

PMET Resources Inc.

TSX: PMET ASX: PMT



A division of Cashu Group

Where Global Lithium Demand Meets a World-Class Supply

Executive Summary

Rating: **BUY**

Price Target: **C\$6.78 (48% Upside)**

Current Price: **C\$4.57 (Dec 5, 2025)**

Horizon: **12 months**

Risks: **Speculative**

PMET Resources controls one of the most strategically important lithium assets in the Western hemisphere: the Shaakichiuwaanaan Project in Quebec, hosting a Probable Reserve of 84.3 Mt @ 1.26% Li₂O—the largest undeveloped hard-rock lithium reserve in the Americas.

The recently completed Feasibility Study confirms a long-life, low-cost operation capable of producing ~800,000 tpa of SC5.5 over ~20 years at a competitive AISC of ~US\$597/t.

With global OEMs urgently securing IRA-compliant lithium supply, PMET is positioned to become a top-five global spodumene producer and the largest in the Americas.

Investment Positives

1. Tier-1 Resource & Scale

- Maiden Reserve of **84.3 Mt @ 1.26% Li₂O**, supporting a multi-decade operation.
- Additional **108 Mt Indicated** and **33 Mt Inferred** provide mine life extension and expansion optionality.
- Scale positions PMET to become one of the largest spodumene producers globally.

2. Low-Cost, Long-Life Operation

- AISC of **~US\$597/t** and total cash cost of **~US\$544/t**.
- Simple geology and a conventional DMS-only flow sheet reduce processing risk.
- Strong infrastructure advantages in Quebec.

3. Volkswagen Strategic Partnership

Volkswagen (PowerCo) has invested ~C\$69M for 9.9% equity and secured offtake for 12.5% of production over 10 years. This provides top-tier validation, enhances financing options, and reduces long-term marketing risk.

4. Multi-Commodity Upside (Caesium & Tantalum)

The project hosts the world's largest defined pollucite-hosted caesium resource and one of the largest tantalum resources globally. These co-products add economic resilience and potential by-product credits.

5. Clear Development Pathway

- Feasibility Study anchors the ESIA permitting process.
- Final Investment Decision targeted for late 2027.
- Commissioning expected to begin from late 2029.

Equity Research Canada

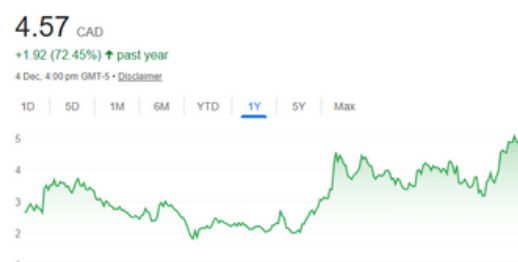
Mining & Resources



PMET RESOURCES (formerly Patriot Battery Metals) is a leading hard-rock lithium exploration company advancing its 100%-owned Shaakichiuwaanaan Property in Quebec's Eeyou Istchee James Bay region. The Property, originally known as Corvette, home to the largest lithium pegmatite mineral resource in the Americas and is one of the top 10 largest globally, is strategically positioned to supply North American and European markets. The Property also hosts the largest pollucite-hosted caesium pegmatite mineral resource in the world.

Valuation	C\$6.78
Current price	C\$4.57
Market cap	C\$741.57m
Cash on hand	\$61m (Sept)

Share Performance (USD\$)



Over the past year, PMET's share price has climbed 72%, moving from the low-C\$2 range to roughly C\$4.57 today. After a period of consolidation through early 2024, the stock began a sustained recovery in mid-2025, supported by improving lithium sentiment, strengthening project fundamentals, and increased investor confidence. PMET has consistently made higher lows through the year and recently pushed to its strongest levels in 12 months, signalling renewed momentum as the market begins to re-rate high-quality lithium developers.

Lithium Supply–Demand Outlook

Global lithium demand is accelerating faster than ever. By 2029, the world will require more lithium in a single year than was mined between 2015 and 2022 combined. Demand is forecast to grow six-fold from 2023 to 2030, driven by EV adoption, grid-scale storage, and Western moves to secure IRA-aligned supply chains.

Supply growth, however, is not keeping pace. New mines face long permitting timelines, rising capex, and a scarcity of Tier-1 deposits. As forecasts show, supply begins to lag demand in the second half of the decade, creating a widening structural deficit.

This backdrop strongly favours large, long-life hard-rock projects in stable jurisdictions. PMET's scale, grade, and location position it to play a critical role in closing the emerging supply gap.

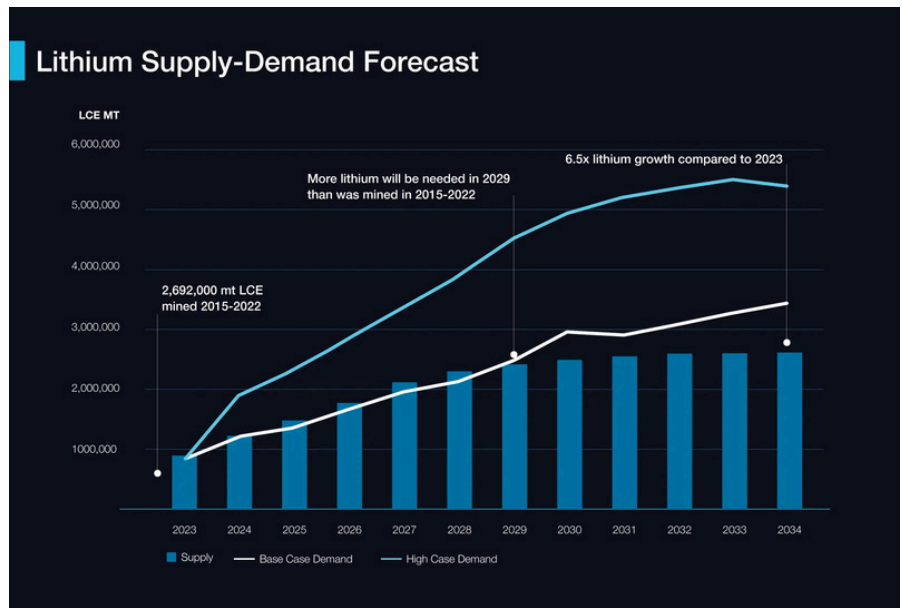


Figure 1. Lithium supply-demand forecast to 2034, showing base and high case demand scenarios and potential deficits after 2029. ([metalshub.com](https://www.metalshub.com))

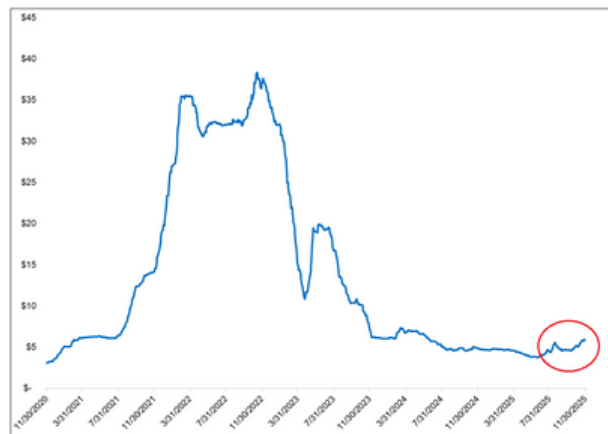


Figure 2. Lithium Prices Have Been Rising in 2025. [Sprott](https://www.sprott.com)

Lithium Price Overview

Following the sharp correction from the 2022 peak, lithium prices stabilised through late 2024 and early 2025 and are now showing early signs of recovery. The chart demonstrates a clear bottoming pattern followed by a gradual upward trend, consistent with tightening fundamentals.

Although prices remain below prior highs, even a modest rebound materially strengthens economics for new hard-rock developments. For PMET, improving pricing supports project financing, enhances valuation leverage, and reinforces the strategic value of its Tier-1 reserve as the next supply cycle forms.

Valuation & Upside

Base Case (Price Target: C\$6.78)

PMET trades at a material discount relative to its resource quality and development progress. A re-rating toward more typical developer multiples as permitting and financing de-risk should support a move toward the C\$6–7/share range.

Bull Case (> C\$16/share)

If permitting advances smoothly, financing is secured with limited dilution, and lithium prices normalise, PMET's valuation expands significantly. Given the project's scale, grade, and OEM endorsement, a multi-bagger outcome remains entirely feasible.

Flagship Project – The Shaakichiuwaanaan (CV5) Lithium Property

PMET's principal asset is the Shaakichiuwaanaan Property in Quebec, anchored by the CV5 (Corvette) lithium pegmatite, one of the largest lithium deposits in the Western Hemisphere. Located in the James Bay region, the project enjoys strong infrastructure advantages, including proximity to hydropower (LG4 Station), all-season roads, and nearby airstrips and lodging.

The CV5 deposit currently hosts a large, high-grade spodumene resource, with open-pit potential and significant exploration upside across the broader property, including the CV13 and CV9 targets. PMET is progressing rapidly with permitting and feasibility studies, aiming to be a cornerstone supplier of lithium into the North American battery supply chain.

Its strategic location, scale, and advanced stage make Shaakichiuwaanaan a globally significant asset as lithium demand accelerates, especially with growing U.S. and Canadian support for critical minerals.

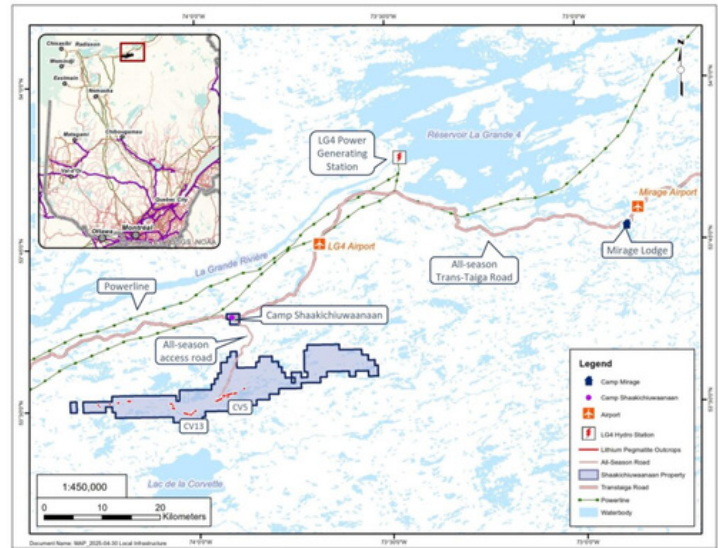


Figure 3: Shaakichiuwaanaan Project Map
(Source: www.pmet.ca/projects/shaakichiuwaanaan/)

Risks (Largely Priced-In)

- **Funding requirement:** ~C\$1.5B in capex requires a structured financing package, though strategic and government support reduce risk.
- **Permitting:** Standard timelines apply in Quebec; process is well understood.
- **Single-asset exposure:** Typical for pre-production companies but offset by PMET's Tier-1 scale.

Conclusion

PMET Resources is one of the most compelling pre-production lithium developers globally. World-class scale, low costs, OEM backing, and strategic relevance to Western supply chains all underpin a strong BUY rating.

We maintain a C\$6.78 price target, with clear potential for >C\$16/share in a bullish scenario. At current levels, PMET offers excellent asymmetry: limited downside, substantial strategic upside.

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