

3 November 2023

Additional Capital Attracted to Support Dolphin Ramp Up

Key Highlights

- **Major shareholders have committed to provide \$8 million in bridge finance funding to progress ramp-up activities at Dolphin Tungsten Mine (DTM)**
- **Bridge finance to support cashflow requirements pending receipt of the anticipated cash refund under the Research & Development Tax Incentive Scheme**
- **DTM is progressing towards steady-state operations as the Federal Government re-enforces its commitment to the production of critical minerals in Australia.**

Group 6 Metals Limited (**ASX: G6M**, “**Group 6 Metals**” or the “**Company**”) is pleased announce that the Company has received binding commitments (subject to finalising substantive documentation) from four of its major shareholders to provide a bridge finance facility of a total of \$8 million (“**Bridge Finance Facility**”) to support the Company’s cashflow as production ramps up at the Dolphin Tungsten Mine (“**DTM**”), located on King Island, Tasmania.

Securing commitments for the Bridge Finance Facility comes at an important time for the Company as the site team works through the initial challenges encountered by lower-than-expected plant utilisation through the September quarter, impacting average monthly production.

While the period has been challenging for plant utilisation and reliability, the plant performance is showing steady improvement with specific focus on supervision, training and plant maintenance. As reported in the September 2023 quarterly activities report, the Company has appointed a highly qualified process plant manager who is providing guidance to the process team.

The site team is working towards increasing the production rate from higher-grade ore, completing the defect rectification work and ramping up production to capitalise on the growing demand for tungsten.

As operations improve, the Bridge Finance Facility will support the cashflow requirements of the Company pending receipt of the Research & Development (R&D) cash refund.

On 17 August 2023, the Company submitted a Research & Development (R&D) tax incentive application for the year ended 30 June 2023 with AusIndustry. The R&D Tax Incentive provides an 18.5% refundable tax offset of eligible R&D expenditure for companies with an aggregated turnover of less than \$20 million. As the Company is in a tax loss position as at 30 June 2023, the refundable offset will take the form of a cash refund, which will be realised through the lodgement of the Consolidated Income Tax Return (**ITR**). The ITR was lodged on Friday, 8 September 2023.

The ATO in conducting a pre-issue review of the ITR and accompanying R & D Schedule. A cash refund of \$14.1 million is expected to be received by the Company following satisfactory completion of the pre-issue review.

The parties providing the Bridge Finance Facility are:

- Abex Limited
- CJRE Maritime Pty Ltd
- Elphinstone Holdings Pty Ltd
- D.A.CH.S Capital AG

(“Parties”)

Interest is payable monthly in arrears at a minimum monthly BBSY rate of 2.50% p.a plus 10% p.a margin. The Bridge Finance Facility is repayable at the earlier of 72 hours following receipt of the R&D refund or 31 March 2024. The Bridge Finance Facility is subject to finalisation of substantive documentation.

Subject to obtaining relevant shareholder approvals at a General Meeting to be held on Tuesday 19th December 2023 (in respect of Abex Limited and CJRE Maritime Pty Ltd), and the consents of existing lenders, the Bridge Finance Facility is expected to be acceded to the existing Security Trust Deed and secured pari passu as Senior Debt. Further information about the General Meeting, including the notice of General Meeting, will be provided to shareholders in due course.

Group 6 Metals Managing Director & Chief Executive Officer, Keith McKnight, said:

“While the ramp up activities have been slower than forecast for the September quarter, the site team has made significant progress in establishing mining in the Dolphin pit, stabilising the process plant operation, resulting in more consistent production of concentrate. This facility will provide support for the Company’s cashflow while we work with the ATO to finalise our R&D cash refund.

We are very thankful for the continued support of our major shareholders from the start of this journey, and even more so as we transition to steady state operations over the coming months.”

Tungsten is a critical mineral used in a variety of applications, including steelmaking, mining, construction, electronics and defence. The global demand for tungsten is expected to grow significantly in the coming years, driven by demand from the construction, mining and defence sectors.

The importance of critical minerals has been reconfirmed by the Federal Government's recent announcement of an additional \$2 billion in support of Australia's critical mineral projects.

Mr McKnight continued, *"The Albanese government have just re-iterated their pledge to support critical minerals production in Australia, and as Tungsten is ranked highest for economic development, we look forward to working with the Federal Government on ensuring long term primary tungsten production in Australia and pursuing exciting opportunities for downstream processing to produce higher value tungsten products in the future."*

Chairman, Johann Jacobs, stated, *"It is impossible to imagine where the Company would be without the on-going support of our major shareholders. Their commitment has been demonstrated from the beginning and continues despite the initial challenges faced in ramping up a recently commissioned project. We have every confidence in our executive team in developing and executing a pathway to steady state operations."*

Trading Halt

This is the announcement that was referred to in the Company's request for a trading halt on 1 November 2023 and that trading halt can now be lifted.

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, development and production company. The Company's name honours tungsten as Group 6 Metals' first commodity project (The Dolphin Mine) in production, 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 producing high-grade tungsten concentrate from its 100%-owned Dolphin Mine located on King Island, Tasmania. The Company's medium-term objectives is to investigate opportunities to value-add the product for supply into the upstream tungsten industry.