CuEq, based on a 0.3% open-pit cut-off and a 1.12% underground cut-off. Some 55% of the resource is classified in the Indicated category.

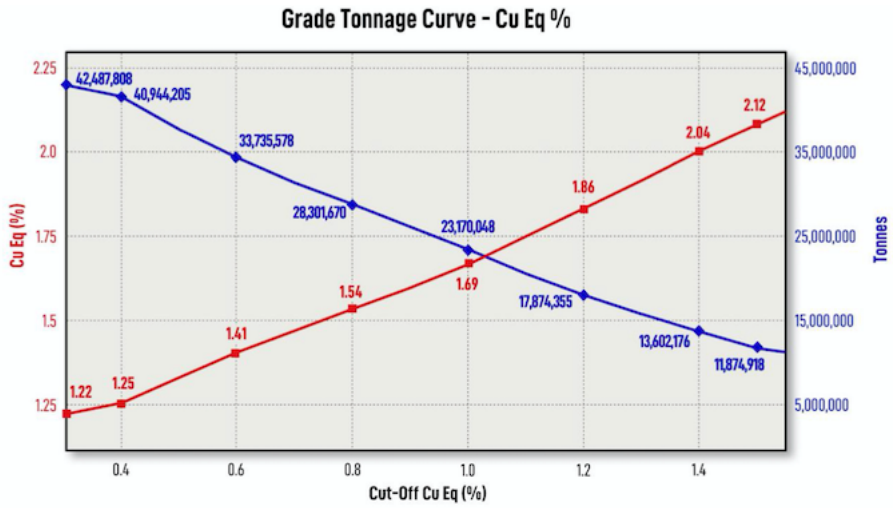
The resource is based on historical drilling only, and is the first resource estimate that incorporates data from all previous drilling including 96 drill holes completed by INCO in 1963-1969, 72 drill holes by Southampton in 2008 and 12 drill holes completed by El Condor Minerals in 2012. **The current resource is open along strike and at depth, and has further upside in terms of grade** as discussed herein.

Figure 12: 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
Total	**27,776,205**	**1.49**	**0.72**	**0.22**	**0.07**	**0.19**	**201,594**	**61,927**	**66,245**	**168,028**

Source: Pivotal

Figure 13: Horden Lake Grade tonnage curve, CuEq %



Source: Pivotal

Substantial upside potential in grade…

Of the 180 drillholes used in the resource, 96 were drilled by INCO. The INCO drillholes were only analysed for copper and nickel. As a result, the gold domain could only be assessed within the central part of the deposit which was drilled by Southampton in 2008 and El Condor in 2012, both of which performed multi-element analysis including for gold, palladium, platinum and cobalt. As a result, the gold grade was estimated based on about 40% of the deposit and then diluted across the full resource. This suggests **there is potential for significant uplift in gold credits** as gold is analysed across the rest of the deposit.

In addition to gold, **there is potential to add both cobalt and silver credits to the resource**, neither of which are currently included. Drilling by El Condor in 2012 returned typical silver grades of 9-40 ppm Ag, and typical cobalt grades of 200-500 ppm Co.

Figure 14: El Condor key drill intersects at Horden Lake, 2012

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

Source: Pivotal

While it is difficult to estimate the potential uplift in resource grade at this stage, by way of example, **the inclusion of gold, silver and cobalt credits could lift the resource grade from 1.55% CuEq (at current metals prices) to ~1.86% CuEq.** This is based on the assumptions of a consistent gold grade across the whole deposit, a silver grade of 15 ppm, and a cobalt grade of 300 ppm. At current metals prices, the inclusion of these elements could add US$778m to the value of the in-situ resource. This represents some 86,400 tonnes copper equivalent, at current prices, and represents an uplift in the resource of 20%.

Figure 15: 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	183
Silver	27.8Mt at 15 ppm Ag for 13.4 moz silver	295
Cobalt	27.8Mt at 300 ppm Co for 8,340 tonnes cobalt	300
Total		**778**
Tonnes CuEq		86,409
Grade uplift	**86,409 tonnes copper over 27.8Mt resource**	**0.31%**
Note: Values based on metals prices of US$1,830/oz gold, US$22/oz silver, US$36,000/t cobalt and US$9,000/t copper		

Source: Orior Capital

Figure 16: Extensive wireframed domain for copper (transparent orange), in comparison to the wireframed regions of gold (yellow) and silver (blue), showing their relative limited spatial distribution compared to copper, within the mineralized zone

Source: Pivotal

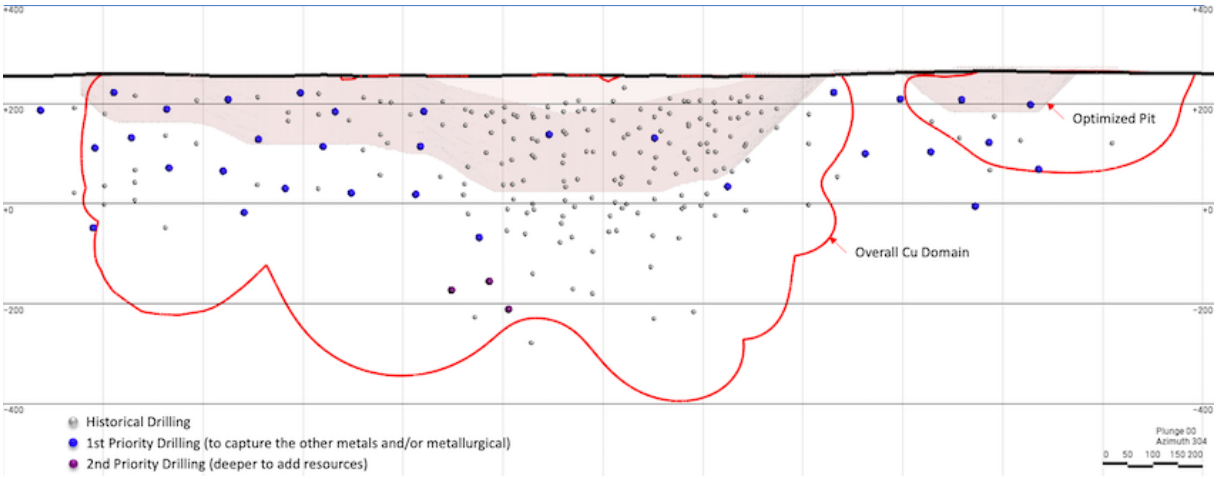
Management aims to be able to include the remainder of the gold mineralisation as well as silver and cobalt in an updated Mineral Resource later this year.

…And resource tonnage

There is excellent potential to increase the resource tonnage will further drilling. The deposit remains open at depth across the entire strike length. Resource modelling of the copper has highlighted higher-grade ore shoots as excellent drill targets. The depth of the resource to the southwest is constrained by drilling with the only deeper historical holes in the NE-Central zone.

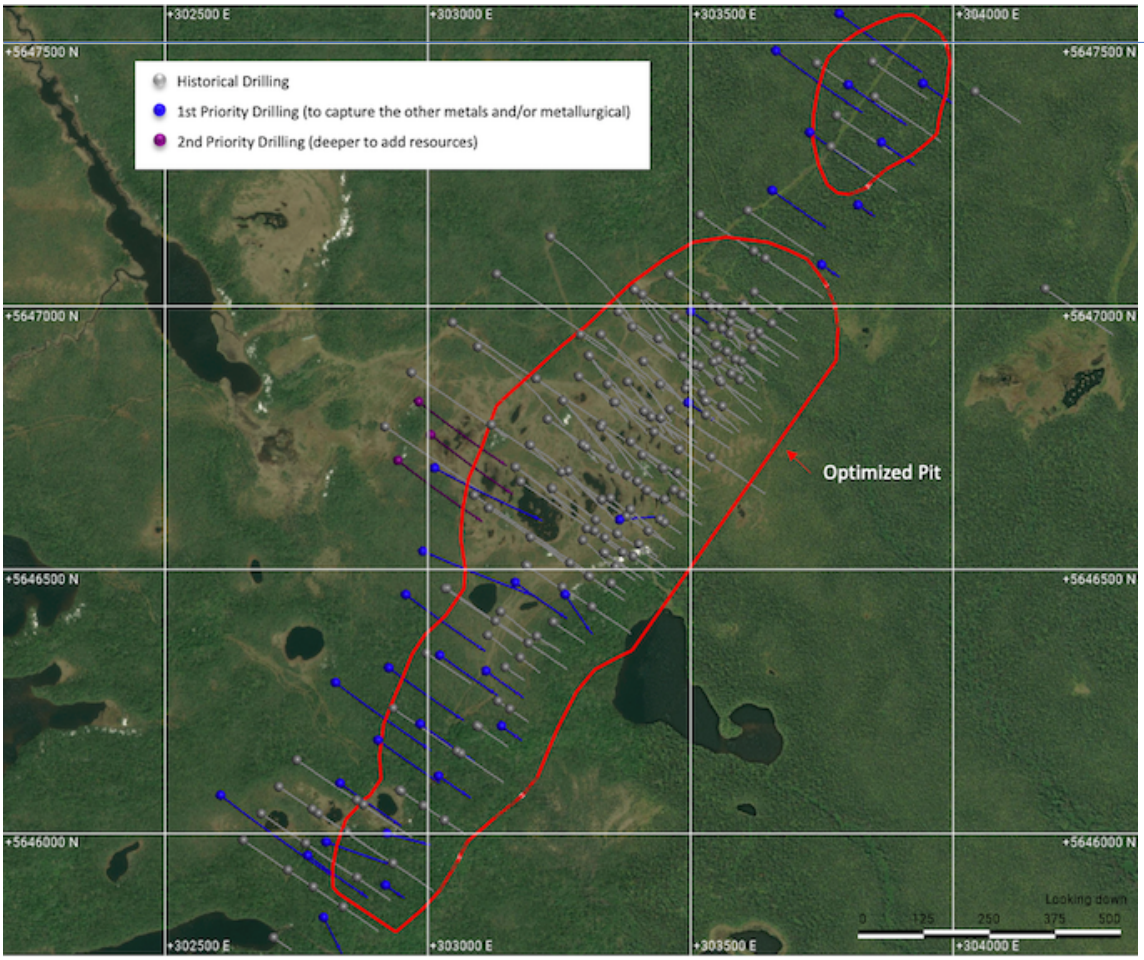
Drilling in 2023 is focused on testing areas towards the southwest of the deposit that were drilled by INCO in the 1960s, testing high-grade copper shots at depth in the centre of the deposit, and testing whether the two lodes are connected. One upshot of the program, although not the primary aim, may well be to convert additional material from the Inferred category to Indicated. The program is expected to comprise some 7,000m to 10,000m of drilling and to commence in April/May 2023.

Figure 17: Longitudinal section of planned 2023 drilling showing pierce points, looking NW



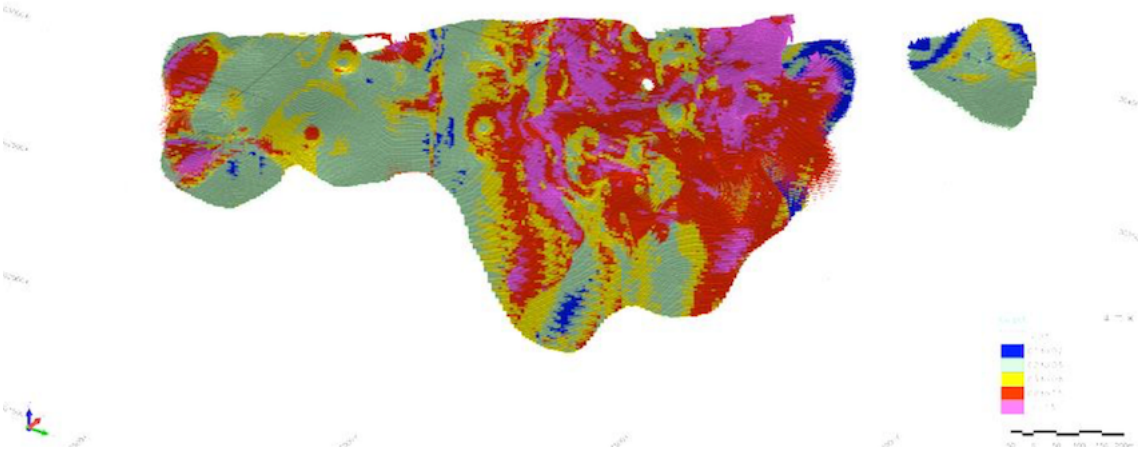
Source: Pivotal

Figure 18: Plan view of proposed 2023 drilling program



Source: Pivotal

Figure 19: Longitudinal section (looking NW), of the Cu resource model. The red and purple colours are showing the higher-grade Cu ore-shoots and clearly pointing to drill targets



Source: Pivotal

Economic considerations, cut-off grades

In addition to the above, there is an expectation that as the copper and nickel markets tighten, metals prices will move higher. **This may enable additional material to be brought into the resource.** Notably, the resource is based on metals price of US$7,300/t copper, US$21,300/t nickel, US$1,600/oz gold and US$1,900/oz palladium.

Resource modelling

Resource modelling defined six parallel and interconnecting mineralised lenses with the majority of the mineralisation hosted along the contact zones and in the metasedimentary rocks. Given the cross-cutting nature of the mineralised lenses and their geometry, and through review of the core photos and relevant geological reports, the mineralised lenses are considered to be a contact shear.

Analysis of the mineralised zone for variations in distribution of the potentially economic elements Cu, Ni, Co, Pt, Pd, Au and Ag, demonstrated that copper was distributed throughout, while other elements were concentrated locally within the overall sulphide mineralisation zone. This necessitated wireframing of individual domains for each element. It is typical in these types of layered intrusion deposits that gold and silver are associated with copper, and cobalt, platinum and palladium are associated with nickel. The copper domain has been separated into lower- and higher-grade sub-domains with the higher-grade area defined by a threshold of 0.56% Cu. The gold and silver domains were modelled from drilling by Southampton and El Condor based on thresholds of 0.1 ppm Au and 15 ppm Ag.

The nickel domain, modelled from all drill holes, was based on a threshold of 0.1% Ni and is more restrictive that the copper domain. The palladium domain, based on a threshold of 0.1 ppm Pd uses assay data from Southampton and El Condor and assigned data for the INCO drill holes based on the association of palladium with nickel.

Cut-off grades were estimated for both open-pit (0.3% CuEq) and underground mining (1.12% CuEq) based on economic, metallurgical and cost parameters.

Historical exploration

The Horden Lake deposit was first identified by INCO in the 1960s, at which time the project was only accessible by float plane or helicopter. Between 1962 and 1969, INCO undertook geophysics and completed 157 diamond drill holes for 32,229m. INCO focused on the conductive zones marginal to and within the metagabbro that extends across the property. Assays were performed for nickel and copper, but not other metals. Work continued on the project, sporadically, into the 1970s, but given low metals prices and difficult access at the time, and the company's focus on the larger Sudbury Nickel Camp, INCO did not proceed. The current Mineral Resource Estimate uses 96 of the 157 INCO drill holes.

In 2008, Southampton Ventures Inc conducted geophysics and drilled 73 NQ size drill holes for a total of 18,136m. Southampton assayed all drill holes for a suite of metals including Cu, Ni, Pd, Pt, Au, Ag and Co (but not Rh). A NI 43-101 Mineral Resource Estimate was prepared resulting in 16.55Mt that comprised 8.76Mt of Indicated Resource at 0.88% Cu and 0.21% Ni, and 7.79Mt of Inferred Resource at 0.87% Cu and 0.25% Ni. The current Mineral Resource Estimate uses 72 of the 73 Southampton drill holes.

In 2012, El Condor Minerals completed a 12 HQ size diamond drill hole program for a total of 2,037m, and also assayed the results for a full suite of metals. The program was aimed at generating sufficient material for initial metallurgical testing (from 4 drill holes) and to extend the strike length of the copper-nickel-precious metals zone. All 12 drill holes are incorporated into the current Resource.

Figure 20: Historical exploration work at Horden Lake

Period	Company	Comments
1962-1969	INCO	157 diamond drill holes for 32,229m, assayed for nickel and copper
		Geophysical surveys
2008	Southampton Ventures	73 NQ size drill holes for 18,136m, that were assayed for a full suite of metals, excluding rhodium
		Geophysical surveys
		NI 43-101 resource of 16.55Mt including 8.76Mt Indicated grading 0.88% Cu, 0.21% Ni, and 7.79Mt Inferred grading 0.87% Cu, 0.25% Ni.
2012	El Condor Minerals	12 HQ size drill holes for 2,037m, that were assayed for a full suite of metals, excluding rhodium
2022	Pivotal	Pivotal acquisition of the Horden Lake project
		Publication of JORC Compliant Mineral Resource, 27.8Mt at 1.49% CuEq, incorporating all historical drilling

Source: Pivotal, Orior Capital

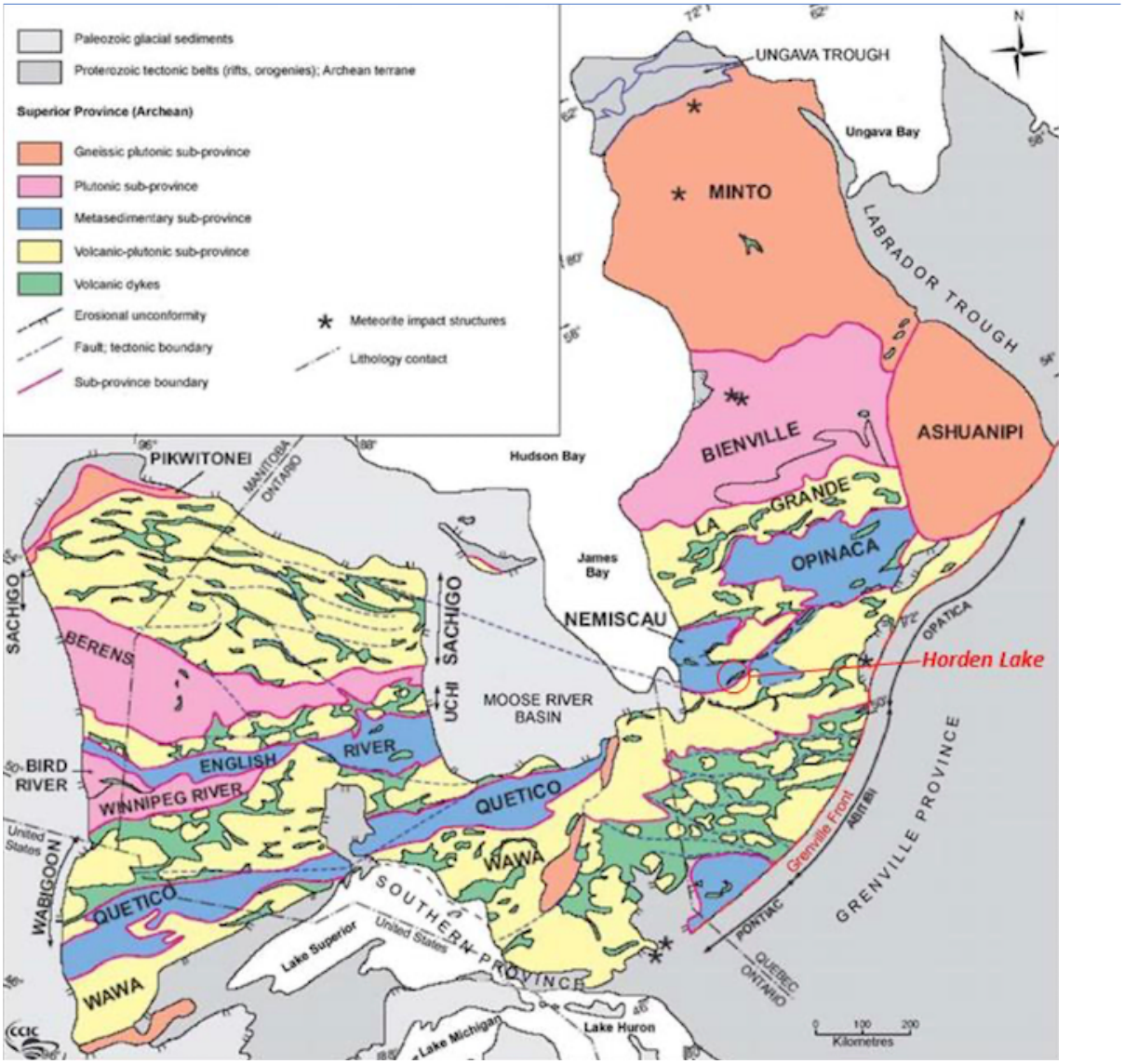
Geology and mineralisation

Horden Lake is situated in the Nemiscau Subprovince, close to the border with the Opatica Subprovince. The area is characterised by metasedimentary and volcanic-plutonic rocks. East-west and northeast-southwest trending shear zones transect the area. The rocks are metamorphosed to greenschist facies and locally to amphibolite facies. On a regional scale, bedding and foliation dip moderately to the northwest and the area is dominated by low angle faulting, and subvertical strike-slip and oblique shear zones. Metasedimentary rocks in the Nemiscau Subprovince are interpreted to have been deposited between 2698 Ma and 2688 Ma (Percival et al., 1992) with the granites that intruded the metasedimentary rocks dating to around 2672 Ma (Davies et al., 1995).

The geology of the area was originally mapped by the Quebec Government. Metavolcanic and metasedimentary rocks are dominant and metagabbro occurs as a long and narrow, concordant body. Granites intruded the metasedimentary and metavolcanic package. The youngest rocks in the area are gabbro and diabase dikes. Structures are interpreted to strike east-west, northeast, and northwest and generally dip steeply to the south. There is abundant shearing.

Remick (1963) reported a mapped and interpreted metagabbro 40km long and 1.0-1.5km wide. Lyon and Jobin-Bevans (2002) concluded the Horden Lake deposit is associated with a mafic-ultramafic sill. In the 1960s, INCO described a “Main Zone” as a conductive and sulphide-rich zone related to a northeast trending, 50-60° west-dipping structure, close to the contact of gabbro and metasedimentary rocks, both invariably mineralised. INCO characterised this zone as being 1,950m long and 1m to 30m wide with the dominant sulphides being pyrrhotite, pyrite, chalcopyrite and possible pentlandite, and minor sphalerite. Traces of PGEs, gold and silver were recorded.

Figure 21: Generalised geological map of the Superior Province of the Canadian Shield, and approximate location of Horden Lake

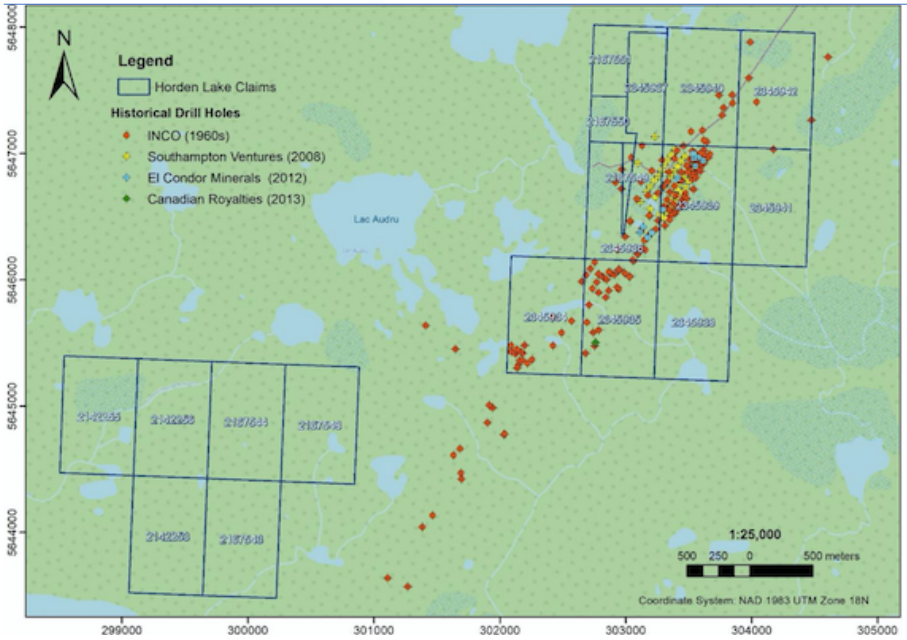


Source: Pivotal

Tenements

The Horden Lake project comprises 18 mining claims in two non-contiguous groups with 12 claims in the northern group and 6 claims in the southern group, and with a total area of some 814.8 Ha. In December 2022, Pivotal agreed to buy the claims for C$4.5m (including C$1.5m in shares with a 3 month escrow) and a 1% net smelter royalty. The acquisition was concluded in December 2022.

Figure 22: Horden Lake mining claims and historical drill hole collars

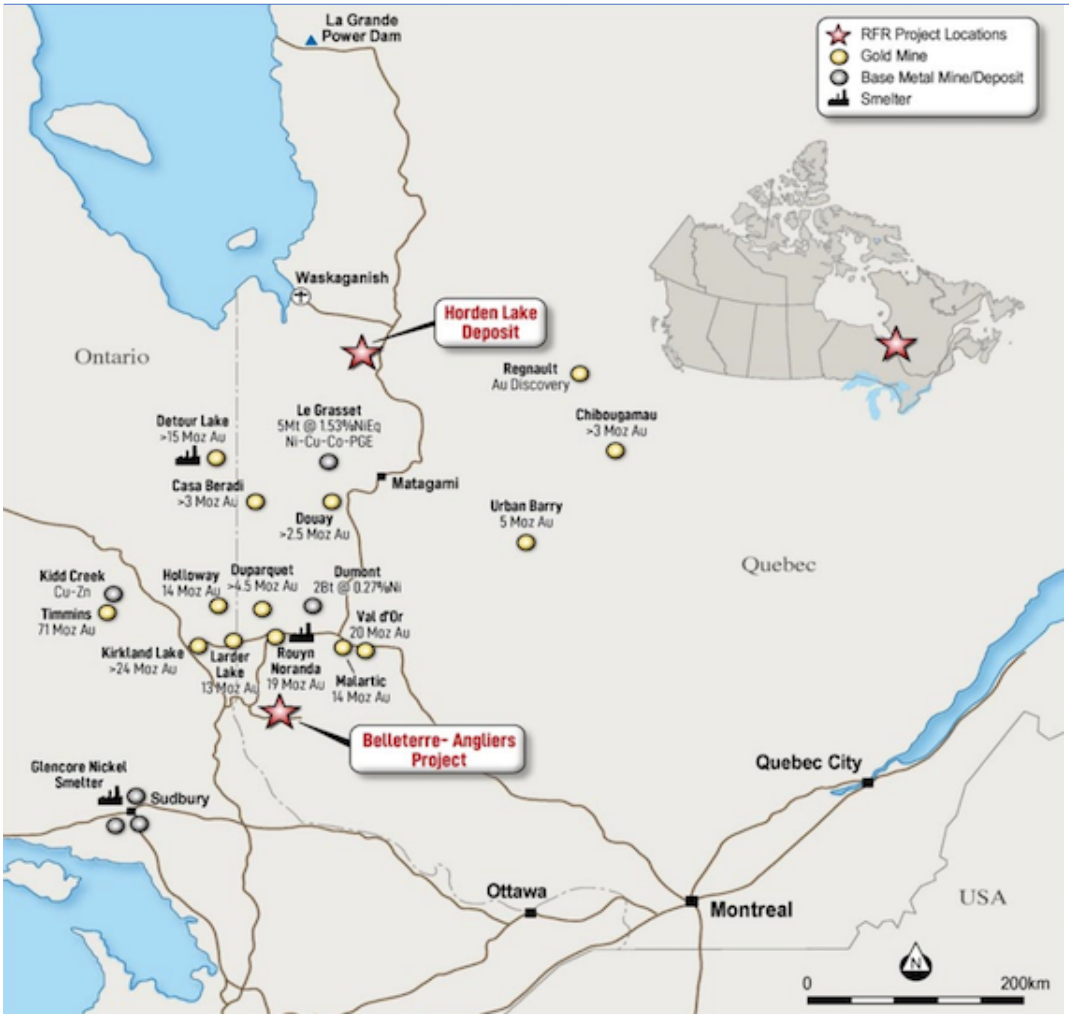


Source: Pivotal

Figure 23: Drill core from hole HN-08-07 from Southampton's 2008 drill program showing large blebs of pyrrhotite, pyrite and chalcopyrite within massive sulphide

Source: Pivotal

Figure 24: Location map of the Horden Lake and Belleterre-Angliers projects



Source: Pivotal

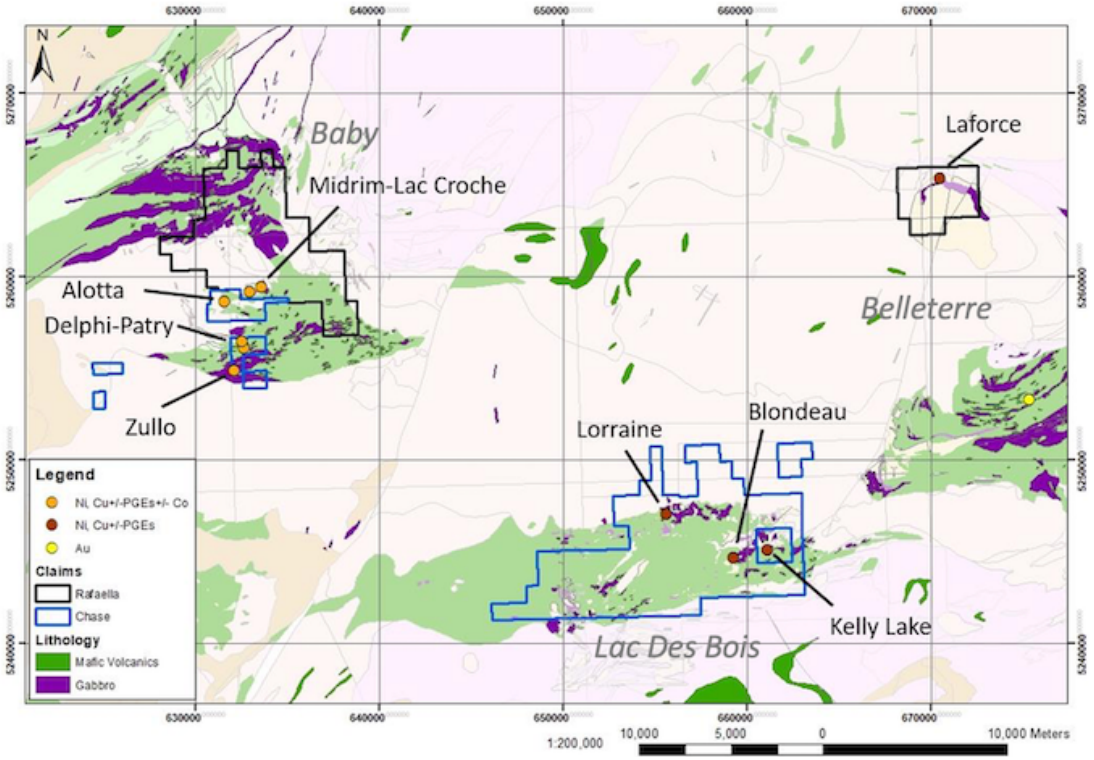
Belleterre-Angliers; potential company maker

- Pivotal has successfully consolidated a substantial and highly prospective land package in the Belleterre-Angliers Greenstone Belt
- The area hosts widespread mineralisation and numerous historical mines; historical drilling has returned compelling high-grade and broad intercepts
- Management's 2022 review of the project identified 137 new and reclassified EM targets including 20 classified as Priority 1

Belleterre-Angliers is a first-class exploration project situated on the volcano-sedimentary Belleterre-Angliers Greenstone Belt in southern Quebec. Over the past three years, Pivotal has assembled a substantial 157 km^2 land package comprising the Midrim, Laforce, Alotta and Lorraine claims, that cover a number of gabbroic intrusions. Geological modelling of these small but relatively high-grade intrusions suggest 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.

Without exception, previous owners focused on near-surface mineralisation, appearing to ignore 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 (and not just the size of the intrusion). Thus, the presence of sulphides within the gabbroic intrusion are an indication of potential along the intrusive path and at depth.

Figure 25: Regional geology of the Belleterre-Angliers Greenstone Belt



Source: Pivotal

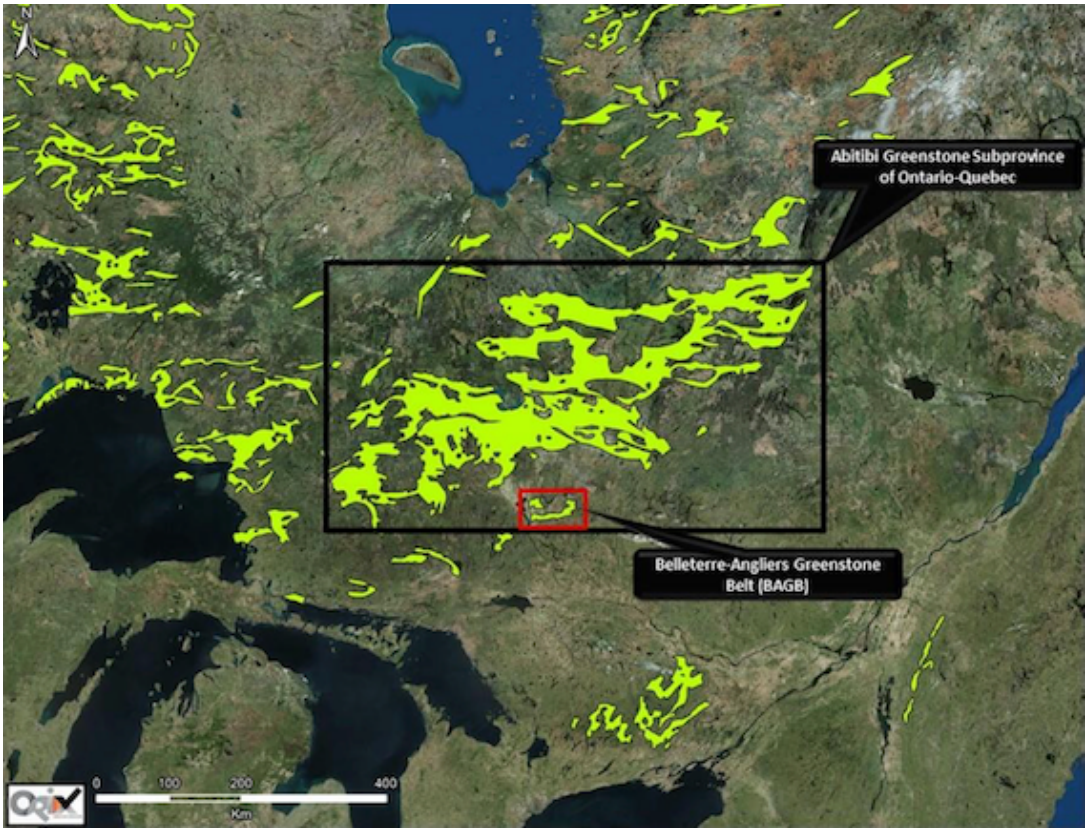
In July 2022, Pivotal announced that preliminary geophysical work focusing on areas previously overlooked for lying more than 300m in depth, **had identified 137 new and reclassified EM anomalies, with 20 of these being classified as Priority 1**.

The Belleterre-Angliers Greenstone Belt is the youngest and southernmost greenstone belt in the Archean Superior Province of the Canadian Shield. The area is situated just north of the Grenville Front and south of the Abitibi Greenstone Belt. The Belt is divided into the Baby, Lac des Bois, and Belleterre Groups. The northern part of the Baby Group comprises a base of komatiitic basalts, overlain by tholeiitic basalts that in turn are overlain by calc-alkali intermediate to felsic volcanic rocks and volcaniclastic sedimentary rocks. The southern part of the Baby Group and the Lac des Bois and Belleterre groups include tholeiitic basalts and calc-alkalic volcanic rocks but lack komatiitic rocks.

PGE-Ni-Cu mineralisation forms during emplacement of the intrusive phases when sulphur becomes immiscible in the magma forming its own liquid that concentrates within the magmatic conduit, or chonolith, or within the footwall immediate to the intrusion. PGEs are known to have an extremely high affinity for this sulphide liquid and are efficiently scavenged and concentrated from the magma.

Pivotal acquired the Midrim and Laforce claims in 2020, and the Alotta and Lorraine claims in May 2022. **This is believed to be the first time such a large land parcel in the Belleterre-Angliers Greenstone Belt has been consolidated under single ownership.**

Figure 26: The Belleterre-Angliers Greenstone Belt within the Abitibi Subprovince



Source: Kilbourne, M. (2018). Assessment report based on the 2018 Alotta diamond drill program for Toptung Ltd., Alotta Project, Baby Township, Claim: CDC 1131130, NTS 31M/06.

Pivotal's program is expected to commence with magnetotellurics (MT) before the existing VTEM (Versatile Time Domain Electromagnetic) data is reprocessed. The existing VTEM surveys focused on depths around 300m, which is the extent of current models. The data is rich so reprocessing it should provide a picture down to perhaps 1,000m or so. Magnetotellurics is a complimentary technique that should confirm the VTEM data and also provide better targeting of the deep conduits.

Magnetotellurics (MT) and audiomagnetotellurics (AMT) enable mapping of very deep systems. MT and AMT both use natural variations in the Earth's magnetic field as a source. AMT typically operates in a frequency band of 1-70 Hz and can map down to about 2km; it is excellent for targeting the accessible parts of a mineralised body. MT operates at much lower frequencies of 0.0001-10 Hz and can reach depths of as much as 200km. 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.**

Stage 1, a proof of concept, is expected to be flown over the known mineralisation at Midrim-Alotta, and would cover about one-quarter of the program. Responses would be mapped and sources tracked to depth. Stage 2 would be a wider roll-out, prioritising Lorraine where there are many anomalies.

There is also scope to commence drilling in the short-term with a number of untested drill-ready targets at Midrim, Lorraine and Alotta. An initial program might be 300-500m.

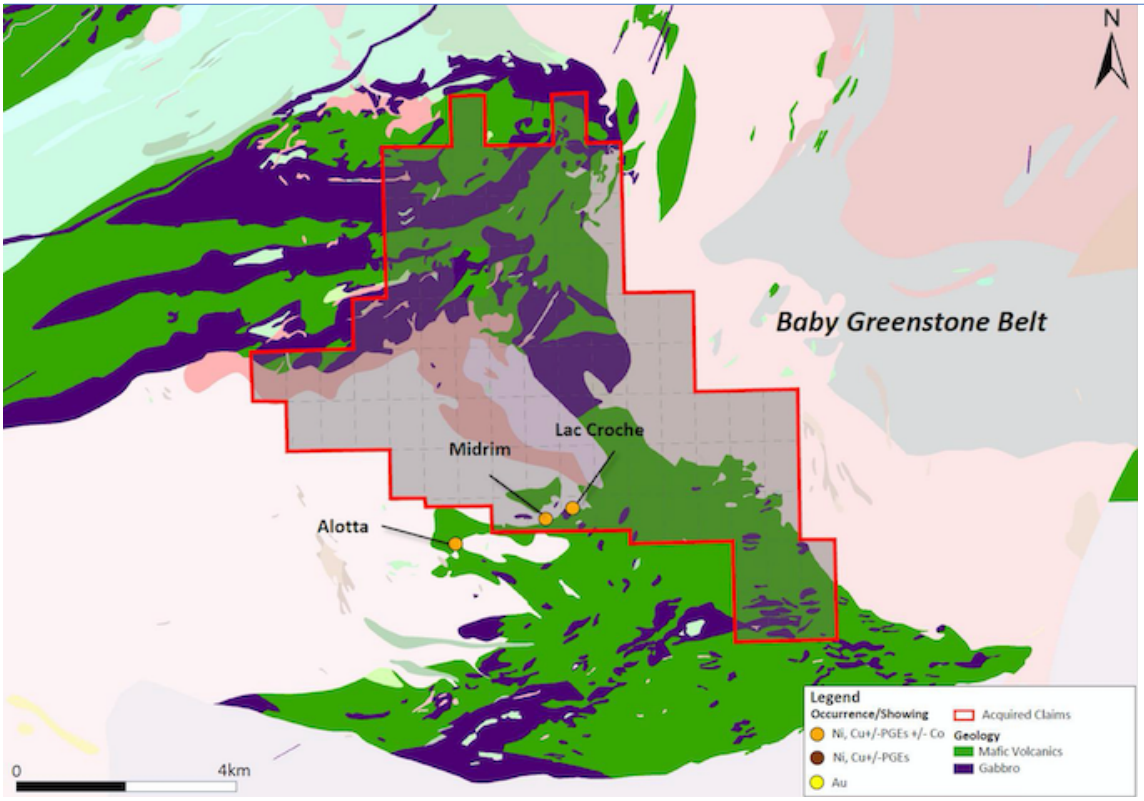
Midrim

The Midrim project area covers 118 km^2 of the Baby sector of the Belleterre-Angliers Greenstone Belt and hosts the Midrim and Lac Croche Ni-Cu-PGE prospects. In 2001, Falconbridge identified 24 EM anomalies, including the undrilled Alotta North prospect that requires follow-up testing. Two EM targets have historically been drill tested with mineralisation intercepted at Midrim and the Lac Croche prospect. The Midrim prospect is hosted within an elongated, WNW-ESE trending gabbroic intrusion that is some 330m long and 85m wide. The gabbro is hosted in a thick package of mafic volcanics and tuffaceous sedimentary rocks. The mineralisation at Midrim is predominantly chalcopyrite, pyrrhotite, millerite, violarite, pentlandite and pyrite.

Some 32,000m of historical drilling has been conducted within the project area. **Drilling in 2001 identified multiple zones of massive to semi-massive and net-textured to disseminated sulphides at the base of a differentiated gabbro sill.** The No. 1 Zone, intersected in drill hole MR00-01, comprises massive sulphides surrounded by a blebby to disseminated halo. The No. 5 Zone, situated down plunge and 100m to the west and intersected in drill hole MR00-05, contains high-grade massive sulphides. The two Zones are separated by an area of blebby to disseminated sulphides and cross faults. In the Central Zone, located a further 60m west, mineralisation is hosted in shear zones in felsic volcaniclastic units. Mineralisation is terminated to the south by a west-striking steeply north-dipping fault.

Management believes the existing deposits at Midrim represent proof of concept that the gabbroic intrusion systems are fertile and productive for formation of high-grade nickel bearing magnetic Ni-Cu-PGE mineralisation.

Figure 27: Location of the Midrim deposit



Source: Pivotal

Compelling historical intersects

Historical drilling at Midrim and Laforce returned a number of high-grade and broad intersects:

- **MR00-01**: 19.7m @ 1.85% Ni, 2.98% Cu, and 2.74g/t PGE from 15.5m downhole
- **MR00-05**: 39.4m @ 1.91% Ni, 1.85% Cu, and 2.57g/t PGE from 30m downhole including

  4.35m @ 6.29% Ni, 2.90% Cu, and 6.21g/t PGE from 46.65m and

  4.30m @ 6.57% Ni, 5.15% Cu, and 7.15g/t PGE from 57.15m
- **MR01-29**: 18.9m @ 1.49% Ni, 2.11% Cu and 2.43g/t PGE from 17.6m downhole
- **MR01-37**: 4.6m @ 5.97% Ni, 4.91% Cu, and 3.38g/t PGE from 48m downhole

A verification program by Meteoric Resources conducted in 2017 intersected:

- **MR-17-01**: 22.1m @ 1.64% Ni, 2.38% Cu, and 2.56g/t PGE from 28m downhole and
- **MR-17-01**: 9.4m @ 3.52% Ni, 4.25% Cu, and 4.59g/t PGE from 56m downhole
- **MR-17-05**: 16.8m @ 1.01% Ni, 1.79% Cu, and 2.95g/t PGE from 23m downhole

Drilling at Laforce has also returned broad mineralised intersections including:

- **LF06-04**: 100m @ 0.87% Ni and 0.38% Cu from 3m downhole

Figure 28: Significant massive sulphide intersections from Midrim

Hole ID	From m	To m	Interval m	Ni %	Cu %	PGE 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
MR01-25	50.0	57.0	7.0	1.12	1.59	2.34
and	64.3	79.0	14.7	1.77	2.14	2.89
MR01-28	54.5	56.8	2.3	1.21	2.20	2.79
MR01-29	17.6	36.5	18.9	1.49	2.11	2.43
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
MR17-05	23.0	39.8	16.8	1.01	1.79	2.95
including	25.6	28.0	2.4	1.00	2.00	1.79
including	34.0	39.8	5.8	1.03	2.12	3.52

Source: Pivotal

Figure 29: Significant massive sulphide intersections from Laforce

Hole ID	From m	To m	Interval m	Ni %	Cu %
LF06-04	3.0	103.0	100.0	0.87	0.38
LF52-88	39.0	79.0	40.0	0.82	0.46
LF07-10	52.9	74.2	21.3	0.90	0.66

Source: Pivotal

Initial metallurgical testing

In 2018, Meteoric Resources reported that preliminary metallurgical testing conducted on samples from Midrim demonstrated exceptional nickel and copper recoveries, with up to 95% copper and 80% nickel recoveries after just ten minutes of simple flotation.

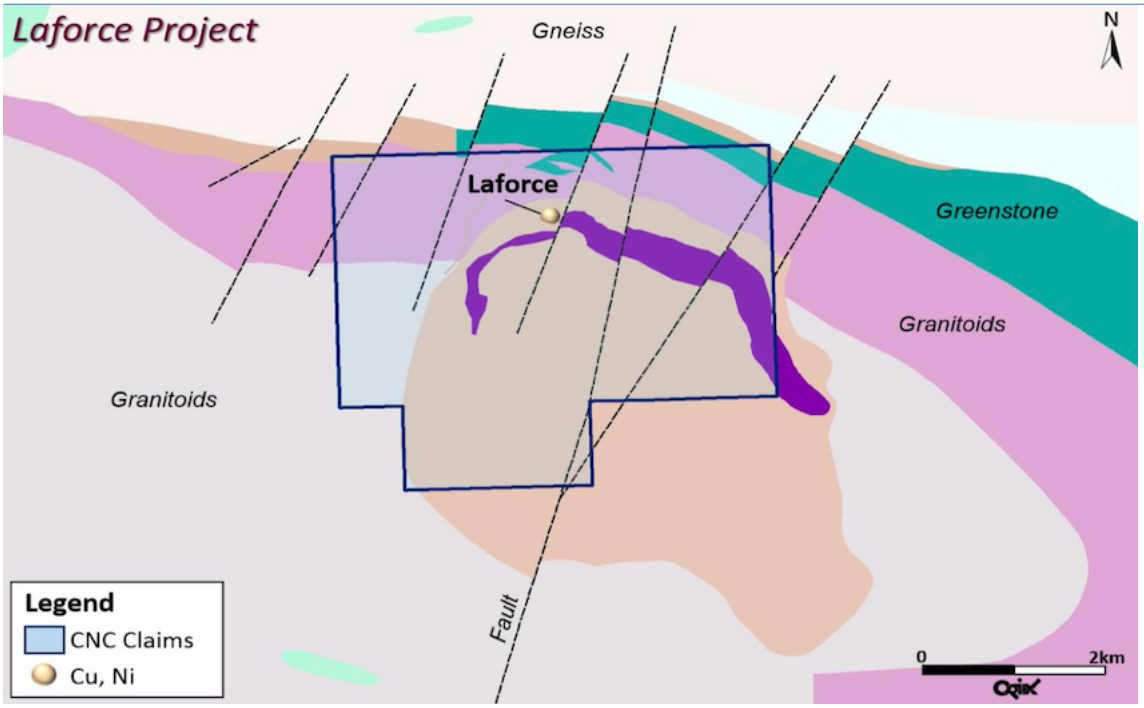
Laforce

The Laforce project is located in the north-eastern part of the Belleterre-Angliers Greenstone Belt. The claims cover part of an elongated, east-west trending gabbroic intrusion measuring some 4,600m by 150m. The gabbro body is situated near the northern margin of a 4,200m wide diorite plug, that is cut by a number of NNE-NE trending faults.

The main Ni-Cu-PGE mineralisation identified so far is in the western segment of the gabbro and hosted within amphibolite (a metagabbro) enveloped by porphyritic gabbro. Known mineralisation occurs in quartz veins along or adjacent to sheared volcanic-gabbro or granitoid-volcanic contacts.

Sulphides represent about 30% of the unit and occur as 1-3mm blebs and veinlets of pyrrhotite, pentlandite, chalcopyrite, pyrite and trace millerite. A number of anomalous zones have been identified in the claim area with surface geochemistry and ground induced polarisation surveys.

Figure 30: Laforce deposit area



Source: Pivotal

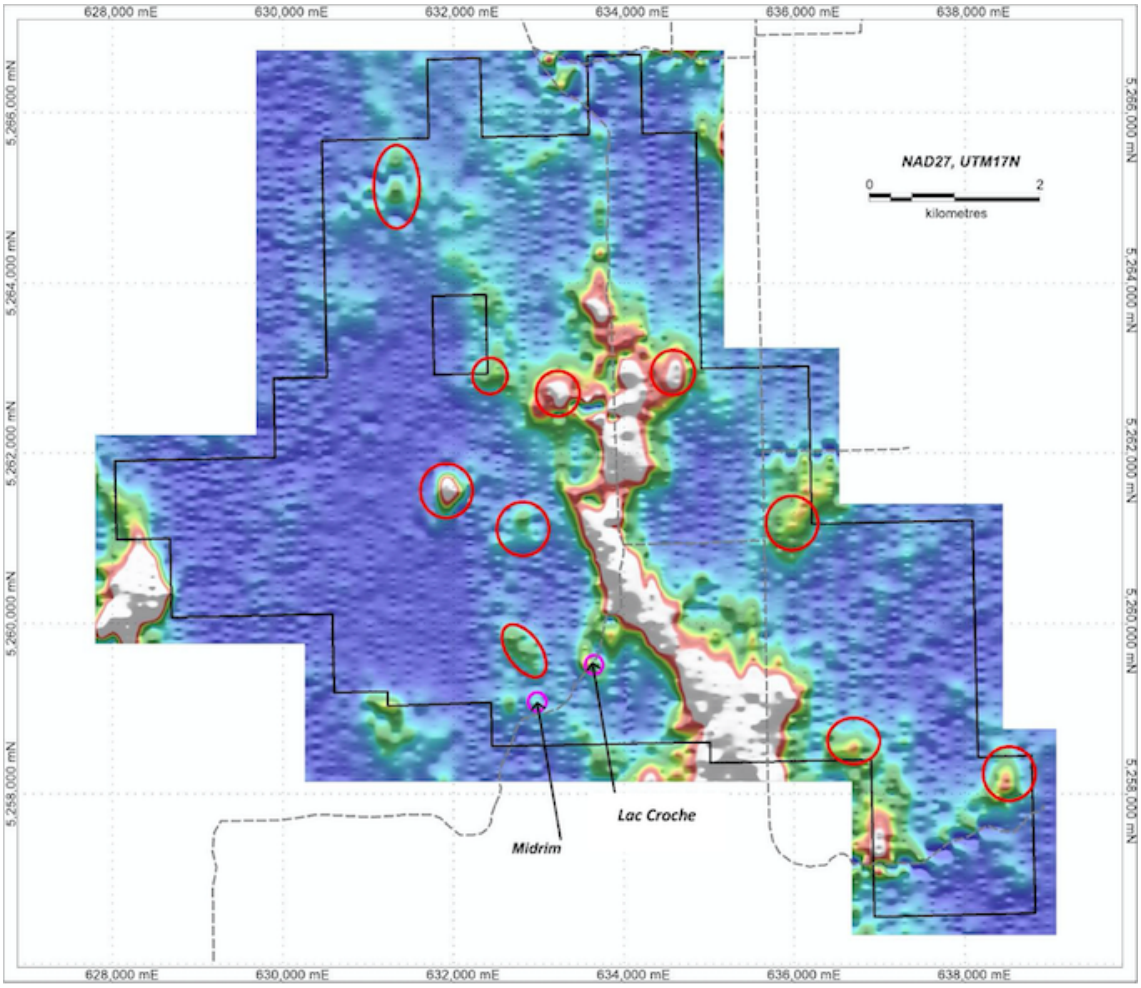
There are numerous untested targets in the area. This includes widespread copper and nickel soil geochemistry from a 1,500 sample program by Fieldex in 2008-2010, and **two high priority IP geophysical targets that mimic the responses at Midrim.** Together, the targets cover the approximately 4,000m strike of the metagabbro bodies. According to Pivotal (August 2020), some 14,600m of historical drilling has been conducted, with core from 35 of the 108 historical holes (5,438m) in good standing.

Geophysical surveys highlight multiple drill targets

Heli-borne VTEM surveys were flown over the Midrim and Laforce areas in 2001 by previous owners and by Pivotal in 2021. The 2001 survey was a high frequency (90 Hz) survey flown at a relatively high altitude of about 120m, or higher in areas of steep terrain. Geophysical systems have developed greatly in the past 20 years, and this 2001 survey would nowadays be considered sub-optimal in exploring for intrusive hosted Ni-Cu-PGE mineralisation. Yet, the historical survey was successful in discovering the known, shallow, high-grade deposits at Midrim and Laforce.

Southern Geoscience Consultants (SGC) reviewed and reprocessed the historical VTEM data for Pivotal in 2021. **This work highlighted up to ten new, untested anomalies that are associated with elevated magnetics.** According to Pivotal, the Priority 1 and Priority 2 targets are defined on the western margin of a very significant zone of elevated magnetics measuring some 1,500m east-west, corresponding with gabbro-anorthosite intrusive rocks.

Figure 31: MegaTEM reprocessed data identifying new prospects



Source: Pivotal

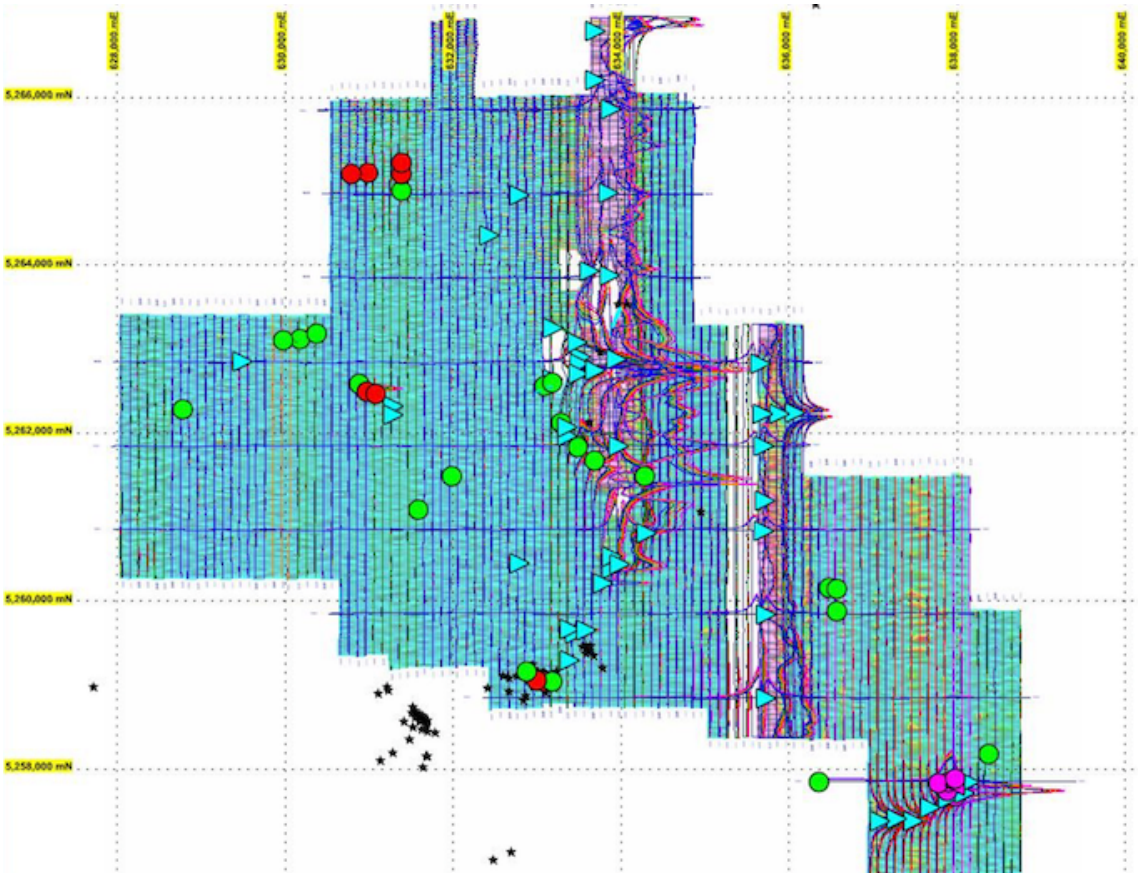
In 2021, Pivotal undertook geophysical surveys at Midrim and Laforce. A VTEM Max survey was flown in February 2021, and a FLTEM (surface fixed loop time-domain electromagnetic) survey was conducted in May 2021.

VTEM Max combined with Groundfloor EM is considered an excellent system for locating discrete conductive anomalies as well as for mapping lateral and vertical variations in resistivity. In Groundfloor EM, an airborne EM transmitter is used with surface-based receivers. The greater transmitter-receiver separation compared to standard airborne techniques means the step-response can be calculated with sufficient accuracy to study very high conductivity targets commonly encountered in nickel-copper sulphide exploration.

The main objective of the VTEM Max survey was to detect potentially blind, deep level bedrock conductors associated with Ni-Cu-PGE mineralisation. The survey flew 821.8 line km. Groundfloor EM was then conducted over identified anomalies to further assess and rank exploration targets.

In March 2021, Pivotal announced **the survey defined one very strong discrete new anomaly and three clusters of moderate strength anomalies that had not previously been defined.**

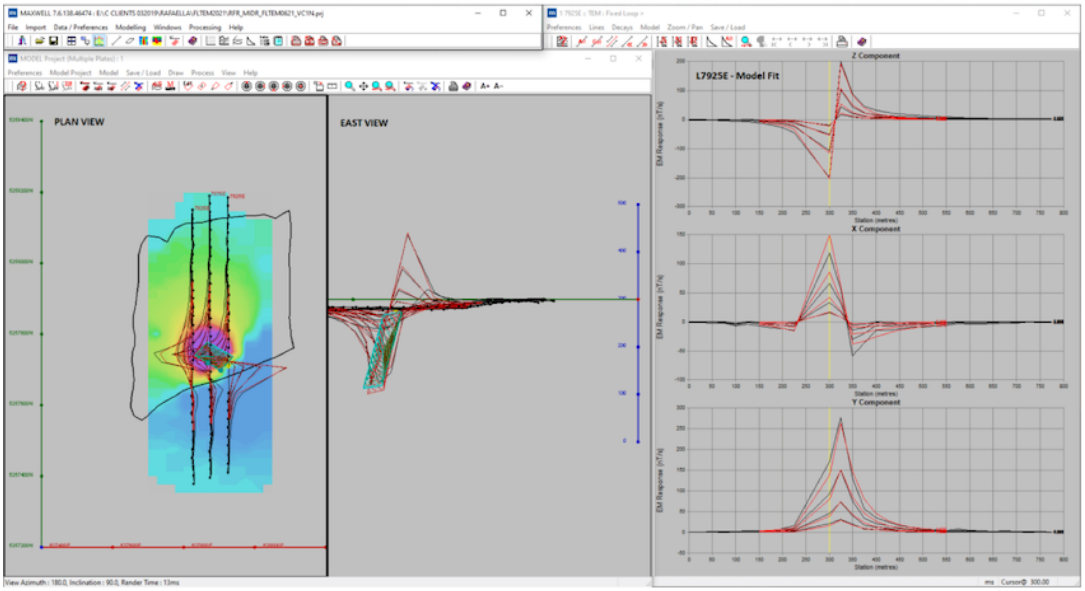
Figure 32: VTEM Max survey at Midrim showing strong discrete new anomaly



Source: Pivotal

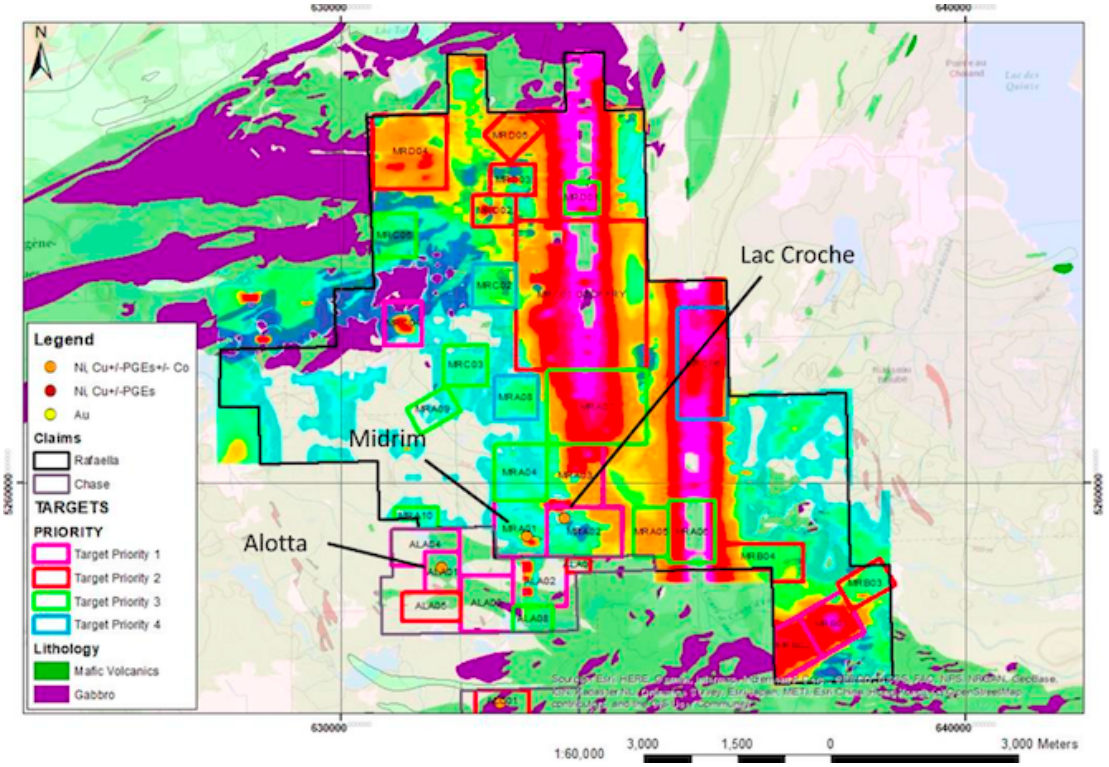
The FLTEM survey confirmed and delineated the VTEM anomaly. The VC1 conductor was defined as having a depth extent of 175-200m and width of some 50m, with moderate conductance, and a steep NW plunge commencing at a shallow depth of around 25m. Pivotal reported, July 2021, that the **conductance levels of this new target are stronger than for the known high-grade Ni-Cu-PGE sulphide deposits at Midrim and Laforce, making this a high priority target for drilling.**

Figure 33: FLTEM refined modelling outcomes, VC1 conductor, plan view



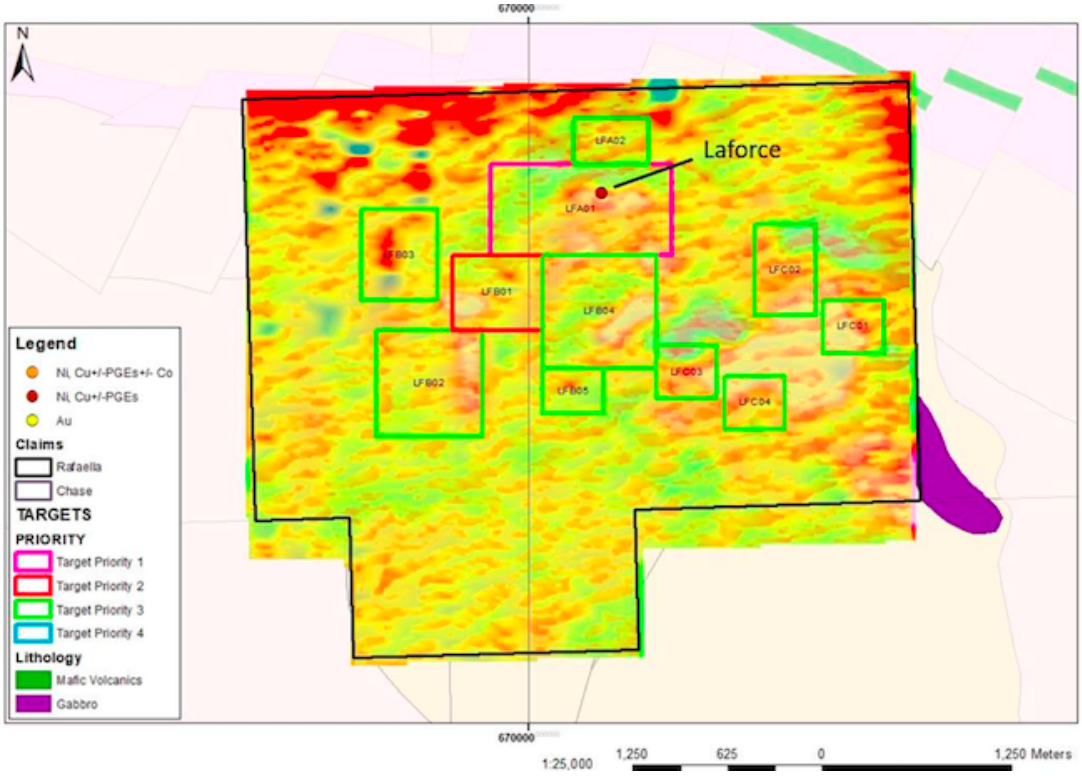
Source: Pivotal

Figure 34: Target areas at Midrim as identified by SRK ES



Source: Pivotal

Figure 35: Target areas at Midrim as identified by SRK ES



Source: Pivotal

Alotta

The Alotta project is centred in Baby Township, Témiscamingue County, Quebec, and lies some 25km east of Lake Timiskaming and the Quebec-Ontario provincial border. It is situated immediately south of the Midrim claims on similar linear chonolithic gabbroic bodies. In 1967-1968, Falconbridge completed 62km of ground magnetics and EM surveys and a small drill program. In 2000-2001, Aurora Platinum completed a 1,074km helicopter magnetic survey and 70 diamond drillholes for a total of 9,833m (Kilbourne, 2018).

Extensions to the geophysical anomalies at Midrim are also found at Alotta. At Alotta, the gabbro intrusion is well-preserved and exposed (Kilbourne, 2018) and differentiated into crude texturally distinct magmatic layers that are melanocratic at the base and more leucocratic in the upper areas, and consistent with the fractional crystallisation of the gabbroic magma. Similar layering is observed in other gabbro bodies in the area. Massive to blebby and disseminated sulphide mineralisation appears related to a shear zone striking 290° on the limb of a folded differentiated gabbro sill with mineralisation occurring at the base of the sill. The primary sulphide minerals are pyrrhotite, chalcopyrite, pentlandite and pyrite.

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

Figure 36: Selected drill intersections in the Alotta licences

Hole ID	From m	To m	Interval m	2PGE+Au %	Ni %	Cu %
ZA-18-01	70.60	81.26	10.66	2.44	0.69	2.38
including	70.60	76.77	6.17	3.76	0.95	3.48
ZA-18-02	25.83	59.00	33.17	0.96	0.56	0.81
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-18-07	34.55	54.25	19.70	0.56	0.44	0.49
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-19-02	30.25	37.00	6.75	0.24	0.15	0.32
ZA-19-03	31.70	73.00	41.23	1.14	0.87	0.93
ZA-19-04	49.00	71.60	22.60	1.09	0.77	1.16
ZA-19-05	54.00	71.00	17.00	3.33	1.52	2.90
ZA-19-06	64.50	78.50	14.00	1.53	1.54	1.56
ZA-19-07	57.00	66.15	9.15	0.35	0.23	0.43
ZA-19-08	55.50	79.90	24.40	1.15	0.68	1.15

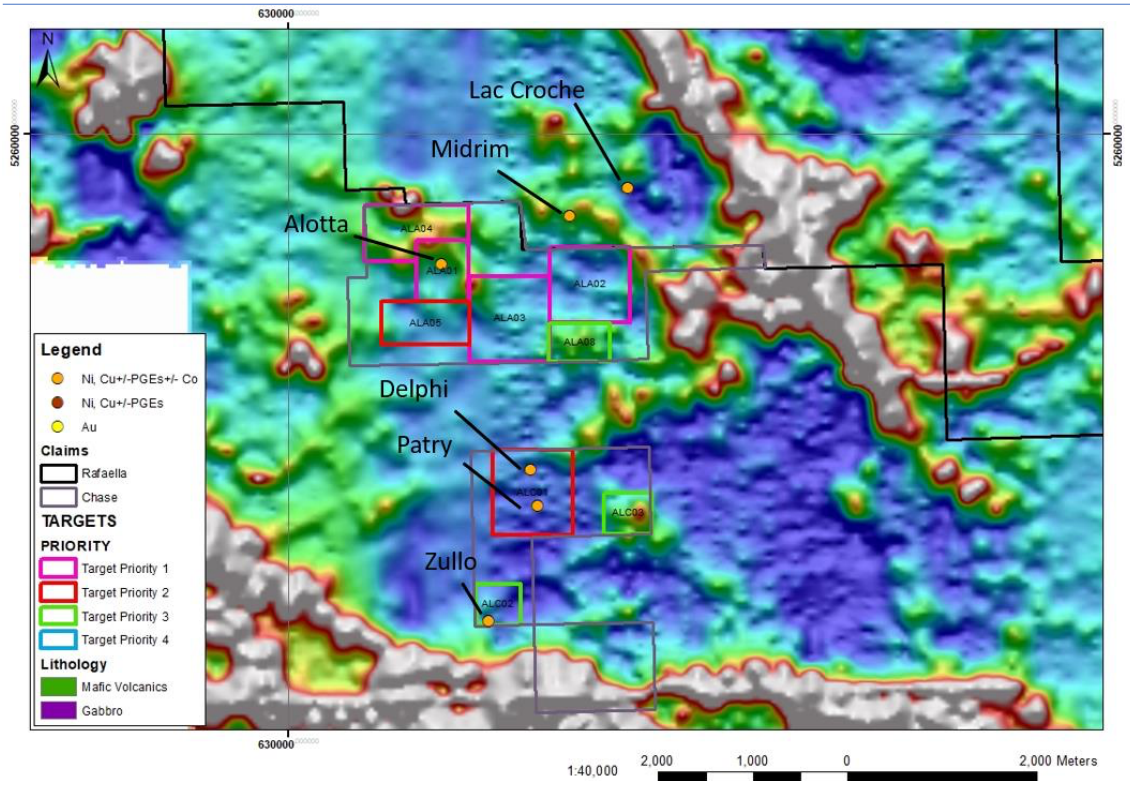
Source: Pivotal, Kilbourne 2018 and 2020

A VTEM survey was flown in March 2019 from which Core Geophysics identified multiple targets at Alotta, only two of which have so far been drill tested. SRK ES has suggested adding 10 of these target areas including 4 classified as Priority 1 to a potential consolidated program.

Kilbourne, M. (2018). Assessment report based on the 2018 Alotta diamond drill program for Toptung Ltd., Alotta Project, Baby Township, Claim: CDC 1131130, NTS 31M/06. 101 pp.

Kilbourne, M. (2020). Assessment report based on the 2019 Alotta diamond drill programs for Zeus Olympic Sub Corp., ADZ Project Area, Baby Township, Claim: CDC 1131128, NTS 31M/06. 84 pp.

Figure 37: Target areas at Alotta as identified by SRK ES



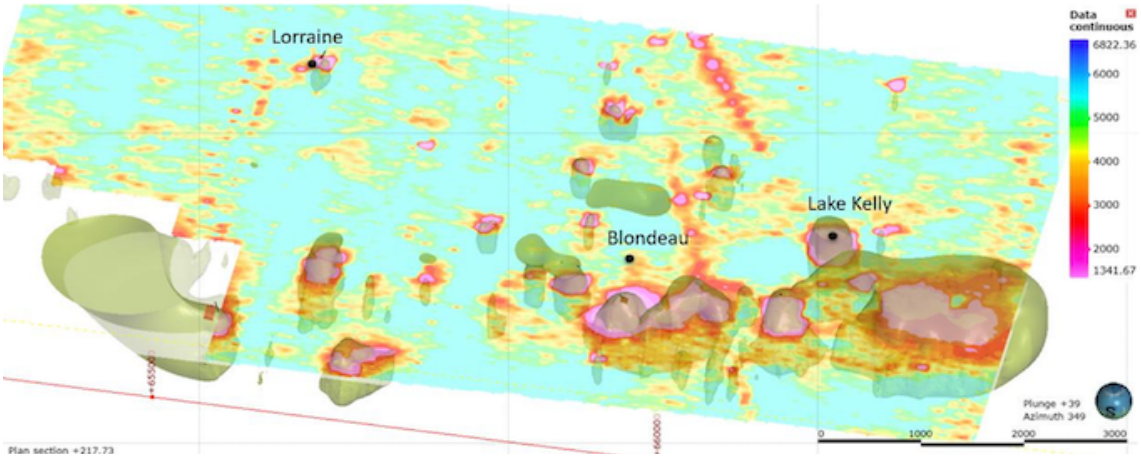
Source: Pivotal

Lorraine

The Lorraine claims are located in the south of the Belleterre-Angliers Greenstone Belt. The area hosts a number of historical mines and resources. This includes the Lorraine mine which in 1964-1968, produced 661,480 tonnes with recovered grades of 0.38% nickel, 0.90% copper and 0.62 g/t gold, with PGEs, silver and cobalt also reported (Charlton, 2003). The area also hosts the Blondeau nickel deposit (250,000 tonnes at 0.45% Ni and 0.45% Cu (Hinzer, 1985)) and the Kelly Lake PGM-Cu-Ni deposit (non-compliant historic resource of 1.4Mt at 1.3 g/t Pt+Pd, 0.7% Ni, and 0.7% Cu (Globex Mining Press Release, 2017)).

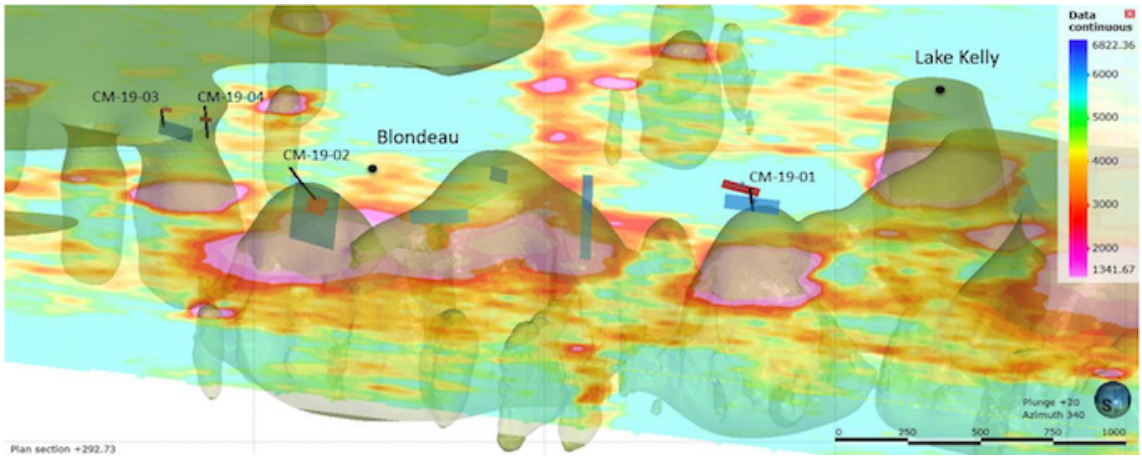
The area hosts more than 40 high-conductivity anomalies in the vicinity of or along strike from known mineralisation, or coincident with historical Ni-Cu sulphide drilling intersections. The majority of these are yet to be tested or were only tested for other commodities.

Figure 38: Oblique view of VTEM anomaly map of the Lorraine licence area with 3D conductivity models. (Conductivity anomaly map placed at a false relative elevation of -300m).



Source: Pivotal

Figure 39: Selected targets in the Lorraine licence area with existing modelled VTEM Maxwell Plate models (blue plates) with subsequently obtained DHEM in-hole and off-hole plate models (red plates) shown.



Note: Only a handful of high conductance anomalies were modelled and not all tested. Many unmodelled bodies range from depths from 300m to 1000m. (Conductivity anomaly map placed at a false relative elevation of -300m).

Source: Pivotal

Spanish tin and tungsten assets

- Santa Comba and San Finx are both high quality, former producing tin and tungsten mines located in western Spain near key infrastructure
- At Santa Comba, an Advanced PFS in 2022 boasted a pre-tax NPV_5 of A$95m from the open-pit and an IRR of 33%
- The acquisition of Horden Lake and Belleterre-Angliers means Pivotal is now seeking investors and partners to advance these assets into production

In addition to the Horden Lake and Belleterre-Angliers assets in Canada, Pivotal also owns the Santa Comba and San Finx tungsten and tin projects in Spain. Tungsten is classified as a 'critical mineral' reflecting its importance to key industries including defence, automotive, telecommunications, lighting, and other industrial sectors. A large part of tungsten demand in the West is driven by its use in cemented carbide parts for cutting and wear-resistant engineering applications. China dominates supply, accounting for about 85% of tungsten concentrates. About 20% of Europe's current demand is sourced from Russia. Developing western sources of tungsten is seen as a strategic imperative.

At Santa Comba, Pivotal reported a PFS in 2020, and an Advanced PFS in June 2022 that boasted a pre-tax NPV_5 of A$95m, an IRR of 32.6%, and initial capex of A$53.2m. In October 2021, Pivotal announced it had successfully installed a pilot plant at the fully permitted underground mine and had achieved first production from high-grade stockpiles. At San Finx, the company announced a maiden JORC Compliant Mineral Resource in October 2022, and received the key water discharge permit in February 2023. Together, the projects have combined resources of 11.43Mt at 0.2% WO_3 and 0.07% Sn for 22,928 tonnes contained WO_3 and 7,448 tonnes contained Sn.

Figure 40: Santa Comba and San Finx combined resources

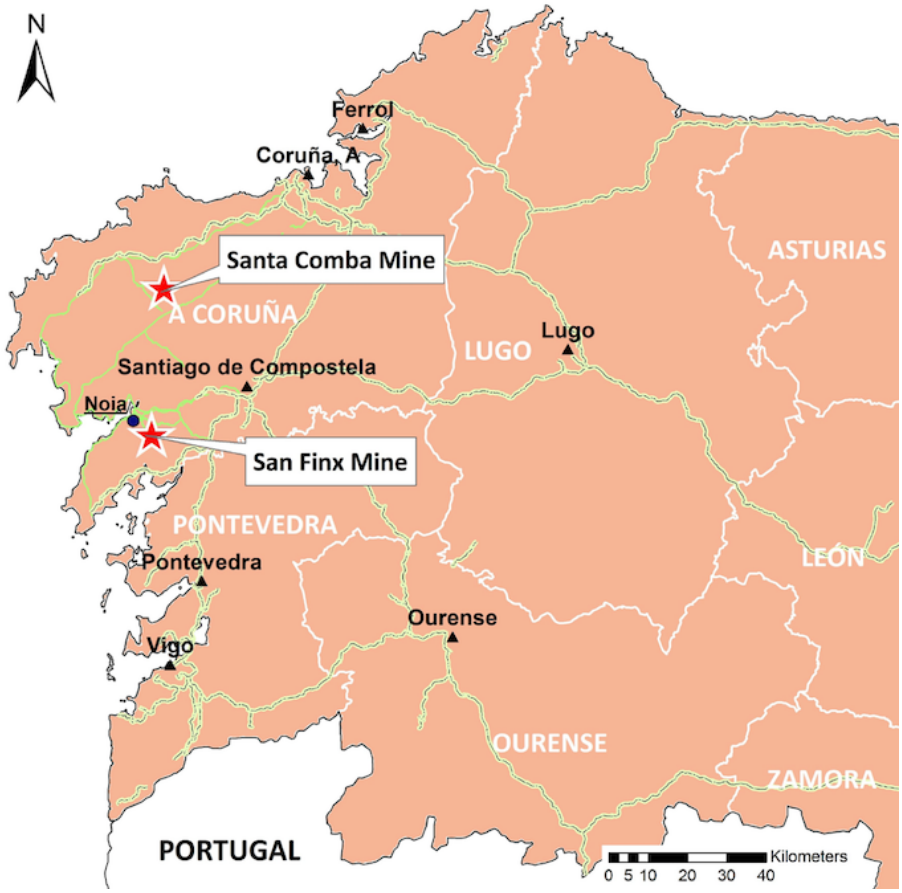
Deposit	Study	Resource Mt	WO_3 %	Sn %	WO_3 Tonnes	Sn Tonnes
Measured						
Santa Comba open-pit	2021, Wardell Armstrong	1.57	0.15	0.01	2,424	166
Indicated						
Santa Comba open-pit	2021, Wardell Armstrong	7.11	0.15	0.01	10,629	695
Inferred						
Santa Comba open-pit	2021, Wardell Armstrong	1.29	0.23	0.01	3,010	133
Santa Comba underground						
Mina Carmen North	2022, Pivotal	0.06	0.94	0.01	532	6
Mine Carmen South	2016, A Wheeler	0.23	0.95	0.23	2,752	662
San Finx Underground						
Buenaventura	2022, Asturmine	0.56	0.25	0.35	1,389	1,746
Pozo Nuevo	2022, Asturmine	0.62	0.35	0.65	2,192	4,040
Total Inferred		2.76	0.36	0.24	9,875	6,587
Total resources		**11.43**	**0.20**	**0.07**	**22,928**	**7,448**

Source: Pivotal

Over the past year, a combination of the long lead times for projects in Spain, and the opportunity to pursue world-class exploration projects in Canada, means Pivotal's focus has shifted. The company is now seeking third party investors to bring Santa Comba and San Finx into production. At this

stage, the nature of any deal is uncertain. Despite the fact these are advanced assets with historical production – operations at San Finx were halted by the previous owner as recently as 2017 – and are on the verge of being restarted, no value is ascribed to the Spanish assets in the valuations herein.

Figure 41: Location map for the Santa Comba and San Finx assets



Source: Pivotal

Santa Comba

The Santa Comba project is located 60km from the deep-water port of A Coruña in Galicia, and 40km from Santiago de Compostela. The main access to Santa Comba is from Varilongo, which lies some 7km north of the town of Santa Comba by road. Santa Comba is a brownfield project; it has substantial infrastructure and access to water and power lines. The mine consists of a permitted narrow vein high-grade underground operation that was last active in 1985, and a large near-surface resource.

The project is located in the Varilongo granitic massif. The host mineralisation extends for 8km north-south and 1.5km east-west. The intrusive body is hosted by metamorphic rocks corresponding to the Santiago Unit, one of the Basal Units of Ordenes Allochthon Complex, which is part of Galicia-Trás-os-Montes Zone, part of the Iberian Massif of the Variscan Orogen. The metamorphic rocks are comprised of schists, paragneisses and felsic orthogneisses. The massif is made up of least three main granite types, known as two mica exogranite, biotitic exogranite, and endogranite. The granites are cross-cut by abundant quartz veins that host the tungsten-tin mineralisation that was the focus of historical mining activities. Pivotal's 2019-2020 and 2021 drilling focused on the endogranite

lithology which hosts widespread disseminated tungsten and tin mineralisation. The predominant tungsten mineral is wolframite with minor scheelite. The main tin mineral is cassiterite.

Advanced PFS

In June 2022, Pivotal announced the results of an Advanced PFS, so called because most work areas were carried out to Definitive Feasibility Study levels, for the Santa Comba open-pit operation. The Study included two main development cases. The Ore Reserves Case was based on utilising the Ore Reserves. The Management Case was based on also utilising 445,000t of Inferred Resources, this additional material representing 5.6% of total production. The PFS demonstrated an economically robust project that complements the permitted underground mine, and which appears to offer significant upside from scalability. Management notes the project offers significant potential for expansion with some 90% of the open pit project area yet to be drilled.

Proven and Probable Reserves are estimated to be 7.48 Mt at 0.15% WO_3 (cut-off 0.05%) for 12,374 tonnes of contained WO_3.

Figure 42: Advanced PFS Study, Ore Reserves and Management Case scenarios

		Management Case	Ore Reserves Case
Total Reserves	Tonnes 000s	7,481	7,481
WO_3 grade mined	%	0.15	0.15
Contained WO_3	Tonnes	11,137	11,137
Inferred in pit	Tonnes 000s	445	
Inferred grade WO_3	%	0.29	
Recovery	%	70	
Ore mined	ktpa	1,300	1,300
Life of mine	Years	7	7
WO_3 produced	Tonnes	8,699	7,796
Concentrate produced (63%)	Tonnes	13,808	12,374
WO_3 produced	mtu	869,918	779,583
WO_3 price	US$/t	35,000	35,000
Payability	%	82	82
WO_3 price received	US$/t	28,700	28,700
Annual price increment	%	5	5
Aggregates price	US$/t	6.27	6.27
Annual price increment	%	0.5%	0.5%
Capital Cost	US$	37,782,828	37,782,828
Project revenues	US$ m	375.1	350.0
Project EBITDA	US$ m	136.9	118.4
Pre-tax NPV_5	US$ m	67.3	53.2
Pre-tax NPV_5	**A$ m**	**94.8**	**74.9**
Post-tax NPV_5	US$ m	55.1	43.5
Post-tax NPV_5	A$ m	77.7	61.3
Pre-tax IRR	**%**	**33**	**27**
Post-tax IRR	%	29	23
Payback period	Years	2.3	2.9

Note: mtu means 'metric tonne unit' being 10kg

Source: Pivotal

San Finx

San Finx is a historic high-grade underground tungsten and tin mine. It is located in northwest Spain, in the Lousame municipality, A Coruña province of the Galicia autonomous community. The mine is situated 38km from the city of Santiago de Compostela and about 50km south of Santa Comba. The project is located close to three ports with international intermodal transport facilities; Vilagarcia de Arousa is about 40km away, Vigo 60km and A Coruña 120km.

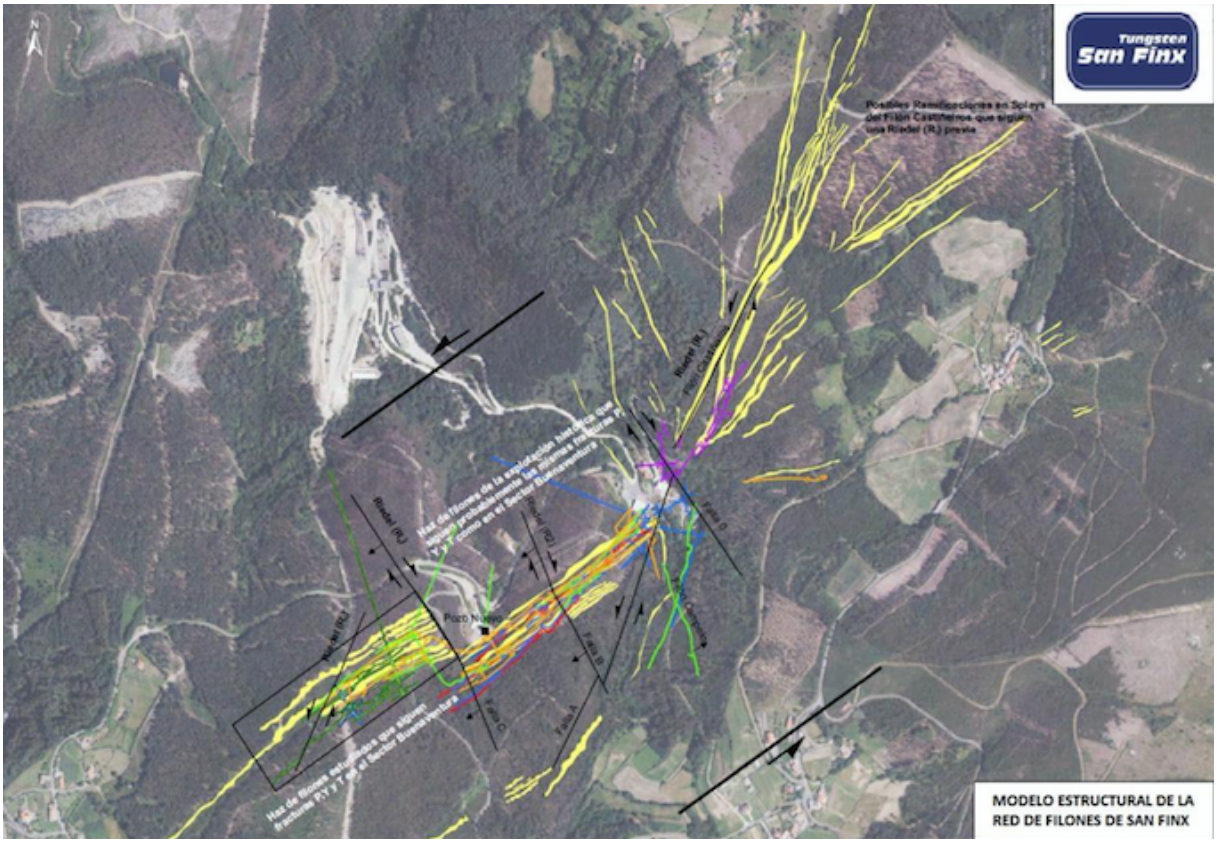
Pivotal acquired the San Finx project in January 2022. The previous owner, Valoriza Mineria invested heavily in new infrastructure including a new decline, mine electricity supplies and new auxiliary facilities, as well as completing the study to support the application for the water discharge permit to allow dewatering of the deeper levels. The mine was last operated in 2017, producing 35 tonnes of tin concentrate and 32 tonnes of wolframite concentrate before being placed on care and maintenance. The historical processing plant produced concentrates grading greater than 70% and an overall recovery of 77%.

The project is situated in the Galicia-Trás-os-Montes Zone of the Iberian Massif, which comprises paleozoic rocks deformed in the Variscan Orogeny, during the collision of Laurussia and Gondwana. Tin and tungsten mineralisation is associated with quartz veins with thickness ranging from 0.5m to 1.0m, that strike NE-SW, and dip strongly to the SE. The veins demonstrate good continuity along strike for 2,300m. Cassiterite is abundant in the mineralised zones with wolframite increasing towards the southwest. Historical production shows a tin-to-tungsten ratio of 60:40, with grades increasing with depth. The main mining works developed are in the Pozo Nuevo zone with a vertical shaft of 200m depth. The most recent works were conducted in the Buenaventura zone in the southwestern extent of the deposit.

Figure 43: Aerial view of the main facilities at San Finx

Source: Pivotal

Figure 44: Structural model for the vein system and faults at San Finx



Source: Pivotal, Consulting de Geologia y Mineria, 2017

Appendix 1: Companies mentioned

Company	Code
Pivotal Metals	PVT.AX
Aeris Resources	AIS.AX
Anglo American	AAL.L
Archer Exploration	RCHR.CN
Artemis Resources	ARV.AX
BHP Group	BHP.AX
Canada Nickel	CNC.V
Eagle Mountain Mining	EM2.AX
Grid Metals	GRDM.V
KGL Resources	KGL.AX
Meteoric Resources	MEI.AX
New World Resources	NWC.AX
Peel Mining	PEX.AX
QMines	QML.AX
Stavely Minerals	SVY.AX
Wallbridge Mining	WM.TO

The author

Simon Francis is a UK qualified chartered accountant with significant experience in the natural resources and minerals sector. Simon led research in the sector in various roles at major financial institutions including Macquarie, Samsung and HSBC, in a career spanning more than 20 years. He has been involved in approximately US$4bn of capital raising, for a number of natural resources companies. Simon has been engaged in the financing of early stage companies using production agreements, and has privately funded exploration companies in various metals and jurisdictions. Simon seeks to deploy capital in undervalued mining and resources opportunities that have been missed by the market.