

PIVOTAL

M E T A L S

Limited

And Controlled Entities

ABN: 49 623 130 987

**HALF YEAR REPORT**

**For the Period Ended 31 December 2023**

**CONTENTS**

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|                                                                            |    |
|----------------------------------------------------------------------------|----|
| CORPORATE DIRECTORY                                                        | 1  |
| DIRECTORS' REPORT                                                          | 2  |
| AUDITOR'S INDEPENDENCE DECLARATION                                         | 10 |
| CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER<br>COMPREHENSIVE INCOME | 11 |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION                               | 12 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY                                | 13 |
| CONSOLIDATED STATEMENT OF CASH FLOWS                                       | 14 |
| NOTES TO THE FINANCIAL STATEMENTS                                          | 15 |
| DIRECTORS' DECLARATION                                                     | 24 |
| INDEPENDENT AUDITOR'S REPORT                                               | 25 |

**DIRECTORS**

|               |                         |
|---------------|-------------------------|
| Simon Gray    | Non-Executive Chairman  |
| Ivan Fairhall | Managing Director & CEO |
| Steven Turner | Non-Executive Director  |
| Robert Wrixon | Non-Executive Director  |
| Daniel Rose   | Non-Executive Director  |

**SECRETARY**

Amanda Wilton-Heald

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**STOCK EXCHANGE LISTING**

Australian Securities Exchange  
ASX Code: PVT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Pivotal Metals Limited (referred to hereafter as the 'Company' or 'parent entity' or 'Pivotal Metals') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 ('**H1 FY24**').

## **DIRECTORS**

The following persons were Directors of Pivotal Metals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

| <b>Name</b>   | <b>Title</b>                                                                                   |
|---------------|------------------------------------------------------------------------------------------------|
| Simon Gray    | Independent Non-Executive Chairman (appointed 1 August 2023)                                   |
| Steven Turner | Managing Director (until 19 September 2023)<br>Non-Executive Director (from 19 September 2023) |
| Ivan Fairhall | Managing Director & CEO (appointed 19 September 2023)                                          |
| Robert Wrixon | Non-Executive Director                                                                         |
| Daniel Rose   | Non-Executive Director                                                                         |
| Peter Hatfull | Independent Non-Executive Chairman (resigned 1 August 2023)                                    |
| Ashley Hood   | Non-Executive Director (resigned 19 September 2023)                                            |

## **COMPANY SECRETARY**

| <b>Name</b>         | <b>Title</b>      |
|---------------------|-------------------|
| Amanda Wilton-Heald | Company Secretary |

## **PRINCIPAL ACTIVITIES**

The principal activity of the Group is exploration for and development of copper, nickel, platinum group metals (**PGM**). Pivotal Metals holds the Horden Lake copper, nickel and PGM deposit in northwest Quebec, Canada, the Belleterre-Angliers nickel, copper and PGM Belleterre Angliers Greenstone Belt (**BAGB**) exploration project in southwest Quebec, Canada.

### **Company Focus and Mission**

The strategic focus of Pivotal Metals is the investment in, and development of, high value projects in Canada containing metals necessary for the successful transition of modern economies to sustainable technology. The Company has successfully built a portfolio of two such projects in Quebec with access to critical infrastructure and is now looking to advance these investments to create and realise substantial shareholder value. Those projects are Horden Lake and BAGB.

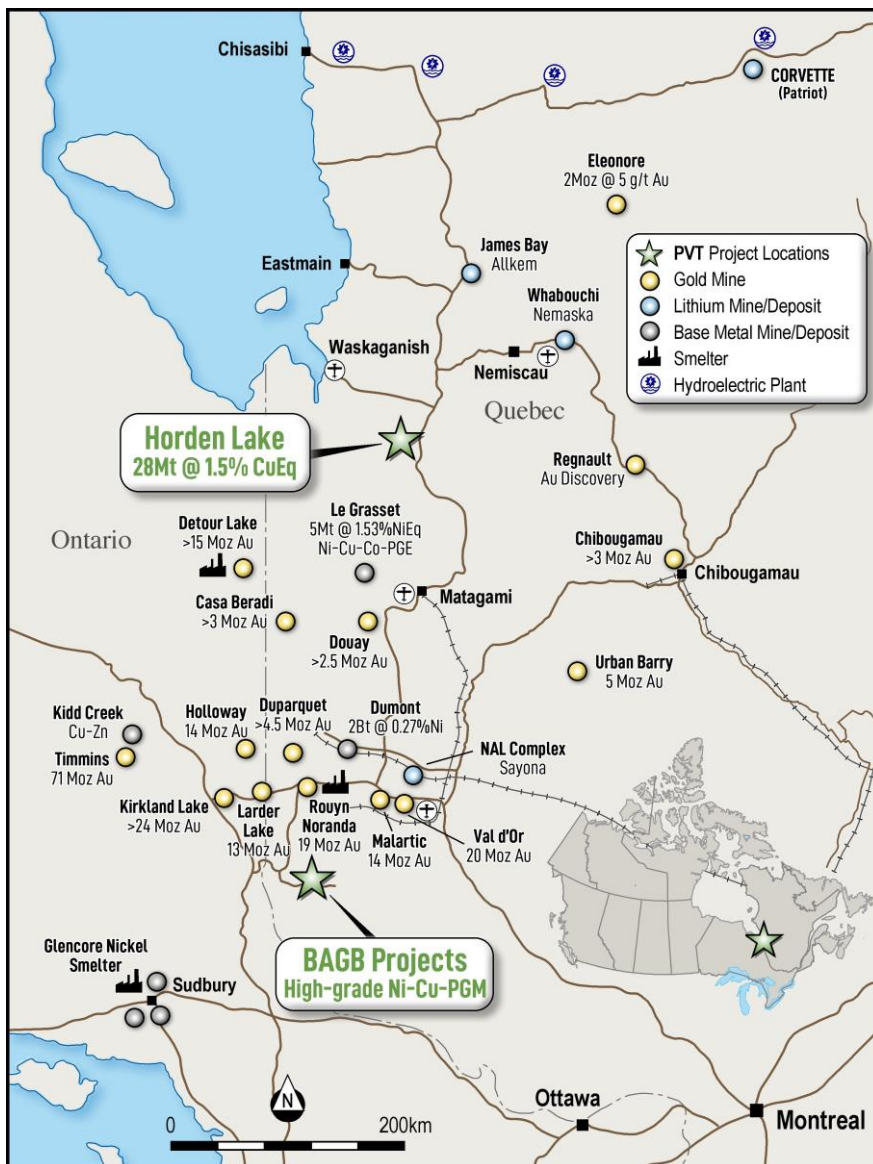


Figure 1: Pivotal's Canadian Portfolio

## CANADA

## Horden Lake

Pivotal Metals completed the acquisition of 100% of Horden Lake on 20 December 2022<sup>1</sup>. Horden Lake is located in James Bay, 140km north of Matagami in northwest Quebec, and 10km from the all weather James Bay Highway, linking Matagami to the La Grande Hydroelectric dam network to the north. The James Bay region is an active mining and exploration area.

The deposit was discovered in the 1960s by INCO and has seen over 52,000m of drilling, with the most recent being in 2012. Pivotal Metals engaged Caracle Creek Consulting to remodel the resource using the extensive data base and on 14 November 2022 the Company released the pit constrained JORC compliant Mineral Resource Estimate<sup>2</sup> (MRE) of 27.8 Mt of 1.49% CuEq (0.3% CuEq Open Pit cut-off and 1.12% CuEq Underground cut-off applied), with 55% currently classified in the Indicated Resource category and 45% in the Inferred Category.

## Cautionary Statements

*There is a lower level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated mineral resources.*

On 25 July 2023, Pivotal appointed a locally based experienced Executive Operations Officer, Mr Eddy Canova, to manage the ongoing exploration and development programmes at its projects in Quebec, Canada. During the period, preparations were put in place for a comprehensive 2024 exploration and development program.

## Drilling

The Q1 2024 drill program (which commenced on 25 January 2024) consists of up to 8,000m of drilling. During the reporting period drilling and logistics contracts were put in place to support the operation. The program represents the first time the project has been drilled in over 10 years, during which time it was held in private ownership. The drill program has three principal aims:

- ① **Target increase in grade** by collecting Au, Ag, Pt and Co by-product assay data for parts of the deposit that were not assayed for these metals in the past. Only the central part of the deposit has full multi-element assay. The resource estimate currently constrains the gold wireframe to this area (consequently diluting grade across the entire resource). Ag, Pt and Co were assayed in the central part, but have not been domained in the model. Further assay for these metals will be collected and modelled in a future resource update.
- ① **Target increase in tonnage** by drilling open areas of mineralisation that fall outside the 27.8 mt resource envelope. As referenced above, geophysics will be used to refine targets, as well as potentially identify new priority target areas for drilling.
- ① **Collect sample for metallurgical testwork.**

<sup>1</sup> See ASX announcements dated 21 December 2022 "Acquisition of Horden Lake polymetallic deposit completed" and ASX announcement dated 13 September 2022 "Terms agreed over the Horden Lake copper-nickel PGM deposit in Quebec, Canada"

<sup>2</sup> See ASX announcement dated 16 November 2022 "JORC Compliant Mineral Resource Estimate at Horden Lake Deposit (Quebec), delivers an outstanding 27.8Mt at 1.49% CuEq"

Pivotal has consolidated 18,208 metres of core from the 2008 and 2012 drill programs on the property. Within this core there are 2,275.6 metres of mineralised intersections, including many of the better intersections from the resource area. The core is in good condition, showing limited signs of weathering and thus suitable for certain additional metallurgical test work.

#### *Metallurgical testwork*

The Company progressed its planned testwork program through engaging with consultants and metallurgical laboratories. The aim of the program is to optimise the current flowsheet targeting a highest net smelter return approach from contained metals. This will include investigating a sequential Cu-Ni flowsheet, with the aim of producing a high-grade copper and high-grade nickel concentrate. Reviews by the Company have shown mineralogy has not been a focus in previous programs, and it considers that this represents a significant opportunity to improve the optimisation potential of the program. The flotation testwork will commence once fresh samples acquired from the 2024 drill program are available.

Rock unit samples were selected for mineralogical study from historical core to identify the principal minerals, and in the mineralised zones to identify the principal sulphides; the copper and nickel sulphides, sulphide textures and paragenesis. Samples were sent for analysis towards the end of the period. Mineralogy assessment will support future logging, as well as underpin the flowsheet development metallurgical testwork program planned for 2024 from fresh core collected from the upcoming program.

#### *Geophysics*

The current mineral resource extent remains open at depth at many points across the main strike extent, with drilling demonstrating zones of semi-massive and massive sulphides that may continue at depth.

A downhole EM survey will be completed to test for off-hole conductors which may indicate the presence of additional mineralisation outside of the resource envelope. Despite the well understood applicability of this method to the target mineralisation, surveys of this kind have not been conducted in the past on the deposit.

#### **Belleterre-Angliers Greenstone Belt (BAGB) Exploration Project**

BAGB is a large scale, high impact exploration project, that has exceptional near surface grades of nickel, copper and PGMs already discovered. The Company's geological model suggests the relatively small but ultra-high grade gabbroic intrusions drilled to date point to a broader intrusive complex that could host substantial massive and semi-massive sulphide accumulations. Preliminary geophysical work completed by Pivotal reprioritised the exploration targets, focusing on those previously overlooked lying greater than 300m in depth. 137 new and reclassified electromagnetic (**EM**) anomalies were identified with 20 of these being classified as Priority 1 for further investigation.

In December Pivotal completed a 3D magnetotelluric (MT) survey over an approximate 7.5km<sup>2</sup> area that encompasses the Midrim and Alotta discoveries which contain high grades of surface and near surface mineralisation, and hosts a cluster of the prioritised targets.

Analysis of the MT data is in progress. Data collection was successful, with measured DC and resistance values all within acceptable limits. Preliminary analysis and interpretation of results is expected in Q1 2024.

## SPAIN

The Company is focused on its Canadian portfolio, and reports the following activities for its legacy Spanish asset.

### San Finx tin and tungsten project

On 20 July 2023 the Company announced that it has sold Tungsten San Finx S.L. ('TSFx'), the 100% owner of the San Finx tin and tungsten mine.

The sale was executed with Metáis Estratégicos, S.L. ("MESL") with an effective date of 30 June 2023. It should be noted that Pivotal had made no consideration payments to Valoriza Minería S.L.U. ('Valoriza' the previous owner) under the sale agreement dated 27 December 2021, having only incurred working capital expenditure prior to the sale. MESL has assumed the obligations payable to Valoriza ('Valoriza Consideration') and in addition will pay Pivotal a 3% royalty on sales, capped at US\$1m, commencing in the quarter following the satisfaction in full of the Valoriza Consideration. This consideration, in addition to €150,000 paid upfront, results in a total effective consideration payable of €1.15m to the Company, the majority of which is deferred until after production.

### Santa Comba tungsten and tin project

On 30 March 2023, the Mining Authority in Galicia informed the Company that it had cancelled the Santa Comba mining concessions. The Company is awaiting a review and possible revision of that decision, which if not forthcoming would require an appeal. The entirety of the carrying value was written down in the FY2023 accounts.

## CORPORATE

- ① On 1 August 2023 Peter Hatfull resigned as Chairman and Simon Gray was appointed as Chairman.
- ① As required by the waiver from ASX Listing Rule 7.3.2 granted on 7 August 2019, the Company advises that 15,000,000 fully paid ordinary shares (Milestone 2 shares<sup>3</sup>) lapsed on 9 September 2023.
- ① On 19 September 2023 Steven Turner resigned as Managing Director and was appointed as Non-Executive Director; Ivan Fairhall was appointed as Managing Director & CEO and Ashley Hood resigned as Non-Executive Director.
- ① On 28 November 2023 the Company announced a capital raising of \$2.5m for the purpose of redeeming \$1m of convertible notes and to strengthen the balance sheet & register in advance of the 2024 work program and news flow. On 5 and 11 December 2023, the first tranche of shares from this capital raising were issued.

<sup>3</sup> Announced to the ASX on 27 May 2019 and 9 August 2019.

**DIRECTORS' REPORT continued**

The following security issues occurred during the period:

| Date      | Details                                            | No. Shares  | No. Options | No. Performance Rights | No. Convertible Securities | Issue Price | Option Exercise Price | Security Expiry Date | Listed / Unlisted |
|-----------|----------------------------------------------------|-------------|-------------|------------------------|----------------------------|-------------|-----------------------|----------------------|-------------------|
| 25-Jul-23 | Director placement securities                      | 5,338,462   | 2,669,231   | -                      | -                          | \$0.0325    | \$0.065               | 25-Jul-25            | Listed / Unlisted |
| 25-Jul-23 | Broker options                                     | -           | 1,500,000   | -                      | -                          | -           | \$0.050               | 29-Sep-25            | Unlisted          |
| 01-Sep-23 | Employee Tranche 1 performance rights              | -           | -           | 546,700                | -                          | -           | -                     | 01-Sep-24            | Unlisted          |
| 01-Sep-23 | Employee Tranche 2 performance rights              | -           | -           | 546,700                | -                          | -           | -                     | 01-Sep-25            | Unlisted          |
| 01-Sep-23 | Employee Tranche 3 performance rights              | -           | -           | 546,700                | -                          | -           | -                     | 01-Sep-26            | Unlisted          |
| 12-Oct-23 | Conversion of convertible securities               | 3,267,974   | -           | -                      | (50,000)                   | \$0.0153    | -                     | -                    | Listed / Unlisted |
| 05-Dec-23 | Placement securities as per 28-Nov-23 announcement | 127,500,000 | -           | -                      | -                          | \$0.0160    | -                     | -                    | Listed            |
| 05-Dec-23 | Director options                                   | -           | 3,000,000   | -                      | -                          | -           | \$0.0425              | 05-Dec-26            | Unlisted          |
| 05-Dec-23 | Director Tranche 1 options                         | -           | 4,000,000   | -                      | -                          | -           | \$0.0300              | 05-Dec-27            | Unlisted          |
| 05-Dec-23 | Director Tranche 2 options                         | -           | 4,000,000   | -                      | -                          | -           | \$0.0425              | 05-Dec-27            | Unlisted          |
| 05-Dec-23 | Director Tranche 3 options                         | -           | 4,000,000   | -                      | -                          | -           | \$0.0550              | 05-Dec-27            | Unlisted          |
| 05-Dec-23 | Director Milestone 1 performance rights            | -           | -           | 1,300,000              | -                          | -           | -                     | 30-Dec-25            | Unlisted          |
| 05-Dec-23 | Director Milestone 2 performance rights            | -           | -           | 1,300,000              | -                          | -           | -                     | 30-Dec-25            | Unlisted          |
| 05-Dec-23 | Director Milestone 3 performance rights            | -           | -           | 1,300,000              | -                          | -           | -                     | 30-Dec-25            | Unlisted          |
| 11-Dec-23 | Placement securities as per 28-Nov-23 announcement | 4,687,500   | -           | -                      | -                          | \$0.0160    | -                     | -                    | Listed            |
| 11-Dec-23 | Redemption of convertible securities               | -           | -           | -                      | (980,000)                  | -           | -                     | -                    | Unlisted          |

**REVIEW OF RESULTS**

The loss after tax for the period ended 31 December 2023 was \$1,153,342 (2022: loss of \$17,461,542).

The earnings of the Group for the financial periods since incorporation are summarised below:

|                       | 31 December<br>2023<br>\$ | 30 June 2023<br>\$ | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|-----------------------|---------------------------|--------------------|---------------------------|-----------------------|
| Revenue               | 15,218                    | 138,013            | 320                       | 1,693                 |
| EBITDA                | (1,070,494)               | (18,895,245)       | (17,319,916)              | (1,992,188)           |
| EBIT                  | (1,127,779)               | (19,014,433)       | (17,375,922)              | (2,086,971)           |
| Loss after income tax | (1,153,342)               | (19,052,197)       | (17,461,542)              | (2,092,195)           |

The factors that are considered to affect total shareholders return are summarised below:

|                                     | 31 December<br>2023<br>\$ | 30 June<br>2023<br>\$ | 31 December<br>2022<br>\$ | 30 June<br>2022<br>\$ |
|-------------------------------------|---------------------------|-----------------------|---------------------------|-----------------------|
| Share price at financial period end | 0.025                     | 0.021                 | 0.044                     | 0.030                 |

**SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS**

No shares as a result of the exercise of the options were issued as at the date of this report. 3,267,974 shares as a result of conversion of the convertible securities were issued as at the date of this report.

**Waiver Securities**

As required by the waiver from ASX Listing Rule 7.3.2 granted on 7 August 2019, the Company advises that 15,000,000 fully paid ordinary shares (Milestone 2 shares) remain to be issued. The details of these Milestone 2 shares were announced to the ASX on 27 May 2019 and 9 August 2019. On 9 September 2023 the Milestone 2 shares expired.

**EVENTS SUBSEQUENT TO REPORTING DATE**

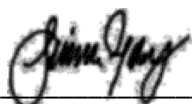
There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Group in future financial years other than the following:

- On 24 January 2024 the remaining 24,062,500 shares at an issue price of \$0.016 were issued to Directors and the placement participants as announced on 28 November 2023 and as approved by shareholders at the 18 January 2024 general meeting.

**AUDITOR'S DECLARATION OF INDEPENDENCE**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.



Simon Gray  
Non-Executive Chairman  
5 March 2024

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Pivotal Metals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

  
RSM AUSTRALIA PARTNERS

  
AIK KONG TING  
Partner

Perth, WA  
Dated: 5 March 2024

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

**PIVOTAL**  
M E T A L S

|                                                                                                    | Note | Group<br>31 December<br>2023<br>\$ | Group<br>31 December<br>2022<br>\$ |
|----------------------------------------------------------------------------------------------------|------|------------------------------------|------------------------------------|
| <b>Revenue</b>                                                                                     |      | <b>15,218</b>                      | <b>320</b>                         |
| Accounting fees                                                                                    |      | (43,795)                           | (50,227)                           |
| Compliance fees                                                                                    |      | (90,979)                           | (116,852)                          |
| Consultancy fees                                                                                   |      | (23,277)                           | (42,919)                           |
| Depreciation and amortisation                                                                      | 5    | (57,285)                           | (56,006)                           |
| Directors and employee benefits expense                                                            |      | (272,217)                          | (181,577)                          |
| Exploration expenditure impairment                                                                 | 6    | (84,729)                           | (16,531,525)                       |
| Finance fees                                                                                       |      | (118,264)                          | -                                  |
| Foreign exchange gain/(loss)                                                                       |      | (42)                               | (71,261)                           |
| Insurance expense                                                                                  |      | (38,446)                           | (34,900)                           |
| Interest expense                                                                                   |      | (25,563)                           | (85,620)                           |
| IT expenses                                                                                        |      | (9,111)                            | (804)                              |
| Legal fees                                                                                         |      | (72,385)                           | (86,253)                           |
| Marketing                                                                                          |      | (12,821)                           | (48,084)                           |
| Other expenses                                                                                     |      | (162,373)                          | (53,899)                           |
| Share based payments expense                                                                       | 9    | (69,032)                           | (10,500)                           |
| Travel expenses                                                                                    |      | (88,241)                           | (91,435)                           |
| <b>Loss before tax</b>                                                                             |      | <b>(1,153,342)</b>                 | <b>(17,461,542)</b>                |
| Income tax expense                                                                                 |      | -                                  | -                                  |
| <b>Net loss for the period from operations</b>                                                     |      | <b>(1,153,342)</b>                 | <b>(17,461,542)</b>                |
| <b>Other comprehensive (loss) / income</b>                                                         |      |                                    |                                    |
| (Loss) / gain on revaluation of equity instrument at fair value through other comprehensive income |      | (105,000)                          | (15,000)                           |
| (Loss) / gain on foreign currency translation                                                      |      | (127,560)                          | 136,145                            |
| <b>Total comprehensive loss for the period</b>                                                     |      | <b>(1,385,902)</b>                 | <b>(17,340,397)</b>                |
| Basic and diluted loss per share (cents)                                                           |      | (0.20)                             | (5.53)                             |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

|                                                                   | Note | Group<br>31 December<br>2023<br>\$ | Group<br>30 June<br>2023<br>\$ |
|-------------------------------------------------------------------|------|------------------------------------|--------------------------------|
| <b>ASSETS</b>                                                     |      |                                    |                                |
| <b>Current Assets</b>                                             |      |                                    |                                |
| Cash and cash equivalents                                         | 3    | 4,883,478                          | 5,366,145                      |
| Trade and other receivables                                       | 4    | 103,127                            | 54,299                         |
| Other assets                                                      | 5    | 251,926                            | 325,200                        |
| <b>Total Current Assets</b>                                       |      | <b>5,238,531</b>                   | <b>5,745,644</b>               |
| <b>Non-Current Assets</b>                                         |      |                                    |                                |
| Investments held at fair value through other comprehensive income |      | 57,000                             | 162,000                        |
| Plant and equipment                                               | 6    | 37,108                             | 630                            |
| Exploration and evaluation assets                                 | 7    | 8,704,362                          | 7,983,776                      |
| <b>Total Non-Current Assets</b>                                   |      | <b>8,798,470</b>                   | <b>8,146,406</b>               |
| <b>Total Assets</b>                                               |      | <b>14,037,001</b>                  | <b>13,892,050</b>              |
| <b>LIABILITIES</b>                                                |      |                                    |                                |
| <b>Current Liabilities</b>                                        |      |                                    |                                |
| Trade and other payables                                          | 8    | 474,654                            | 181,287                        |
| Convertible notes payable                                         | 9    | -                                  | 984,173                        |
| Provisions                                                        |      | 6,930                              | 65,626                         |
| <b>Total Current Liabilities</b>                                  |      | <b>481,584</b>                     | <b>1,231,086</b>               |
| <b>Non-Current Liabilities</b>                                    |      | <b>-</b>                           | <b>-</b>                       |
| <b>Total Non-Current Liabilities</b>                              |      | <b>-</b>                           | <b>-</b>                       |
| <b>Total Liabilities</b>                                          |      | <b>481,584</b>                     | <b>1,231,086</b>               |
| <b>Net Assets</b>                                                 |      | <b>13,555,417</b>                  | <b>12,660,964</b>              |
| <b>EQUITY</b>                                                     |      |                                    |                                |
| Contributed equity                                                | 10   | 39,524,338                         | 37,321,659                     |
| Reserves                                                          | 11   | 2,054,653                          | 2,209,537                      |
| Accumulated losses                                                |      | (28,023,574)                       | (26,870,232)                   |
| <b>Total Equity</b>                                               |      | <b>13,555,417</b>                  | <b>12,660,964</b>              |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

| Group                                      | Contributed<br>Equity | Fair Value through<br>Other<br>Comprehensive<br>Income Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Options<br>Reserve | Share Based<br>Payments<br>Reserve | Accumulated<br>Losses | Total             |
|--------------------------------------------|-----------------------|----------------------------------------------------------------|-----------------------------------------------|--------------------|------------------------------------|-----------------------|-------------------|
|                                            | \$                    | \$                                                             | \$                                            | \$                 | \$                                 | \$                    | \$                |
| <b>Balance at 1 July 2023</b>              | <b>37,321,659</b>     | <b>12,000</b>                                                  | <b>170,510</b>                                | <b>126,080</b>     | <b>1,900,947</b>                   | <b>(26,870,232)</b>   | <b>12,660,964</b> |
| Loss for the period                        | -                     | -                                                              | -                                             | -                  | -                                  | (1,153,342)           | (1,153,342)       |
| Other comprehensive<br>loss                | -                     | (105,000)                                                      | (127,560)                                     | -                  | -                                  | -                     | (232,560)         |
| Total comprehensive<br>loss for the period | -                     | (105,000)                                                      | (127,560)                                     | -                  | -                                  | (1,153,342)           | (1,385,902)       |
| Equity issues                              | 2,398,500             | -                                                              | -                                             | -                  | -                                  | -                     | 2,398,500         |
| Equity issue expenses                      | (195,821)             | -                                                              | -                                             | -                  | -                                  | -                     | (195,821)         |
| Share based payments                       | -                     | -                                                              | -                                             | -                  | 77,676                             | -                     | 77,676            |
| <b>Balance at 31<br/>December 2023</b>     | <b>39,524,338</b>     | <b>(93,000)</b>                                                | <b>42,950</b>                                 | <b>126,080</b>     | <b>1,978,623</b>                   | <b>(28,023,574)</b>   | <b>13,555,417</b> |

| Group                                      | Contributed<br>Equity | Fair Value through<br>Other<br>Comprehensive<br>Income Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Options<br>Reserve | Share Based<br>Payments<br>Reserve | Accumulated<br>Losses | Total             |
|--------------------------------------------|-----------------------|----------------------------------------------------------------|-----------------------------------------------|--------------------|------------------------------------|-----------------------|-------------------|
|                                            | \$                    | \$                                                             | \$                                            | \$                 | \$                                 | \$                    | \$                |
| <b>Balance at 1 July 2022</b>              | <b>25,785,157</b>     | <b>15,000</b>                                                  | <b>(384,579)</b>                              | <b>126,080</b>     | <b>1,621,523</b>                   | <b>(7,818,035)</b>    | <b>19,345,146</b> |
| Loss for the period                        | -                     | -                                                              | -                                             | -                  | -                                  | (17,461,542)          | (17,461,542)      |
| Other comprehensive<br>income              | -                     | (15,000)                                                       | 136,145                                       | -                  | -                                  | -                     | 121,145           |
| Total comprehensive<br>loss for the period | -                     | (15,000)                                                       | 136,145                                       | -                  | -                                  | (17,461,542)          | (17,340,397)      |
| Equity issues                              | 7,737,290             | -                                                              | -                                             | -                  | -                                  | -                     | 7,737,290         |
| Equity issue expenses                      | (294,000)             | -                                                              | -                                             | -                  | -                                  | -                     | (294,000)         |
| Share based payments                       | -                     | -                                                              | -                                             | -                  | 166,642                            | -                     | 166,642           |
| <b>Balance at 31<br/>December 2022</b>     | <b>33,228,447</b>     | <b>-</b>                                                       | <b>(248,434)</b>                              | <b>126,080</b>     | <b>1,788,165</b>                   | <b>(25,279,577)</b>   | <b>9,614,681</b>  |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2023**

|                                                      | Note | Group<br>31 December<br>2023<br>\$ | Group<br>31 December<br>2022<br>\$ |
|------------------------------------------------------|------|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities</b>          |      |                                    |                                    |
| Payments to suppliers and employees                  |      | (876,007)                          | (750,188)                          |
| Interest received                                    |      | 65                                 | 4                                  |
| Interest paid                                        |      | -                                  | (1,951)                            |
| Payment for exploration and evaluation               |      | (592,669)                          | (4,321,853)                        |
| Net cash used in operating activities                |      | (1,468,611)                        | (5,073,988)                        |
| <b>Cash flows from investing activities</b>          |      |                                    |                                    |
| Acquisition of plant and equipment                   |      | -                                  | (109,104)                          |
| Proceeds from sale of plant and equipment            |      | 8,358                              | -                                  |
| Net cash used in investing activities                |      | 8,358                              | (109,104)                          |
| <b>Cash flows from financing activities</b>          |      |                                    |                                    |
| Proceeds from equity issues                          |      | 2,288,500                          | 5,928,222                          |
| Proceeds from shares pending allotment               |      | 60,000                             | 50,190                             |
| Payment for costs of equity issues                   |      | (190,831)                          | (95,532)                           |
| Proceeds from borrowings                             |      | -                                  | 1,028,292                          |
| Repayment of borrowings                              |      | (1,094,027)                        | (9,302)                            |
| Net cash from financing activities                   |      | 1,063,642                          | 6,901,870                          |
| Net increase/(decrease) in cash held                 |      | (396,611)                          | 1,718,778                          |
| Cash and cash equivalents at beginning of the period |      | 5,366,145                          | 691,835                            |
| Foreign exchange effect on cash and cash equivalents |      | (86,056)                           | 4,410                              |
| Cash and cash equivalents at period end              | 3    | 4,883,478                          | 2,415,023                          |

The accompanying notes form part of these financial statements.

**1. Corporate information**

This half year report covers Pivotal Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 (the "Group"). The presentation currency of the Group is Australian Dollars ("A\$"). A description of the Group's operations is included in the review and results of operations in the Directors' Report. The Directors' Report is not part of the financial statements. The Group is a for-profit entity and limited by shares incorporated in Australia whose shares are traded under the ASX code "PVT". The financial statements were authorised for issue on 5 March 2024 by the Directors. The Directors have the power to amend and reissue the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below.

**2. Accounting policies**

**a. Basis of preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'. These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**b. New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

|                                            | Group<br>31 December<br>2023<br>\$ | Group<br>30 June<br>2023<br>\$ |
|--------------------------------------------|------------------------------------|--------------------------------|
| <b>3. Cash and cash equivalents</b>        |                                    |                                |
| Cash at bank                               | 786,747                            | 1,393,807                      |
| Term deposits                              | 2,978,363                          | 5,128                          |
| Trust account <sup>4</sup>                 | 1,118,368                          | 3,967,210                      |
|                                            | <b>4,883,478</b>                   | <b>5,366,145</b>               |
| <b>4. Trade and other receivables</b>      |                                    |                                |
| Accrued interest revenue                   | 7,611                              | 46                             |
| Tax refunds                                | 95,516                             | 54,253                         |
|                                            | <b>103,127</b>                     | <b>54,299</b>                  |
| <b>5. Other assets</b>                     |                                    |                                |
| Bond <sup>5</sup>                          | 172,158                            | 174,472                        |
| Prepaid expenses                           | 79,768                             | 150,728                        |
|                                            | <b>251,926</b>                     | <b>325,200</b>                 |
| <b>6. Plant and equipment</b>              |                                    |                                |
| Cost                                       | 219,589                            | 266,653                        |
| Accumulated Depreciation                   | (146,468)                          | (182,228)                      |
| Provision for impairment                   | (36,013)                           | (83,795)                       |
| Written down value at end of period        | <b>37,108</b>                      | <b>630</b>                     |
| Written down value at beginning of period  | 630                                | 1,884,429                      |
| Additions                                  | -                                  | 117,576                        |
| Disposals                                  | (45,511)                           | (2,240,598)                    |
| Foreign exchange translation               | 89,337                             | 372,535                        |
| Depreciation                               | (55,130)                           | (49,517)                       |
| Write-back of / (provision for) impairment | 47,782                             | (83,795)                       |
| Written down value at end of period        | <b>37,108</b>                      | <b>630</b>                     |

<sup>4</sup> Restricted cash to be used for qualifying Canadian exploration expenditure only.

<sup>5</sup> EUR 106,410/ (A\$172,157) is held by the Spanish mining authority as a bond against an approved restoration plan in respect of the Santa Comba mining concession.

|                                                                                                                                                      | Group<br>31 December<br>2023<br>\$ | Group<br>30 June<br>2023<br>\$ |
|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------|
| <b>7. Exploration and evaluation assets</b>                                                                                                          |                                    |                                |
| Balance at beginning of year                                                                                                                         | 7,983,776                          | 18,435,732                     |
| Exploration expenditure acquired – fair value of<br>exploration expenditure acquired from the<br>acquisition of the Horden Lake project <sup>6</sup> | -                                  | 4,830,428                      |
| Exploration and evaluation expenditure incurred<br>during the year                                                                                   | 805,315                            | 981,766                        |
| Impairment                                                                                                                                           | (84,729)                           | (16,264,150)                   |
| Balance at end of period                                                                                                                             | 8,704,362                          | 7,983,776                      |
| <b>8. Trade and other payables</b>                                                                                                                   |                                    |                                |
| Accrued expenses                                                                                                                                     | 46,679                             | 49,765                         |
| Director payables                                                                                                                                    | 24,695                             | 9,282                          |
| Trade creditors                                                                                                                                      | 403,280                            | 122,240                        |
|                                                                                                                                                      | 474,654                            | 181,287                        |
| <b>9. Convertible notes</b>                                                                                                                          |                                    |                                |
| Face value <sup>7</sup>                                                                                                                              | 1,000,000                          | 1,000,000                      |
| Conversion                                                                                                                                           | (100,000)                          | (50,000)                       |
| Interest                                                                                                                                             | 80,000                             | 34,173                         |
| Repayment                                                                                                                                            | (980,000)                          | -                              |
|                                                                                                                                                      | -                                  | 984,173                        |

<sup>6</sup> Consideration for the acquisition of the Horden Lake project consisted of CAD1,500,000 in shares and CAD 3,000,000 in cash.

<sup>7</sup> On 16 December 2022 the Group issued 1,080,000 convertible securities with a face value of \$1.00 each, for total proceeds of \$1,000,000. Interest is paid at the end of the conversion period, but recognised throughout the term, at a rate of 8% based on the face value. The notes are convertible into fully paid ordinary shares of the Company, at any time at the option of the Group, or repayable on 17 March 2024. The conversion rate is 1 fully paid ordinary share for every convertible security held, exercisable at the lower of \$0.045 and 92% of the average of 5 day preceding the conversion notice date VWAP not less than the extension price.

|                                            | Group<br>31 December 2023 |            | Group<br>30 June 2023 |            |
|--------------------------------------------|---------------------------|------------|-----------------------|------------|
|                                            | No.                       | \$         | No.                   | \$         |
| <b>10. Contributed equity</b>              |                           |            |                       |            |
| Balance at beginning of year               | 539,261,849               | 37,321,659 | 234,787,926           | 25,785,157 |
| Share issue: 5 August 2022                 | -                         | -          | 46,035,923            | 1,064,326  |
| Share issue: 29 September 2022             | -                         | -          | 46,768,426            | 1,035,674  |
| Share issue: 11 October 2022               | -                         | -          | 24,000,000            | 874,500    |
| Share issue: 24 November 2022              | -                         | -          | 4,571,429             | 160,000    |
| Share issue: 16 December 2022              | -                         | -          | 60,517,187            | 2,541,722  |
| Share issue: 20 December 2022 <sup>8</sup> | -                         | -          | 38,377,698            | 1,535,107  |
| Share issue: 22 December 2022              | -                         | -          | 10,220,681            | 449,205    |
| Share issue: 3 March 2023                  | -                         | -          | 7,142,858             | 300,000    |
| Share issue: 9 March 2023                  | -                         | -          | 2,045,982             | 82,199     |
| Share issue: 5 May 2023                    | -                         | -          | 1,858,736             | 50,000     |
| Share issue: 2 June 2023                   | -                         | -          | 61,387,080            | 3,891,942  |
| Share issue: 5 June 2023                   | -                         | -          | 1,538,923             | 50,015     |
| Share issue: 25 July 2023                  | 5,338,462                 | 173,500    | -                     | -          |
| Share issue: 12 October 2023               | 3,267,974                 | 50,000     | -                     | -          |
| Share issue: 5 December 2023               | 127,500,000               | 2,040,000  | -                     | -          |
| Share issue: 11 December 2023              | 4,687,500                 | 75,000     | -                     | -          |
| Share issue approved: 18-Jan-24            | -                         | 60,000     | -                     | -          |
| Share issue costs                          | -                         | (195,821)  | -                     | (498,188)  |
| Balance at end of year                     | 680,055,785               | 39,524,338 | 539,261,849           | 37,321,659 |

|                                                              | Group<br>31 December<br>2023<br>\$ | Group<br>30 June<br>2023<br>\$ |
|--------------------------------------------------------------|------------------------------------|--------------------------------|
| <b>11. Reserves</b>                                          |                                    |                                |
| <u>Fair value through other comprehensive income reserve</u> |                                    |                                |
| Balance at beginning of period                               | 12,000                             | 15,000                         |
| Revaluation of investments                                   | (105,000)                          | (3,000)                        |
| Balance at end of period                                     | (93,000)                           | 12,000                         |
| <u>Foreign currency translation reserve</u>                  |                                    |                                |
| Balance at beginning of period                               | 170,510                            | (384,579)                      |
| Foreign exchange on translation of operations                | (127,560)                          | 555,089                        |
| Balance at end of period                                     | 42,950                             | 170,510                        |

<sup>8</sup> A total of 38,377,698 shares amounted to CAD1,500,000 were issued as consideration for the acquisition of Horden Lake project.

|                                          | Group<br>31 December<br>2023<br>\$ | Group<br>30 June<br>2023<br>\$ |
|------------------------------------------|------------------------------------|--------------------------------|
| <b>11. Reserves (continued)</b>          |                                    |                                |
| <u>Options reserve</u>                   |                                    |                                |
| Balance at beginning of period           | 126,080                            | 126,080                        |
| Options issued                           | -                                  | -                              |
| Balance at end of period                 | <u>126,080</u>                     | <u>126,080</u>                 |
| <u>Share based payments reserve</u>      |                                    |                                |
| Balance at beginning of period           | 1,900,947                          | 1,621,523                      |
| Options granted <sup>9</sup>             | 74,430                             | 279,424                        |
| Performance rights granted <sup>10</sup> | 3,246                              | -                              |
| Balance at end of period                 | <u>1,978,623</u>                   | <u>1,900,947</u>               |

**NOTES TO THE FINANCIAL STATEMENTS continued**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**

**11. Reserves (continued)**

<sup>9</sup>Variables used to calculate the valuations of options are as follows:

| Inputs                    | Broker Options | Director Placement, Placement & Broker Options | Debt Funder Options | Broker Options | Director Options | Director Options | Director Options | Director Options |
|---------------------------|----------------|------------------------------------------------|---------------------|----------------|------------------|------------------|------------------|------------------|
| Number of options         | 1,500,000      | 10,500,000                                     | 7,518,796           | 1,500,000      | 3,000,000        | 4,000,000        | 4,000,000        | 4,000,000        |
| Exercise price            | \$0.12         | \$0.05                                         | \$0.045             | \$0.05         | \$0.0425         | \$0.03           | \$0.0425         | \$0.055          |
| Expiry date               | 13-Apr-24      | 29-Sep-25                                      | 05-May-26           | 29-Sep-25      | 05-Dec-26        | 05-Dec-27        | 05-Dec-27        | 05-Dec-27        |
| Grant date                | 28-Apr-22      | 23-Sep-22                                      | 05-May-23           | 25-Jul-23      | 21-Nov-23        | 21-Nov-23        | 21-Nov-23        | 21-Nov-23        |
| Issue date                | 28-Apr-22      | 29-Sep-22                                      | 05-May-23           | 25-Jul-23      | 05-Dec-23        | 05-Dec-23        | 05-Dec-23        | 05-Dec-23        |
| Share price at grant date | \$0.05         | \$0.035                                        | \$0.034             | \$0.02         | \$0.017          | \$0.017          | \$0.017          | \$0.017          |
| Risk free interest rate   | 0.024%         | 3.63%                                          | 3.01%               | 3.98%          | 4.09%            | 4.14%            | 4.14%            | 4.14%            |
| Volatility                | 136.13%        | 85%                                            | 90%                 | 95%            | 95%              | 95%              | 95%              | 95%              |
| Option value              | \$0.025        | \$0.01488                                      | \$0.015             | \$0.0057       | \$0.017          | \$0.019          | \$0.019          | \$0.019          |

<sup>10</sup>Variables used to calculate the valuations of performance rights are as follows:

| Inputs                       | Employee Performance Rights – Milestone 1 | Employee Performance Rights – Milestone 2 | Employee Performance Rights – Milestone 3 | Director Performance Rights – Milestone 1 | Director Performance Rights – Milestone 2 | Director Performance Rights – Milestone 3 |
|------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Number of performance rights | 546,700                                   | 546,700                                   | 546,700                                   | 1,300,000                                 | 1,300,000                                 | 1,300,000                                 |
| Expiry date                  | 01-Sep-24                                 | 01-Sep-25                                 | 01-Sep-26                                 | 30-Dec-25                                 | 30-Dec-25                                 | 30-Dec-25                                 |
| Grant date                   | 01-Sep-23                                 | 01-Sep-23                                 | 01-Sep-23                                 | 21-Nov-23                                 | 21-Nov-23                                 | 21-Nov-23                                 |
| Issue date                   | 01-Sep-23                                 | 01-Sep-23                                 | 01-Sep-23                                 | 05-Dec-23                                 | 05-Dec-23                                 | 05-Dec-23                                 |
| Vesting date                 | 01-Sep-24                                 | 01-Sep-25                                 | 01-Sep-26                                 | 30-Sep-24                                 | 30-Mar-25                                 | 30-Sep-25                                 |
| Share price at grant date    | \$0.016                                   | \$0.016                                   | \$0.016                                   | \$0.017                                   | \$0.017                                   | \$0.017                                   |
| Risk free interest rate      | N/A                                       | N/A                                       | N/A                                       | 4.16%                                     | 4.16%                                     | 4.16%                                     |
| Volatility                   | N/A                                       | N/A                                       | N/A                                       | 90%                                       | 90%                                       | 90%                                       |
| Performance right value      | \$0.016                                   | \$0.016                                   | \$0.016                                   | \$0.017                                   | \$0.017                                   | \$0.017                                   |

|                                       | Group<br>31 December<br>2023<br>No. | Group<br>30 June<br>2023<br>No. |
|---------------------------------------|-------------------------------------|---------------------------------|
| <b>11. Reserves (continued)</b>       |                                     |                                 |
| <u>Unlisted options</u>               |                                     |                                 |
| Balance at beginning of period        | 71,640,126                          | 69,821,424                      |
| Options granted – share based payment | 1,500,000                           | 12,518,796                      |
| Options granted – free attaching      | 2,669,231                           | 36,247,251                      |
| Options granted - Director            | 15,000,000                          | 715,750                         |
| Options expired                       | -                                   | (47,663,095)                    |
| Balance at end of period              | 90,809,357                          | 71,640,126                      |
| <u>Listed options</u>                 |                                     |                                 |
| Balance at beginning of period        | -                                   | -                               |
| Options expired                       | -                                   | -                               |
| Balance at end of period              | -                                   | -                               |
| <u>Performance rights</u>             |                                     |                                 |
| Balance at beginning of period        | -                                   | 4,042,799                       |
| Performance rights granted            | 1,640,100                           | (142,799)                       |
| Performance rights granted - Director | 3,900,000                           | -                               |
| Performance rights converted          | -                                   | -                               |
| Performance rights cancelled          | -                                   | (3,900,000)                     |
| Performance rights expired            | -                                   | -                               |
| Balance at end of period              | 5,540,100                           | -                               |

## 12. Operating segments

The Group has determined operating segments based on the information provided to the Board of Directors. The Group operates predominantly in one business segment being the exploration for minerals in three geographic segments, being Australia, Spain and Canada.

|                         | Australia | Canada     | Spain        | Corporate   | Total               |
|-------------------------|-----------|------------|--------------|-------------|---------------------|
| <b>31 December 2023</b> |           |            |              |             |                     |
| Segment revenue         | -         | 5,086      | (447)        | 10,579      | <b>15,218</b>       |
| Segment loss            | -         | (188,289)  | (170,313)    | (794,740)   | <b>(1,153,342)</b>  |
| Segment assets          | -         | 10,679,256 | 457,649      | 2,900,096   | <b>14,037,001</b>   |
| Segment liabilities     | -         | (377,924)  | (5,452)      | (98,208)    | <b>(481,584)</b>    |
| <b>30 June 2023</b>     |           |            |              |             |                     |
| Segment assets          | -         | 10,512,245 | 788,218      | 2,591,587   | <b>13,892,050</b>   |
| Segment liabilities     | -         | (15,547)   | (76,024)     | (1,139,515) | <b>(1,231,086)</b>  |
| <b>31 December 2022</b> |           |            |              |             |                     |
| Segment revenue         | -         | -          | 269          | 51          | <b>320</b>          |
| Segment loss            | -         | (592,924)  | (16,212,182) | (656,436)   | <b>(17,461,542)</b> |

## 13. Events after the end of the reporting period

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Group in future financial years other than the following:

- On 24 January 2024 the remaining 24,062,500 shares at an issue price of \$0.016 were issued to Directors and the placement participants as announced on 28 November 2023 and as approved by shareholders at the 18 January 2024 general meeting.

| Group<br>31 December<br>2023<br>\$ | Group<br>30 June<br>2023<br>\$ |
|------------------------------------|--------------------------------|
|------------------------------------|--------------------------------|

## 14. Commitments and contingencies

- a. Commitments relating to operating and exploration expenditures

|                                              |                |         |
|----------------------------------------------|----------------|---------|
| Not longer than 1 year                       | <b>589,885</b> | 550,077 |
| More than 1 year but not longer than 5 years | <b>359,388</b> | 362,791 |
| More than 5 years                            | <b>64</b>      | 1,973   |
|                                              | <b>949,337</b> | 914,841 |

**14. Commitments and contingencies (continued)**

b. Contingent assets

As at 31 December 2023, the contingent asset relates to the contingent consideration payable on the sale of Tungsten San Finx S.L.U whereby the buyer will pay the Company a 3% royalty on sales, capped at US\$1m, commencing in the quarter following the satisfaction in full of the Valoriza Consideration.

c. Contingent liabilities

As at 31 December 2023, the contingent liability arises from the acquisition of the Horden Lake project. The Horden Lake project is subject to two separate 1% net smelter return royalties. BABG is comprised of almost 300 separate mining claims, various of which are subject to net smelter return royalties of up to 2.5%. Any royalties on the projects are payable only upon commercial production.

**15. Interests in controlled entities**

| Company Name                    | Place of Incorporation | 31 December 2023<br>% Ownership | 30 June 2023<br>% Ownership |
|---------------------------------|------------------------|---------------------------------|-----------------------------|
| Yukon Metals Pty Ltd            | Australia              | 100%                            | 100%                        |
| Biscay Minerals Pty Ltd         | Australia              | 100%                            | 100%                        |
| Overland Resources (BC) Limited | Canada                 | 100%                            | 100%                        |
| 9426-9198 Québec Inc            | Canada                 | 100%                            | 100%                        |
| Galicia Tin & Tungsten SL       | Spain                  | 100%                            | 100%                        |

**16. Related party transactions**

During the reporting year, there were the following related party transactions:

- During the period, the Company paid \$17,493 (30 June 2023: \$166,486) of consultancy fees to Susana Garcia (spouse of Steven Turner) in regards to work performed for Galicia Tin & Tungsten SL. Ms. Garcia is a professional senior business consultant having worked at international consultancy firms and brings over 20 years of relevant experience. Commercial terms for the engagement were approved by the Board.

**17. Dividends**

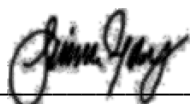
No dividends were paid or declared during the half-year. The Directors do not recommend the payment of a dividend.

In the Directors' opinion:

- ① the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- ① the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half year ended on that date; and
- ① there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Simon Gray  
Non-Executive Chairman

5 March 2024



**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Pivotal Metals Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Pivotal Metals Limited which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pivotal Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pivotal Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Pivotal Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
RSM AUSTRALIA PARTNERS

  
AIK KONG TING  
Partner

Perth, WA  
Dated: 5 March 2024