

5 June 2024

Dolphin Tungsten Mine Operational Activities Update

Key Highlights

- **High grade C-Lens now exposed in Dolphin Open Cut Pit**
- **Tungsten market strengthens on strategic supply concerns**
- **Ore sorting test work has delivered encouraging results**
- **G6M advancing agreement with Climate Capital to integrate renewable energy**

Group 6 Metals Limited (**ASX: G6M**, “**Group 6 Metals**” or the “**Company**”) is pleased to provide an update on operational activities at the Company’s wholly owned Dolphin Tungsten Mine (“**DTM**”), located on King Island, Tasmania.

Despite falling behind the planned mine sequence, mining at the DTM open pit has exceeded forecast volumes for ore tonnes and metric tonne units (mtu) of WO_3 recovered up until the end of April, when compared to the geological model. The opportunity to recover ore tonnes outside the block model is positive, however it delayed the extraction of the higher-grade ore tonnes from the C-lens by approximately 6-8 weeks. The high-grade ore in the C lens is now exposed with production drill hole assaying confirming that high grade ore blocks will be mined from June onwards.



Figure 1 - Dolphin Open Cut Stage 1 Bench Development at RL-30m, above high-grade C-lens - May 2024

The DTM geology team has developed a comprehensive in-pit reconciliation methodology, continuously comparing actual results to the geological model. This ongoing process, implemented since mining on the main Dolphin ore body commenced six months ago, involves in-pit sampling, UV lamping, and production drill hole assaying.

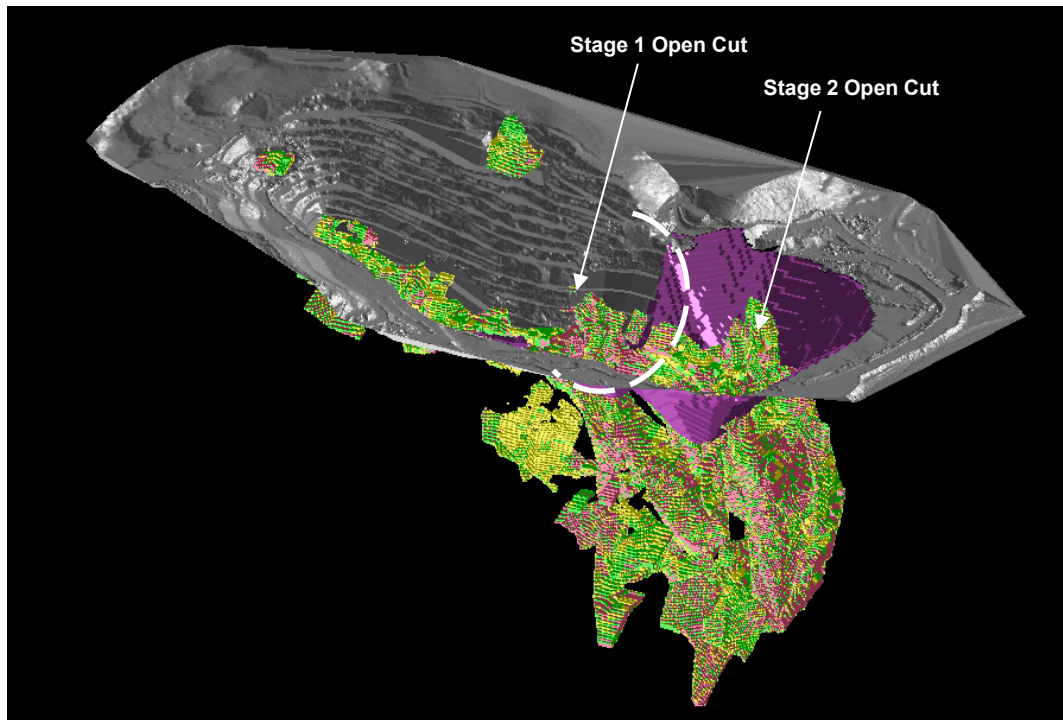


Figure 2 - Dolphin ore body showing high grade (Pink), medium grade (Green) and low grade (Yellow)

The Company has recently extended production drill hole assaying from 10m to 20m in depth, enabling the assessment of large ore block models prior to mining. Over this period, the reconciliation results have exceeded expectations reconciling at +15% for ore tonnes and +5% for mtu's, providing a high degree of confidence in the mine plan.



Figure 3 - High-grade (0.89% WO₃) ore exposed in Dolphin Main Pit

Concentrate production has been lower than forecast for April and May due to the delay in higher mill feed grade which has resulted in lower overall recoveries. Despite this, the process plant has been operating stably achieving throughput and utilisation in line with forecast, processing 24,422 tonnes at 88% plant utilisation for April, and on track to achieve a similar performance in May 2024.

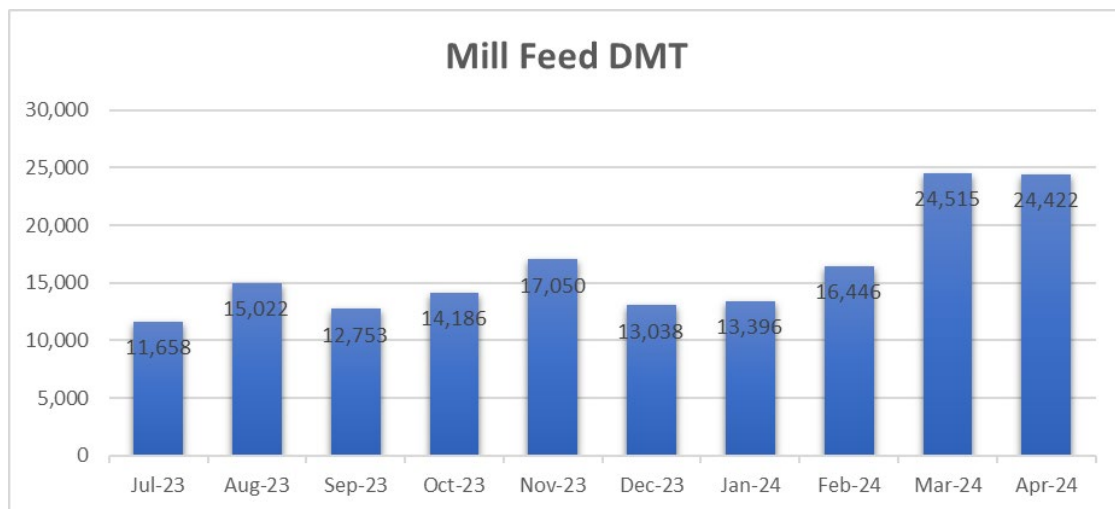


Figure 4 – Dolphin Mill Ore Feed Tonnes

The Company has conducted an engineering review of the process plant, with input from key OEMs. This has identified plant improvements and upgrades that will improve plant stability, throughput, and metallurgical performance. The plant upgrades identified will require some limited downtime however these enhancements will add significantly to utilisation and recovery once completed.

The Company produced approximately 94 dry tonnes of concentrate in April at an average grade of 57.1% WO₃ was produced in April for 5,380 mtu's of WO₃. This resulted in a small decrease in production compared to March primarily due to lower than anticipated feed grade. In April, 115.05 dry tonnes of concentrate at 57.38% WO₃ was shipped for the month which represents the best month to date for the Company.

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

“Over the past 6 months, our geology and mining teams have excelled at maximising ore recovery. This means we've collected more valuable tungsten ore than forecast while working the outer areas of the Dolphin open pit. While this has caused a temporary delay in the mining sequence, the extra effort has resulted in a detailed understanding of the mine's geology, giving us a lot of confidence in our mine forecast. Excitingly, the high-grade C-lens is now accessible at -30 RL in the main Dolphin pit, and production drill assay results confirm the presence of high-grade ore in the mining blocks scheduled for June.

The process plant operating steadily over the past two months achieving good utilisation. Senior management, in consultation with OEMs, have identified opportunities for improvement, which are expected to enhance plant stability and increased recovery rates. The upgrades are not considered major works but should significantly improve the performance of the plant at the same time as head grade from the mine is predicted to increase significantly.

Tungsten Market

The past 6 weeks has seen an increase in the Ammonium Paratungstate (APT) CIF Rotterdam price of approximately 12%, with current prices quoted as US\$335 – 360 per mtu (10 kg of WO₃). This sharp increase in price has been attributed to the tightening of Chinese domestic supply driving prices in China higher and increased activity by Chinese buyers in Western markets.

Keith McKnight continued, *“Chinese APT prices, quoted on FOB delivered basis, are now higher than European prices quoted CIF Rotterdam. This is an unusual development in the tungsten market which points to tightening domestic supply in China and more activity by Chinese buyers in Western markets. Chinese import of tungsten concentrates almost doubled in the first calendar quarter of 2024 and the expectation is that this trend will continue into the second half of the year.”*

Ore Sorting Trials

Stockpiling of very low grade (VLG) ore is continuing in preparation for ore sorting. Stocks of VLG ore, categorised as 0.2-0.3% WO₃, were 55,852 tonnes at the end of April, and forecast to be >100,000 tonnes at the end of 2024. Ore sorting is expected to commence in the first half of 2025 subject to completion of engineering and feasibility studies. Initial testing of low grade (0.4% WO₃) and high grade (0.8% WO₃) for material at +8mm to -50mm fraction, has provided positive results indicating upgrade factors of 2.4 with close to 85% recovery, and 1.4 with approximately 90% recovery respectively. While further test work is required, these initial results are promising and warrant further investigation for ore sorting at DTM.

Keith McKnight continued, *“The Company has received the results from its recent ore sorting trials which are encouraging. As higher-grade ore from the open pit is prioritised as feed to the process plant, lower grade ore is being stockpiled for blending with the high-grade underground ore. As the ore sorting trials are indicating, there may be a significant opportunity to sort this ore which would bring it forward in the production plan. The Company will proceed with further testing and an engineering concept study to integrate ore sorting at DTM.”*

Renewable Energy Integration

The Company, in collaboration with Climate Capital Pty Ltd (“Climate Capital”), has been evaluating integrating a 7.5MW solar panel array and a 5.5MWh battery storage system into the DTM Power Plant. The solar power system would be located on land adjacent to the Company's process plant. Climate Capital has completed power modelling and an extensive site assessment. Both parties are now interested in negotiating a power purchase agreement (PPA) under a Build Own Operate (BOO) model for project delivery.

This proposed project aligns with the Company's commitment to enhancing its Environmental, Social, and Governance (ESG) credentials. By reducing reliance on diesel fuel, the project has the potential to significantly lower greenhouse gas emissions and contribute to a cleaner and more sustainable operation. Additionally, the project is expected to reduce diesel power generation by up to 49% for the current site's power demand.

Climate Capital, a developer for the fund Climate Capital Renewable Energy Assets Trust (CCREAT), build, own and operate behind-the-meter solar and storage projects across the country with the goal of decarbonising the electricity network and supporting Australian businesses.

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 resource 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 producing high-grade tungsten concentrate from its 100%-owned Dolphin Mine located on King Island, Tasmania. The Company's medium-term objective is to investigate opportunities to value-add the product for supply into the upstream tungsten industry.

Forward-looking statements

Statements in this Announcement may be forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe' or 'continue' or the negative or other variations of comparable terminology.

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