

**Rafaella Resources
Limited**

ABN: 49 623 130 987

ASX: RFR

Projects

CANADA

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

SPAIN

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

ASX ANNOUNCEMENT

22 November 2022

Chairman's Address Annual General Meeting

Rafaella Resources Limited (ASX:RFR) ('Rafaella' or the 'Company') is pleased to provide the Chairman's Address for today's Annual General Meeting.

Rafaella set out at the start of this financial year with the very clear objective to continue to advance its Santa Comba tungsten project in Spain with the completion of a feasibility study of the open pit project, whilst continually reassessing where best to invest shareholder funds to generate the most attractive risked returns.

I am pleased to report that the Company has met these objectives in building a robust high quality portfolio during the year through the completion of two acquisitions, advancing all key projects and, importantly, completing a strategic pivot towards battery metals in Canada, with the transformative agreement in September to acquire the large Horden Lake Quebec polymetallic deposit.

Spain Critical Metals Portfolio

The Company focused the early part of the FY21/22 on the completion of a feasibility study for the Santa Comba tungsten open pit project. The results of this study were released in June 2022. The "open pit only" advanced pre-feasibility study showed a Management Case pre-tax NPV of A\$ 94.8M (US\$ 67.3M), IRR of 32.6% and a payback of 2.3 years post-commissioning. These numbers include Inferred Resources representing 5.6% of total production*. With 90% of the open pit project area yet to be drilled, the project offers significant potential for expansion, with a near surface Exploration Target** of 25,000 to 112,000 tonnes contained WO₃.

The Company also continued to study the underground potential at Santa Comba. The underground had last operated in 1985, producing a clean high-grade tungsten concentrate, and is permitted for operations. In September 2021, underground operations were restarted through the recovery of high-grade stockpiles and processing of a pre-concentrate through a pilot plant. As part of the work towards a commercial restart, the Company updated the underground resource estimate with modern software and released an updated JORC mineral resource estimate for the underground in February 2022 showing a 24% increase in the previous resource estimate, to 291kt @ 0.95% WO₃ and 0.23% Sn (0.53% WO₃ cut-off). Importantly, an Exploration Target** of between 811kt and 1,351kt ranging between 0.75% and 0.92% WO₃ and with a 0.16% Sn grade was determined, showing substantial further potential.

In January of this year, the Company announced the acquisition of the San Finx tin and tungsten project, substantially enhancing its portfolio in Spain. This underground project last operated in 2017 and benefits from extensive underground structure and a process plant that has demonstrated recoveries of 77%. The project was put in to care and maintenance in 2017 as the then owner applied for a water discharge permit to allow access to the deeper levels. The mine is permitted and can operate to level 4 without the requirement for further approvals. In July of this year, the water authority issued a proposal to award the water discharge permit subject to certain conditions. These conditions have been reviewed by the Company with feedback provided, and we are now waiting on the final discharge permit to be issued. Award of the water discharge permit will allow the Company to advance the project through development, with the submission of an updated exploitation plan covering the deeper levels (5 to 8).

Registered Address

Level 8
175 Eagle Street
Brisbane QLD 4000 AUSTRALIA

Postal Address

GPO Box 2517 Perth
WA 6831 AUSTRALIA
P: +61 8 9481 0389
F: +61 8 9463 6103
info@rafaellaresources.com.au
www.rafaellaresources.com.au

For further information

please contact:
Rafaella Resources
Steven Turner
Managing Director
+61 8 9481 0389
info@rafaellaresources.com.au

San Finx is a highly attractive project with proven and attractive ability to produce marketable tin and tungsten concentrates. A review of the underground resource, including the production of a modern 3D underground resource model, resulted in a maiden JORC compliant resource statement in October showing Inferred Resources* of 1.2Mt with a combined grade of 0.80% (0.30% WO₃ + 0.50% Sn), with total contained metal being 3,581t WO₃ and 5,786t Sn. Furthermore, an Exploration Target** of 3.6Mt to 10.9Mt with a combined grade ranging between 0.70% to 1.17% (WO₃+Sn) for total contained metal of between 25,463t and 127,485t (WO₃+Sn) was also determined.

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.*

*** The potential quantity and grade of the Exploration Target is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of a Mineral Resource.*

The Company now has an enviable portfolio of JORC compliant resources amounting to 11.4Mt containing 30,400t of metals split 75% tungsten and 25% tin.

Tungsten is categorised as a critical metal in both Europe and Australia. Tungsten faces significant supply chain risk due to the dominance of Chinese supply (providing circa 85% of global supply). Tungsten prices have remained strong throughout 2022 with supplies forecast to tighten. Tin has been identified as the metal most likely to be affected by new technologies (source MIT/Rio Tinto). The spike in tin prices in early March 2022 due to supply disruptions out of Indonesia to over US\$48k/tonne highlights the vulnerability of this critical metal.

Canada Battery Metals Portfolio

In late 2020, the Company acquired the Midrim and Laforce high-grade nickel, copper and platinum group metals deposits in northern Quebec. This acquisition was designed to give the Company exposure to battery metals in one of the most attractive global mining jurisdictions. The Company secured a relatively inexpensive entry into an exploration project with enormous upside potential.

In May of this year we had the opportunity to double our exposure to this exciting exploration play and acquired the Alotta and Lorraine claims. SRK Exploration, already tasked with a detailed review of the Midrim and Laforce claims, provided an overview of the combined portfolio, now renamed the Belleterre-Angliers Project after the greenstone belt in which it is located. The Company's geological model suggests the relatively small but high-grade gabbroic intrusions point to a broader intrusive complex that could host substantial massive and semi-massive sulphide accumulations, effectively being deeper conduits or feeder systems to the shallower known accumulations. In July we were able to announce, in line with the geological model, that 137 new deeper EM anomalies had been identified with 20 being considered of high priority.

Strategic Pivot

Battery metals continue to attract considerable attention as the world transitions, or 'pivots' to sustainable technologies. Canada is a tier 1 mining jurisdiction that is at the forefront of supporting and promoting the extraction and processing of these minerals, demonstrated with a \$3.8bn battery metals programme announced in the March 2022 federal budget.

In September of this year, the Company executed a binding agreement to acquire the Horden Lake polymetallic deposit in Quebec for C\$4 million. This acquisition is seen as being transformational and completes the strategic pivot for the Company in shifting its primary focus to nickel, copper and PGM metals in Quebec.

Horden Lake has a JORC compliant resource of 27.8Mt at a copper equivalent grade of 1.49%. This grade is likely to increase as we look to conduct drilling in 2023 to better define the silver, gold and cobalt content, already known to exist within the deposit. Completion of the acquisition is scheduled for late December and the Company intends to immediately start a programme to prepare a pre-feasibility study to be completed in 2023. The JORC resource has been calculated through applying open pit shell and underground parameters, providing confidence that the economically recoverable resource is substantial.

Moreover, metallurgical test work conducted on the 2012 drill core validates these assumptions and has provided a significant boost towards the planning and timing for completing the pre-feasibility study. Being located close to road infrastructure and hydro-power sourced high voltage lines, Horden Lake offers shareholders access to some outstanding upside.

As part of this strategic shift and rebalancing of the portfolio, the Board is pleased to announce that, subject to shareholder approval, the Company name will be changed to Pivotal Metals Ltd. This name not only recognises the strategic pivot of the Company, but also more importantly the wider shift by the world economies to more environmentally conscious and sustainable technologies. The metals of nickel, copper and those of the platinum group elements, as well as those in Spain of tin and tungsten, are **PIVOTAL** to the success of this shift, and hence the name is reflective of the Company's direction on many levels. I hope that you agree and endorse this name change.

As part of the strategic changes being undertaken at the Company, we are also delighted to welcome Daniel Rose to the Board. Dan brings extensive financial markets experience to the Board, having worked in Australia and Hong Kong within investment banking and commodity financing.

Environment, Social and Governance Reporting

The Company is focussed on exercising the highest standards of governance whilst ensuring compliance and best practice around its social and environmental obligations. In Europe, where communities are based much closer to mine developments, it is imperative that mining operators apply strong social and environmental policies. Spain is a leading proponent of environmental standards in mining and the Company is working hard to deliver its operations in full compliance of its obligations. Local management engage regularly with the Spanish stakeholders and positive feedback from the water authority on the water discharge permit process is a testimony to this good work.

As we turn our attention to Canada, we will endeavour to ensure that we maintain these high standards. In July of this year we announced that the Company has adopted an Environmental, Social, and Governance (ESG) framework with 21 core metrics and disclosures created by the World Economic Forum (WEF) through the publication of our inaugural baseline ESG report. This report can be found on our website.

Outlook for FY23

Looking ahead to FY22/23 will see the portfolio transformation continue apace. The Horden Lake project will be the primary focus for the Company as it has the potential to deliver the greatest shareholder value, whilst ensuring that we continue to progress our Spanish portfolio, in particular San Finx as it moves closer to development. We will also look to initiate limited field work on the Belleterre-Angliers Project as we seek to validate our geological model targeting a deeper system.

In the near term, we will look to complete the Horden Lake acquisition, appoint our Canadian Country Manager (already identified), and commence the pre-feasibility study work including:

- ① drilling to incorporate gold, silver, cobalt and possibly other metals into the mineral resource estimation
- ① environmental baseline studies
- ① metallurgical test work

We look forward to an exciting year as Pivotal Metals transitions into a leading Quebec focused battery metals player.

I wish you all a successful, safe and COVID-free 22/23 financial year.

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

Ends

For further information, please contact:

Rafaella Resources

Steven Turner
Managing Director
P: +61 (08) 9481 0389
E: info@rafaellaresources.com.au

Media Enquiries

Giles Rafferty
FIRST Advisers
P: +61 481 467 903

Investor Enquiries

Victoria Geddes
FIRST Advisers
P: +61 (02) 8011 0351

About Rafaella Resources

Rafaella Resources Limited (ASX:RFR) is an explorer and developer of world-class mineral deposits. Rafaella holds a battery metals exploration portfolio in Canada located within the prolific Belleterre-Angliers Greenstone Belt comprised of the Midrim, Laforce, Alotta and Lorraine high-grade nickel copper PGM sulphide projects in Quebec (together the '**Belleterre-Angliers Project**'). These projects are now complemented by the flagship Horden Lake property, subject to a binding acquisition agreement, which contains a significant copper-nickel-PGM-gold-silver metal resource. The combination of these projects offers significant upside for the Company shareholders in a supportive mining jurisdiction as modern economies look to transition to renewables.

Rafaella also owns the Santa Comba and San Finx tungsten and tin development projects in Spain. The recently acquired San Finx project lies 50km south from the Company's Santa Comba tungsten and tin mine in Galicia, NW Spain, all within the same geological belt, strengthening the Company's strategic position in the Iberian Peninsula and its long-term goal of being a significant supplier of the critically listed metals of tungsten and tin.

To learn more please visit: www.rafaellaresources.com.au