

Dolphin Tungsten Mine Update

Group 6 Metals Limited (ASX: G6M, “Group 6 Metals” or the “Company”) provides an update regarding construction activities at the Company’s wholly owned Dolphin Tungsten Mine (“DTM”), located on King Island, Tasmania.

Construction of the processing plant for the DTM continues to progress well against schedule for completion, commissioning and first production of concentrates in early 2023.

The Company has been advised by its lead engineering, procurement, and construction (EPC) contractor, Gekko Systems Pty Ltd, of constraints that have caused higher than expected costs in execution of the EPC contract. These constraints relate to project-specific and market conditions impacting logistics, materials and installation costs, including inflation, shipping and transport, foreign currency exchange rates and labour constraints.

The extent of the newly anticipated construction costs is up to \$7.5 million, constituting approximately 14% of the value of the EPC contract the Company signed with Gekko Systems in November 2021, or 8% of the overall project CAPEX budget. The Company will carry out a detailed assessment on these costs as a matter of priority.

In the meantime, Group 6 Metals and Gekko are taking joint action to mitigate these anticipated cost increases while optimising the safety, schedule and successful re-development of the DTM. The parties are also in discussions regarding options to limit the impact of these anticipated cost increases on the Company’s cashflow while the plant is being commissioned and ramping up to nameplate production.

While these newly anticipated construction costs are unfortunate, in today’s high inflationary environment for construction projects they are difficult to mitigate against. The Company remains committed to the successful completion and commissioning of the Dolphin Tungsten Mine which has an initial 14-year mine life underpinned by Reserves, with significant regional exploration upside which the Company will restart drilling on next week.

In light of the above, the Company has elected to extend the closing date for the SPP until the 1st February 2023 which will afford shareholders who have made an application for shares under the SPP time to amend or withdraw their application. A supplementary prospectus for the SPP will also be released by the Company in the coming days.

Approved by the board of Group 6 Metals Limited.

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About Group 6 Metals

Group 6 Metals Limited (ASX: G6M), previously known as King Island Scheelite Limited (ASX: KIS), is an Australian resources exploration and development company. The Company's name honours tungsten as Group 6 Metals' first commodity project (The Dolphin Mine) under development, as tungsten is a member of Group 6 of the periodic table along with chromium and molybdenum, as well as being a critical mineral and a geopolitically strategic resource.

The Company is focused on the redevelopment of its 100%-owned Dolphin Mine located on King Island, Tasmania. Initially the focus is on producing a high grade of tungsten concentrate, however, the Company plans to value-add the product for supply into the upstream tungsten industry.