

MT survey outlines large undrilled conductive anomalies and extensive host horizon at BAGB

Excellent results from the Belleterre-Angliers MT survey

Pivotal's Belleterre-Angliers Greenstone Belt (BAGB) project is at an earlier stage than the Horden Lake project, but it has the potential to be significantly larger. Pivotal's licence area covers 157km² with a number of gabbroic intrusions, and numerous high-grade surface and near-surface deposits. Geological modelling of these intrusions suggests a broader intrusive complex that may host substantial massive and semi-massive sulphide accumulations.

Pivotal recently finalised a 3D magnetotelluric (MT) survey over 7.5km² (5% of the total licence area) at Midrim and Alotta, both of which host high-grade, shallow mineralisation and a cluster of high priority VTEM anomalies. The MT survey identified large conductive anomalies below Midrim and Alotta that are viewed as highly prospective targets for potential accumulations of large-scale massive sulphides.

The intrusion-host rock contact successfully mapped

The survey outlined a potential conductive zone at the boundary of the intrusive bodies and the country rock. The system appears to fit a mafic contact model, that is, where PGM-enriched sulphide mineralisation occurs at or near the contacts or margins of mafic to ultramafic intrusions. This type of mineralisation comprises disseminated to massive concentrations of iron-copper-nickel-PGM enriched sulphides in zones that can be tens to fifties of metres thick.

Midrim, Alotta, Lac Croche all coincident with the contact

Notably, all three of the high-grade discoveries known in the survey area lie on the surficial expression of this conductive horizon. This supports management's hypothesis that Midrim and Alotta are indicators of an extensive magmatic intrusion that acted as a conduit for these high-grade surficial deposits.

Only a small fraction of this host horizon has been tested at surface, and it remains untested at depth.

Continued...

24 April 2024

Key financial data

Share price, A\$/share	0.019
Share on issue, millions	704.1
Options, warrants, millions	74.2
Fully diluted shares, millions	778.3
Market cap., A\$ m	13.4
Net cash, 31 March 2024, A\$ m	2.9
EV, A\$ m	10.6

Valuation

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

Website

www.pivotalmetals.com

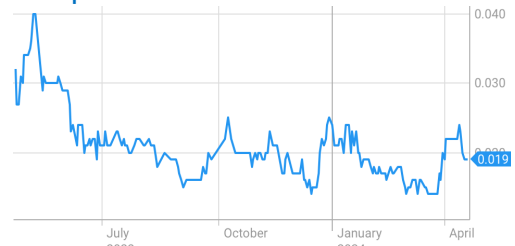
Company snapshot

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

Key catalysts and news

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

Share price chart



Source: ASX

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Pivotal's next steps will include:

- Reinterpretation of the VTEM conductors and profiles coincident with gabbro and country rock contacts and verification, in the field and in adjacent drill holes, for the presence of sulphides
- Compilation of drill data to confirm the presence of MT resistivity lows or conductors near to the gabbro margins
- Tightening of the MT survey grid or gravity surveys to target favourable mineralisation with drilling

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

Drilling completed at Horden Lake

Pivotal announced, March 2024, it had completed a 33 diamond drill hole program for 7,014m at Horden Lake that has the potential to both substantially enlarge and improve the quality of the current 27.8Mt at 1.49% copper-equivalent (CuEq) resource. Pivotal aims to 1) target an increase in grade by including by-product credits not in the existing resource; 2) target an increase in tonnage; and 3) collect samples for metallurgical testing. The program seems likely to focus investors' attention on the extreme value and potential upside in Pivotal shares. **First assays are expected 2Q24.**

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

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

Pivotal has also completed a downhole EM survey across 21 holes using historical and newly drilled deeper holes, a technique that is considered effective for identifying potential extensions of the massive and semi-massive sulphide sections. This is the first time that downhole EM has been conducted on the Horden Lake deposit. It is hoped this will highlight areas of potentially substantial resource growth.

Pivotal represents extreme value; it is one of the cheapest copper explorers globally

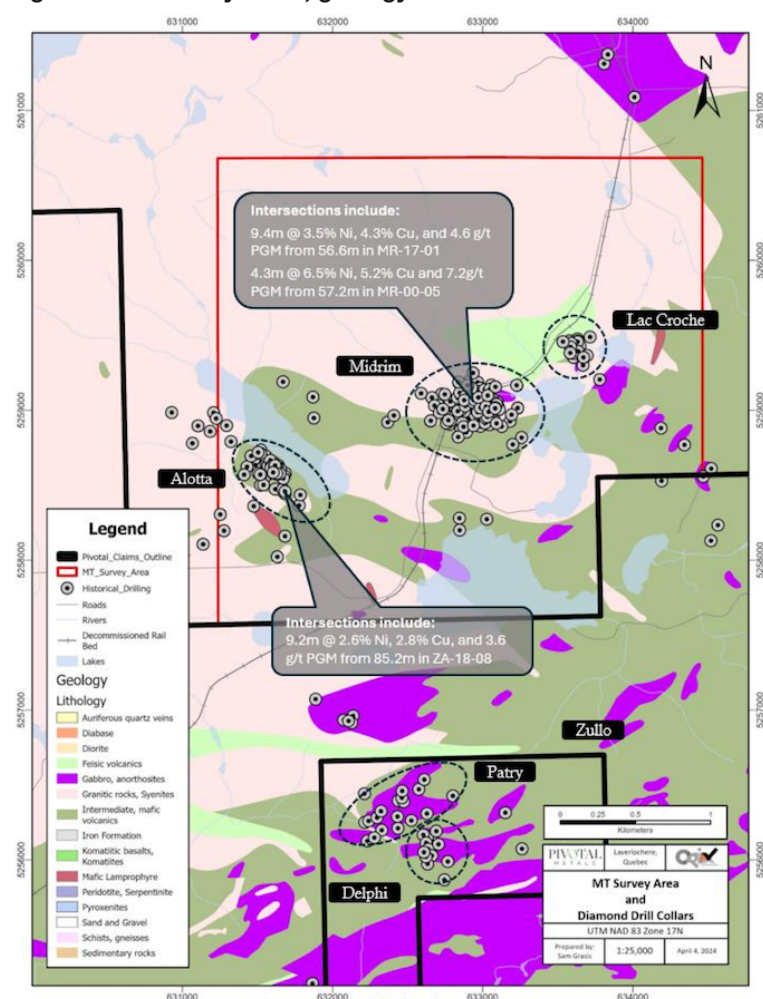
Pivotal is trading at an EV of A\$10.6m, and an EV/t CuEq resource of just A\$26. This represents an 85% discount to a sample of seven ASX-listed copper-dominant explorer peers, which are already trading at cycle low valuations. Valuing Horden Lake in line with peers, and Belleterre-Angliers at just A\$10m, suggests a valuation of A\$0.12/share (12 cents a share). **This is 6x the current share price.**

MT survey outlines large conductive anomalies

Belleterre-Angliers is a first-class exploration project situated on the volcano-sedimentary Belleterre-Angliers Greenstone Belt (BAGB) in southern Quebec. BAGB is north of the Grenville Front and south of the Abitibi Greenstone Belt. The BAGB is the youngest and southernmost greenstone belt in the Archean Superior Province of the Canadian Shield. Pivotal has assembled a substantial 157km² land package comprising the Midrim, Laforce, Alotta and Lorraine claims, and which covers a number of gabbroic intrusions. **Geological modelling of these small but relatively high-grade intrusions suggests a broader intrusive complex that may host substantial massive and semi-massive sulphide accumulations.** There are numerous historical mines in the area with identified resources of nickel, copper, PGEs, gold and silver.

Management’s view is that fertile gabbroic intrusions are prospective for sulphide mineralisation along their entire conduit path. This is because the production of sulphide mineralisation depends on the passage of vast amounts of sulphide-bearing magma. The presence of sulphides already discovered within the gabbroic intrusion are an indication of potential along the intrusive path and at depth. **Where these pathways come to the surface, and where they are coincident with VTEM anomalies, would present very strong targets.**

Figure 1: MT Survey limits, geology and historic drill hole collars

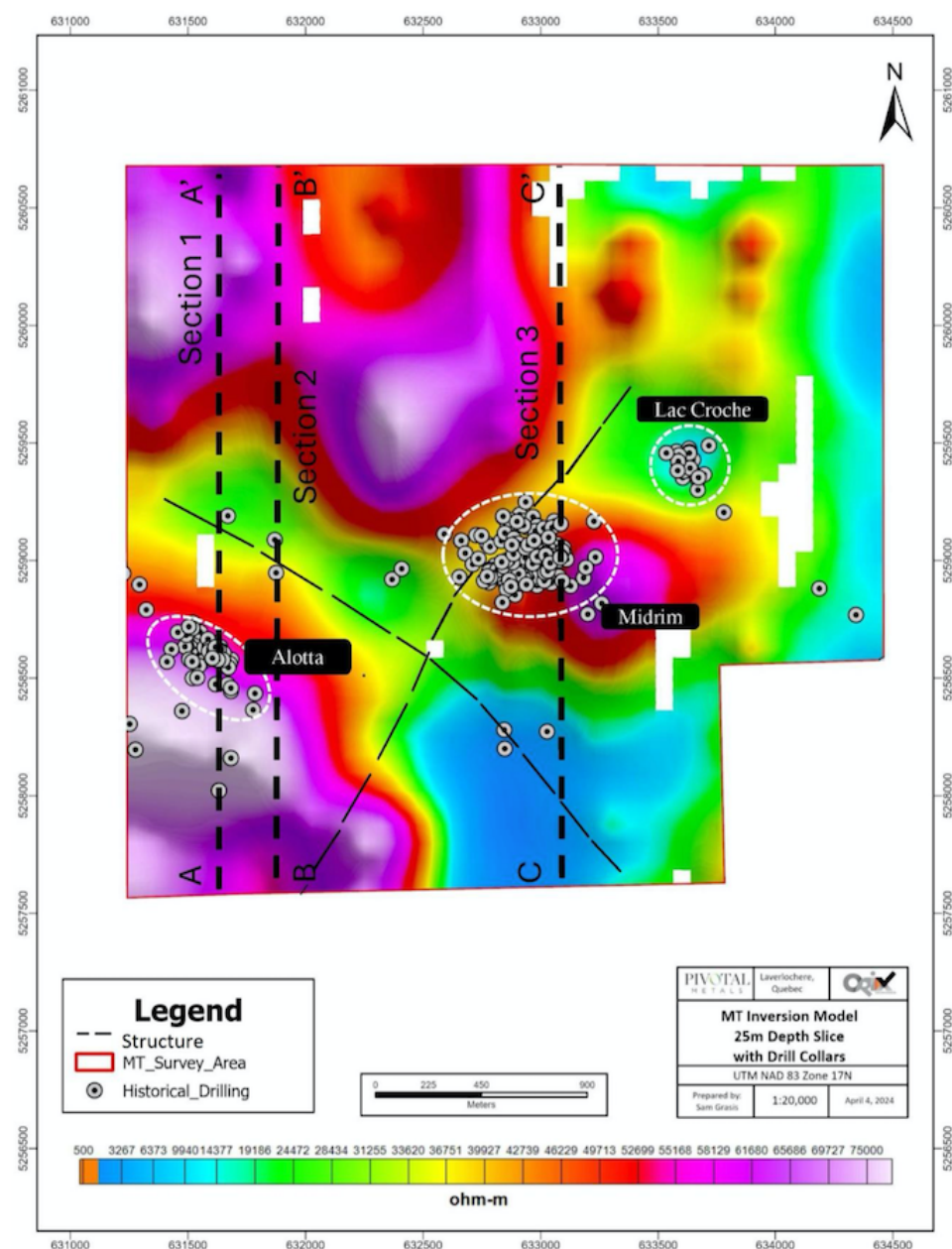


Source: Pivotal

In December 2023, Pivotal completed a 3D magnetotelluric (MT) survey over an approximately 2.5km by 3.0km area (7.5km²) that encompasses the Midrim and Alotta discoveries. Midrim and Alotta both host high-grade surface and near-surface mineralisation, as well as a cluster of high priority VTEM anomalies. Magnetotellurics has the potential to target low resistivity anomalies with depths of 300-1,200m, depending on lithology. It is a complimentary technique that should confirm the VTEM data and also provide better targeting of any deeper conduits discovered. Management hopes that by understanding the fertile deeper feeder structures, it will be possible to map the path of intrusive magmas, enabling the more effective targeting of conductors along its path.

The MT survey results highlight a large intrusive resistive body which is interpreted to be a mafic intrusive situated below the Midrim and Alotta deposits. Several large features demonstrating low resistivity (i.e. conductive) are present. **These are viewed as highly prospective targets for potential accumulations of large-scale massive sulphides.**

Figure 2: MT inversion showing high and low resistivity contours, structures, with drill hole collars



Source: Pivotal

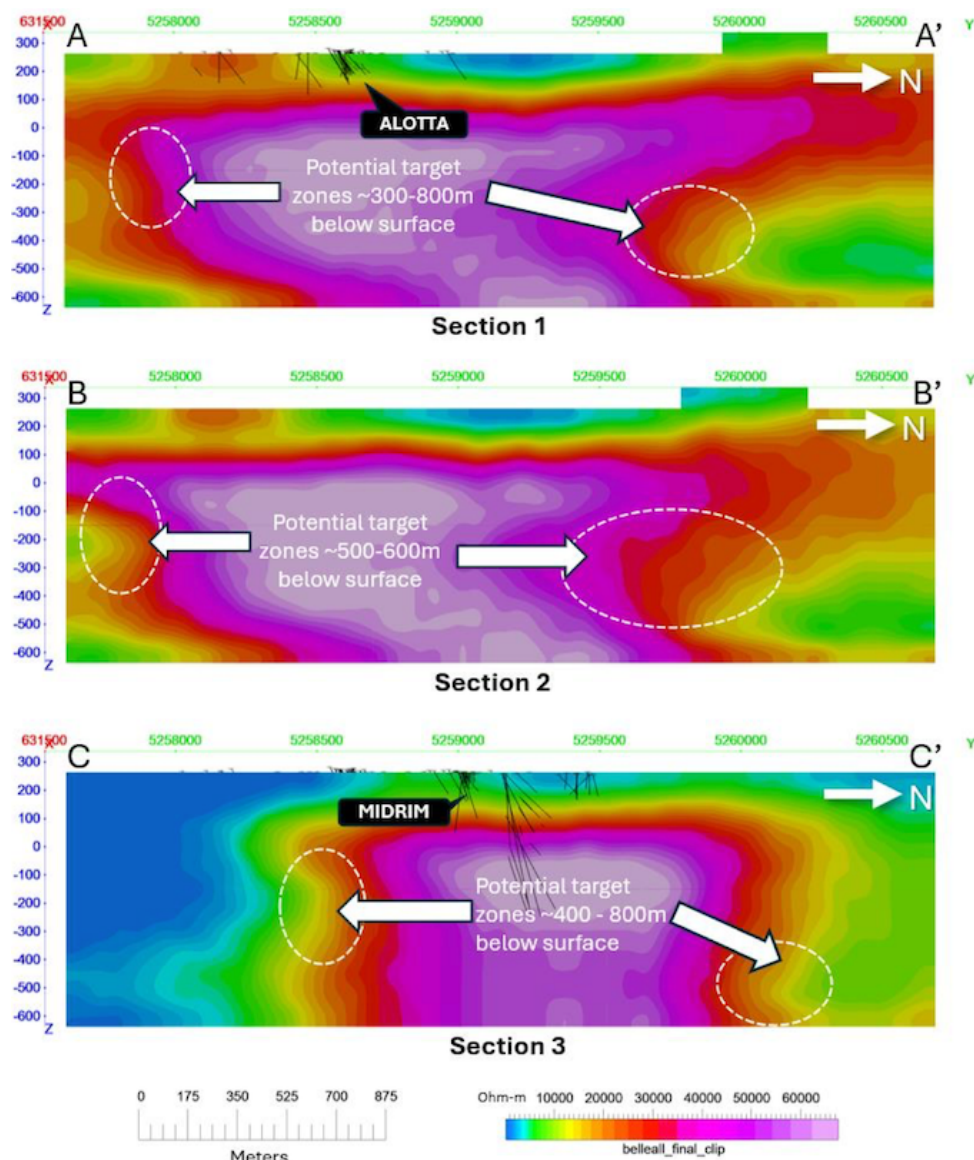
The MT survey has mapped the intrusion-host rock contact

Management notes that the plumbing system, that is the conduit for the gabbros and magmatic sulphides, incorporated into the country rocks as sills or dykes, may provide the right conditions for the accumulation of sulphide mineralisation. **The MT survey has identified a number of prospective targets on the gabbroic margins and contacts.** Sulphide mineralisation may be upgraded by coincident structures creating traps or areas of remobilisation of mineralisation.

So far, **the system appears to align well with a mafic contact model.** That is where PGM-enriched sulphide mineralisation occurs at or near the contacts or margins of mafic to ultramafic intrusions. **This contact-type of mineralisation comprises disseminated to massive concentrations of iron-copper-nickel-PGM enriched sulphides in zones that can be tens to fifties of metres thick.**

Projection of the historical drill collars at Alotta (Figure 3, section 1) and at Midrim (Figure 3, section 3) demonstrate that historical drilling was biased around shallow discoveries. The only deeper drilling at Midrim to date tested the mafic intrusion, rather than the more prospective areas.

Figure 3: Sections 1, 2, and 3, with historic drill traces, and prospective drill targets shown on contact.



Source: Pivotal

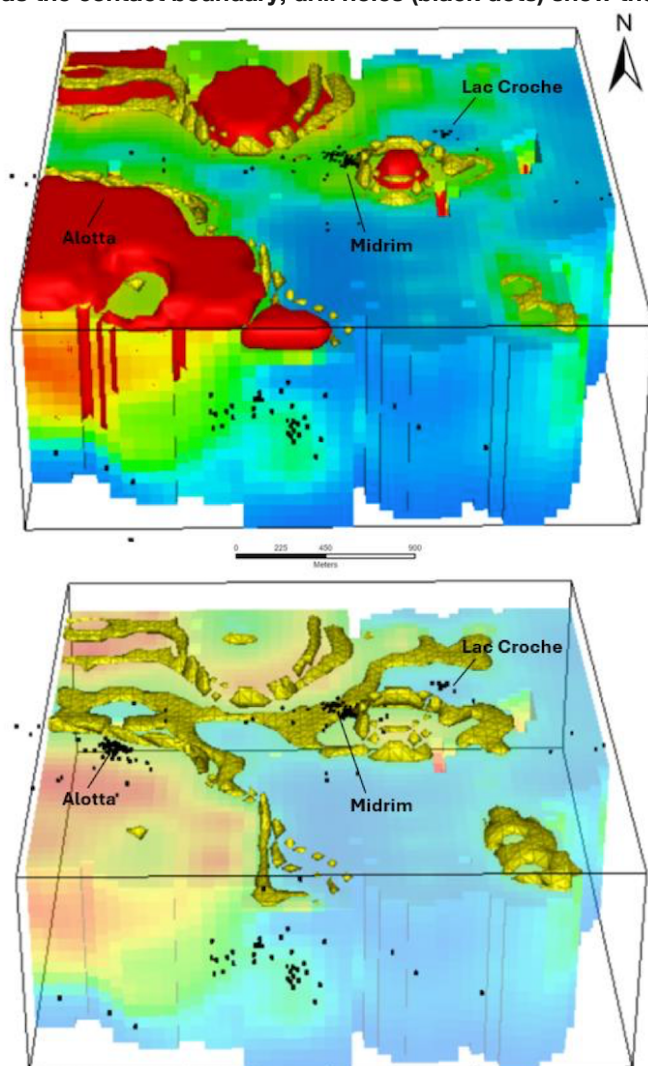
The igneous rocks that host the mineralisation can have textures from centimetres to metres; autoliths, xenoliths, clasts and breccias are all common, offering ideal conditions for sulphide deposition. Mineralisation occurs in the intrusion and in the surrounding country rocks, and can be preferentially localised along the contact with country rocks that are enriched in sulphur-, iron- and CO²-bearing lithologies. Voisey's Bay in Labrador (owned by Vale) and Norilsk in Siberia (Nornickel) are both examples of Ni-Cu-PGE magmatic conduit sulphide deposits (Naldrett, AJ, 2004).

High-grade discoveries thus far are coincident with the contact

The MT survey outlines a potential conductive zone at the boundary of the intrusive bodies (gabbros, pyroxenites, mafic intrusives) with the country rock (basalts, tuffs, felsic and intermediate volcanics, metasediments and monzonites). See Figure 4, yellow areas.

Importantly, **the three high grade discoveries at Midrim, Alotta and Lac Croche, all lie on this conductive horizon**. This supports management's exploration approach, and also the hypothesised geological model. The conductive zone will be further targeted for both shallow and deep conductors.

Figure 4: Voxel 3D of the resistivity (red), conductivity (blue) and 1,500 ohm isosurface (yellow) interpreted as the contact boundary; drill holes (black dots) show the focus areas of historical exploration



Source: Pivotal

Historical work was too shallow

It is clear that previous owners were focused on near-surface mineralisation and ignored many deeper targets. A few deeper drill holes at Midrim were drilled in the middle of the intrusive and not at the intrusive-host rock contact.

Figure 5: Historical 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
MR01-37	48.0	52.6	4.6	5.97	4.92	3.40
MR01-38	41.4	54.0	12.6	1.38	2.52	2.97
MR17-01	28.0	50.1	22.1	1.64	2.38	2.56
including	43.0	50.1	7.1	3.22	4.43	4.08
and	56.6	66.0	9.4	3.52	4.25	4.59
including	56.6	62.0	5.4	5.32	6.15	6.46

Source: Pivotal

Figure 6: Selected drill intersections in the Alotta licences

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

Source: Pivotal, Kilbourne 2018 and 2020

Valuation model; Pivotal looks incredibly cheap

Current valuation of A\$0.12/share

The market is currently valuing Pivotal at a market capitalisation of A\$13.4m and an EV of just A\$10.6m. Based on the current resource at Horden Lake of 27.8Mt at 1.49% CuEq for 412,000 tonnes CuEq, Pivotal is being valued at an EV/t of CuEq resource of just A\$26. **This incredibly cheap valuation makes Pivotal one of the cheapest copper explorers globally.**

Valuing the Horden Lake project in line with peers at A\$170/t CuEq, and BAGB at an 'IPO-type' valuation of A\$10m implies a valuation of A\$0.12/share (12 cents a share). Valuing Pivotal in with peers in the current weak market and after share prices have generally declined for the past two years means that this valuation, even though it is 6x the current share price, is very much regarded as a 'trough valuation'. Any recovery in copper prices, as is broadly anticipated over the next few years, would be expected to underpin a higher valuation as suggested in the upside scenarios below.

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

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

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

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

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

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

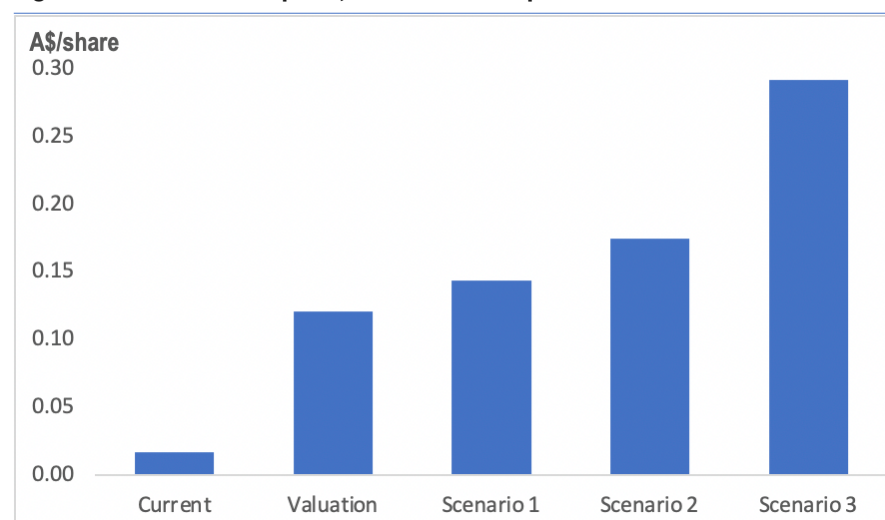
Other factors that might be expected to drive valuations such as further discovery success at Horden Lake and positive developments at Belleterre-Angliers are not considered at this stage.

Figure 7: Current valuation and upside scenarios

Scenario	Assumptions	Value A\$ m
Base case	Based on current resource at Horden Lake	
Horden Lake	27.8Mt at 1.49% CuEq for 412,000 tonnes CuEq, at A\$170/t CuEq	70.0
Belleterre-Angliers	Estimated 'IPO-type' valuation for early stage nickel-dominant project	10.0
Net cash	As at 31 March 2024	2.9
Asset value		82.9
Shares in issue, m		704.1
Valuation, A\$/share		0.12
Scenario 1	Includes the estimated value of by-product credits in Au, Ag, Co	
Horden Lake	Current 412,000t CuEq, plus est. 96,214t CuEq from credits at A\$170/t CuEq	86.4
Belleterre-Angliers		10.0
Net cash		2.9
Asset value		99.2
Shares in issue, m		704.1
Valuation, A\$/share		0.14
Scenario 2	Further 25% uplift in resource tonnage	
Horden Lake	34.7Mt at 1.83% CuEq for 635,268 tonnes CuEq at A\$170/t CuEq	108.0
Belleterre-Angliers		10.0
Net cash		2.9
Asset value		120.8
Shares in issue, m		704.1
Valuation, A\$/share		0.17
Scenario 3	Assume some recovery in market valuations to A\$300/t CuEq	
Horden Lake	34.7Mt at 1.83% CuEq for 635,268 tonnes CuEq at A\$300/t CuEq	190.6
Belleterre-Angliers		10.0
Net cash		2.9
Asset value		203.4
Shares in issue, m		704.1
Valuation, A\$/share		0.29

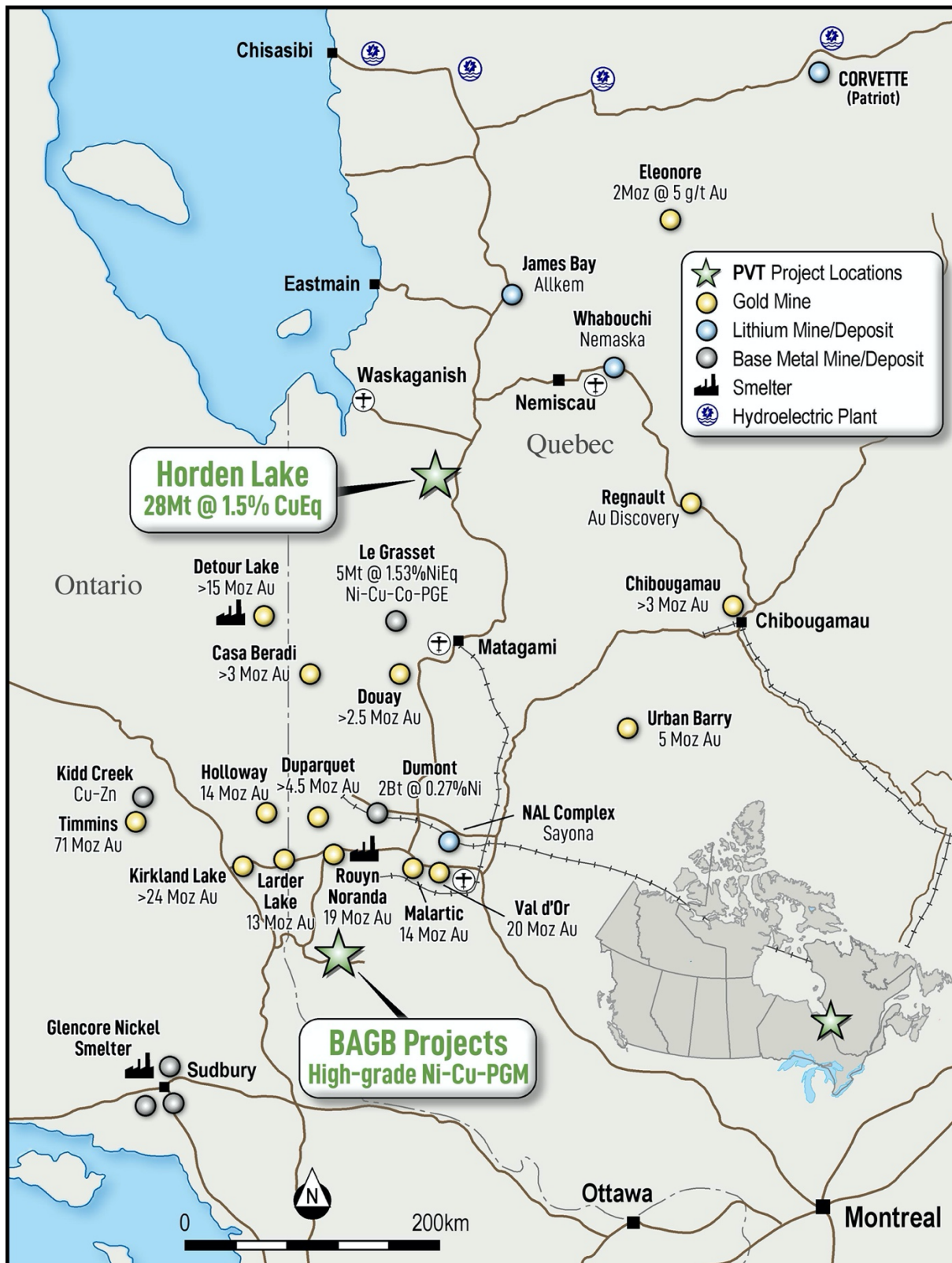
Source: Orior Capital

Figure 8: Current share price, valuation and upside scenarios



Source: Orior Capital

Figure 9: Project location map



Source: Pivotal

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