

20 January 2021

Sale of Scandinavian Assets for \$3 million

Highlights

- Pursuit has executed a sale agreement to sell its nickel and vanadium projects in Norway, Sweden and Finland to BMR Group PLC (**BMR**)
- Total consideration of ~A\$3 million (predominantly in BMR shares), to be realised upon BMR re-listing on the on the AIM market in the United Kingdom
- The agreement is subject to BMR raising A\$2.65 million to fund project development and other conditions, including PUR shareholder approval
- Allows Pursuit to fully focus on its high priority Warrior and Gladiator Projects in Western Australia

Pursuit Minerals Ltd (ASX: PUR) (“PUR” or the “Company”) is pleased to announce that the Company has entered into an agreement to sell its vanadium and nickel projects in Finland, Sweden and Norway (**Scandinavian Projects**) for consideration of ~\$3m.

Under the terms of the contract, the Company will divest and sell its interest in each of the Scandinavian Projects in consideration for:

1. Option Fee of A\$50,000 (expires 31 March 2021);
2. GBP £1.25 million (A\$2.2 million), payable in BMR shares;
3. AU\$250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
4. AU\$500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

In the event the transaction is not completed by 31 March 2021, BMR can extend the option for an additional 6 months for \$60,000. During the option period, BMR is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses.

The sale is conditional on both BMR and Pursuit shareholders approving the transaction and BMR having raised GBP £1.5 million (A\$2.65 million) to fund its exploration program. Pursuit has received confirmation from the ASX that the sale will only require shareholder approval in accordance with ASX Listing Rules 11.2 and 11.4.

Pursuit and its shareholders will continue to have the opportunity to participate in the growth of the Scandinavian Projects through BMR, an entity that will have sufficient resources to further develop the nickel and vanadium assets and be more able to progress the projects given it is a UK company, without the same COVID-19 travel restrictions which are stopping Pursuit from progressing the Scandinavian Projects.

Both companies are presently preparing their respective shareholder approval documentation and expect completion of the transaction by 31 March 2021. Following completion of the transaction, Jeremy Read will be acting in an executive capacity with BMR to further the development of the Scandinavian Projects.

In relation to the transaction, Pursuit Chief Executive Officer, Mark Freeman, said:

“The strategic sale of the Scandinavian Projects has come at an optimum time, freeing up the Company’s resources and capital to focus on our Australian Projects, in particular the Warrior Project. Shareholders will continue to share in the upside of the Scandinavian Projects as BMR will be able to advance the projects in a Covid-19 environment. We look forward to completing the sale.”

For more information about Pursuit Minerals and its projects, contact:

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Competent Person's Statement

Statements contained in this announcement relating to exploration results, are based on, and fairly represents, information and supporting documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610. Mr. Read is a Non-Executive Director of the Company and has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person for reporting exploration results, as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Read consents to the use of this information in this announcement in the form and context in which it appears.

Forward Looking Statements

Disclaimer: Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.