Quarterly Activities and Cash Flow Report to 30 June 2024

Highlights

OPERATIONS

- Safety and Environmental
  - ✓ No reportable environmental incidents and 3 x LTIs were recorded during the quarter.

- Quarterly Production
  - ✓ Production of mtu (metric tonne units) of WO_3 at 14,606, a 12% increase compared to the previous quarter
  - ✓ The mine has set a new production record of 120kt of ore mined for the quarter
  - ✓ The processing plant had an average daily ore processing rate of 669 tonnes per day, which was a 12% increase from the previous quarter.
  - ✓ Saleable tungsten production of 14,606 mtu at an average grade of 57% tungsten trioxide (WO_3), reflecting the transition of mining to the main Dolphin Tungsten Mine (**DTM**) high-grade ore body
  - ✓ 12,290 metric tonne units (mtu) of WO_3 in tungsten concentrate was shipped, and cash received from customers was $5.1 million for the quarter

- High-grade C-Lens now exposed in Dolphin Open Cut Stage 1 Pit with mining of high-grade blocks underway

- Ore sorting trials for low-grade and high-grade ore has delivered encouraging results ahead of the proposed commencement of site trials in H2 2024

- PPA Agreement advancing with Climate Capital to integrate renewable energy at Dolphin Tungsten Mine

CORPORATE

- Tony Caruso was appointed as a Non-Executive Director of the Company, and Tony Davis was appointed as Executive General Manager.

- Ammonium Paratungstate (APT) CIF Rotterdam prices increased during the quarter to US$335 – 360 per mtu

- $0.8 million in cash and $8.95 million in undrawn debt facilities as of 30 June 2024

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Group 6 Metals Limited (**ASX: G6M**, "**Group 6 Metals**" or the "**Company**") is pleased to report on its activities and cash flow for the quarter ending 30 June 2024.

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

"Our operations team has finished the June 2024 quarter well, progressing the stage 1 pit shell sufficiently to access the high-grade ore from the C-Lens in the Dolphin Open Cut Pit. In July, we commenced mining the high-grade blocks, which were confirmed by production drill hole assays and UV lamping. Both feed grades and recoveries improved at the end of the quarter. Plant stability and reliability is the key challenge and an engineering review has identified key improvements to enhance plant stability, throughput, and recovery, showing promising gains as they are implemented.

G6M also completed the quarter optimistic about opportunities to enhance the Company's operations, with ore sorting trials achieving encouraging results, and discussions have commenced with the OEM to commence site trials in H2 2024. Furthermore, our collaboration with Climate Capital to evaluate integrating a solar and battery storage system is a major step towards our commitment to sustainability and lowering our power generation costs. Together, these developments reflect our focus on operational efficiency, positioning us strongly for the second half of CY24."

Figure 1 - Dolphin Tungsten Mine – Stage 1 Mining High-Grade Ore (0.79% WO3)

Dolphin Tungsten Mine Activities Update

During the June 2024 quarter, G6M continued its focus on operational improvement and has now commenced mining of the high-grade ore in the C-Lens in the Dolphin Open Cut Pit on King Island, Tasmania.

Safety

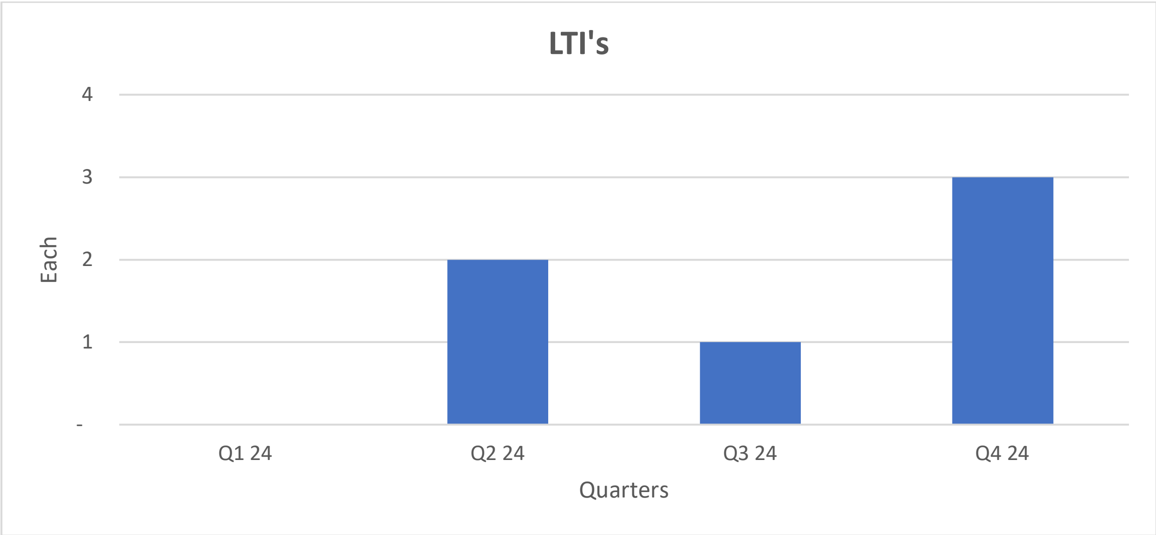

Figure 2 - Dolphin Quarterly LTI's

During Q4 2024, Group 6 Metals Limited reinforced its commitment to maintaining high environmental and safety standards. There were no environmental incidents for the quarter, but disappointingly, there were three (3) x Lost Time Incidents (LTIs). Senior management has stepped up its efforts to improve safety on site through consistent training, effective risk identification and management, incident management, and regular safety meetings to reinforce the company's commitment to a safe and compliant work environment.

Mining

Figure 3 - Dolphin Open Cut Stage 1 Bench Development at RL-30m, above high-grade C-lens - May 2024

Waste mined is currently proceeding with the updated LOM in total volumes.

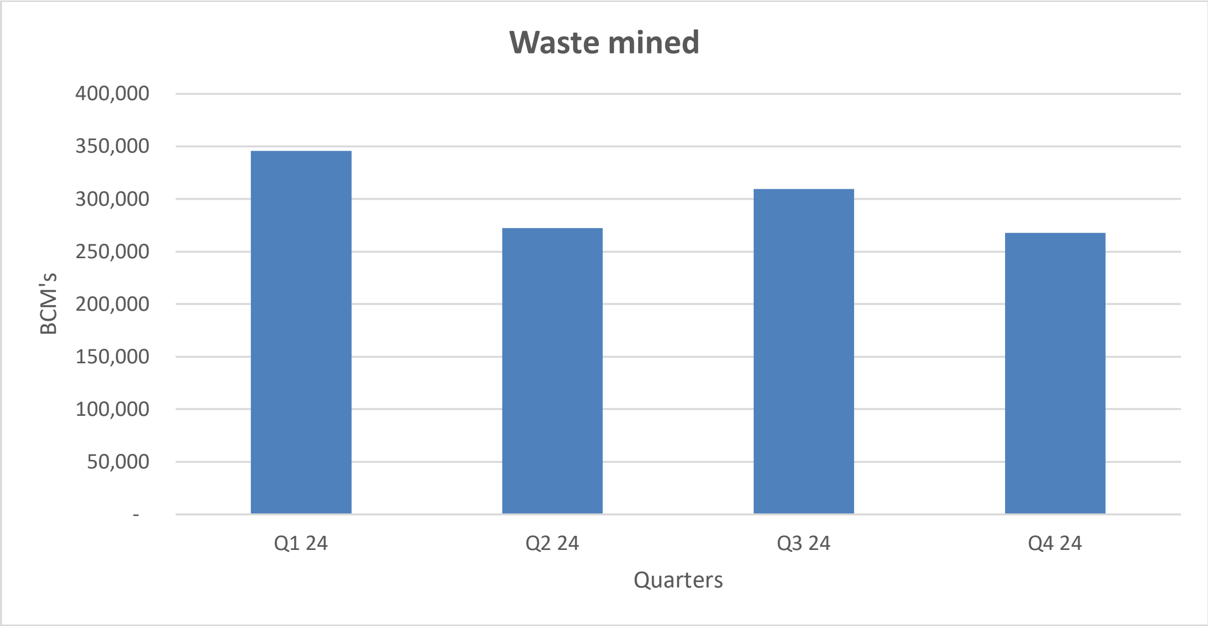

Figure 4 - Mined waste volumes at Dolphin Tungsten Mine FY 2024

Waste volumes fell 13% compared to the previous quarter, down to 268k BCM, which is in line with expectations, with the strip ratio falling by 14% in the same period. As the Stage 1 pit shell becomes more developed, this will see further reductions in waste movement resulting in a rationalisation of the mining fleet. The reduction in mining volumes has allowed the mine to demobilise two 777 trucks from the fleet, with the remaining two 777 trucks and 150t excavator to be demobilised in the coming months.

Ore Mined

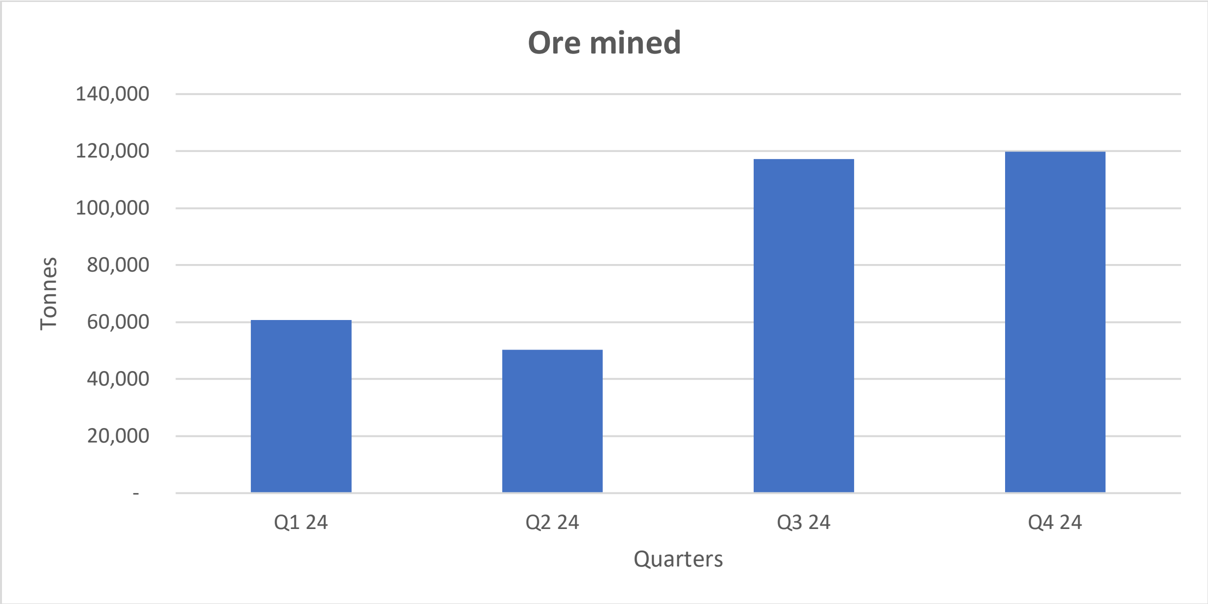

Figure 5 - Mined ore volumes at Dolphin Tungsten Mine FY 2024

During the June quarter, we achieved a record quarterly ore production milestone of 120kt.

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 eight months ago, involves in-pit sampling, UV lamping, and production drill hole assaying.

A reconciliation was completed with what was mined against what is in the geological model covering the period November 2023 to May 2024.

	Geological Model	Actual	± Variance
Ore tonnes	154,785	153,086	-1%
Ore Grade	0.62%	0.62%	0%

Table 1 – Geological Model Reconciliation Results

This work provides high confidence in the accuracy of the geological model, which should improve as the mine progresses into the main high-grade ore body.

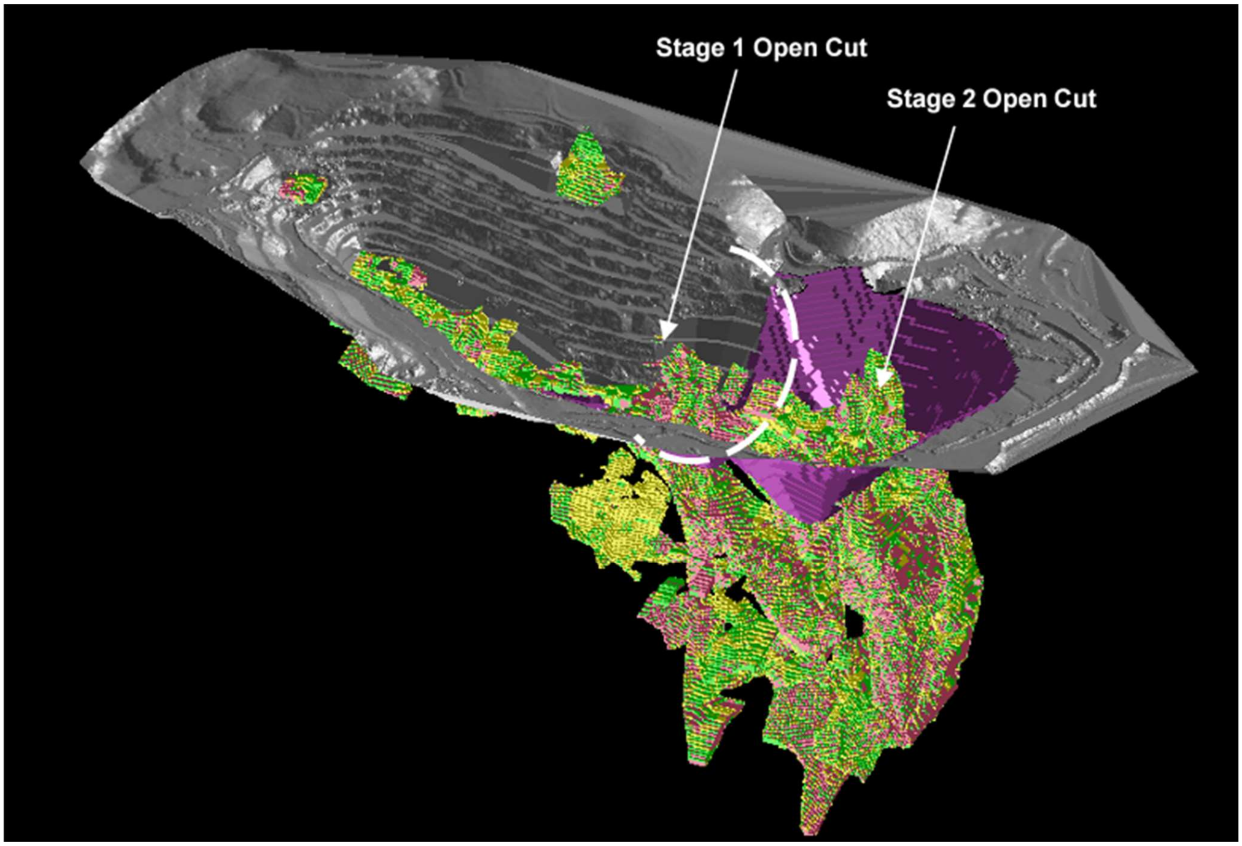

Figure 6 - Dolphin ore body showing high grade (Pink), medium grade (Green) and low grade (Yellow)

G6M has extended production drill hole assaying from 10m to 20m in depth, enabling the assessment of large ore block models before mining. Over this period, the reconciliation results have met expectations, reconciling at -1% for ore tonnes and in line for mtu, providing a high degree of confidence in the mine plan. (November 2023 to May 2024 Ore Reconciliation)

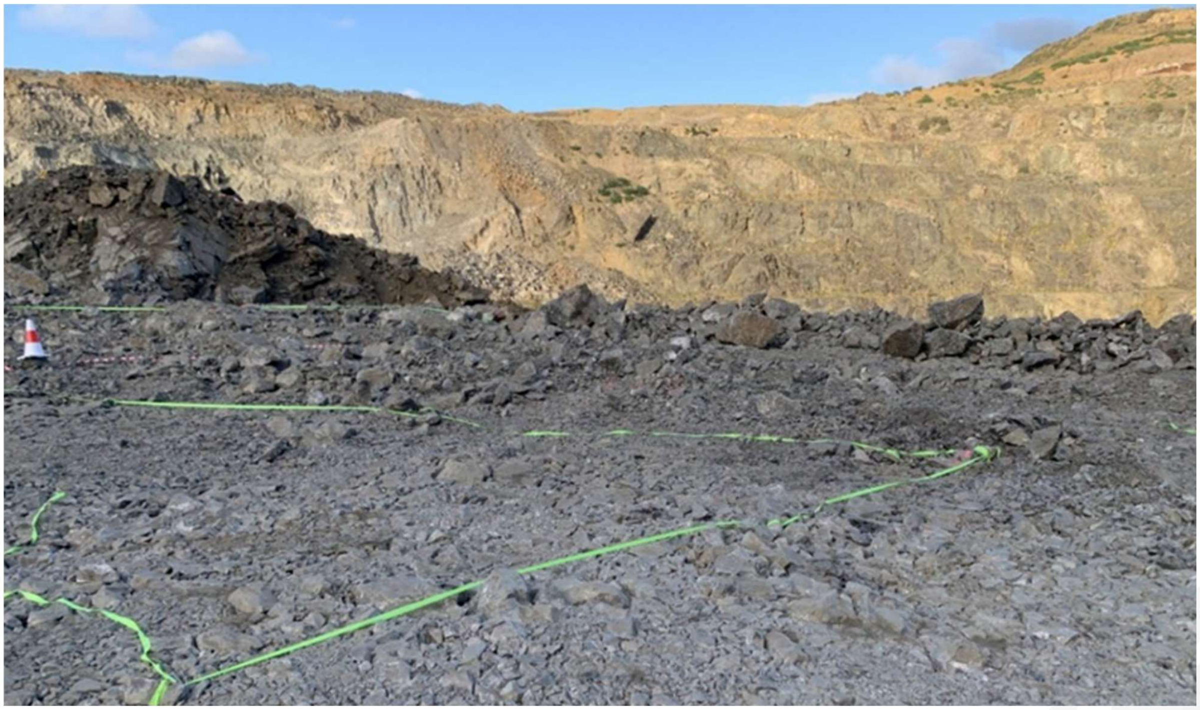
Figure 7 - High-grade (0.89% WO_3) ore exposed in Dolphin Main Pit

Processing

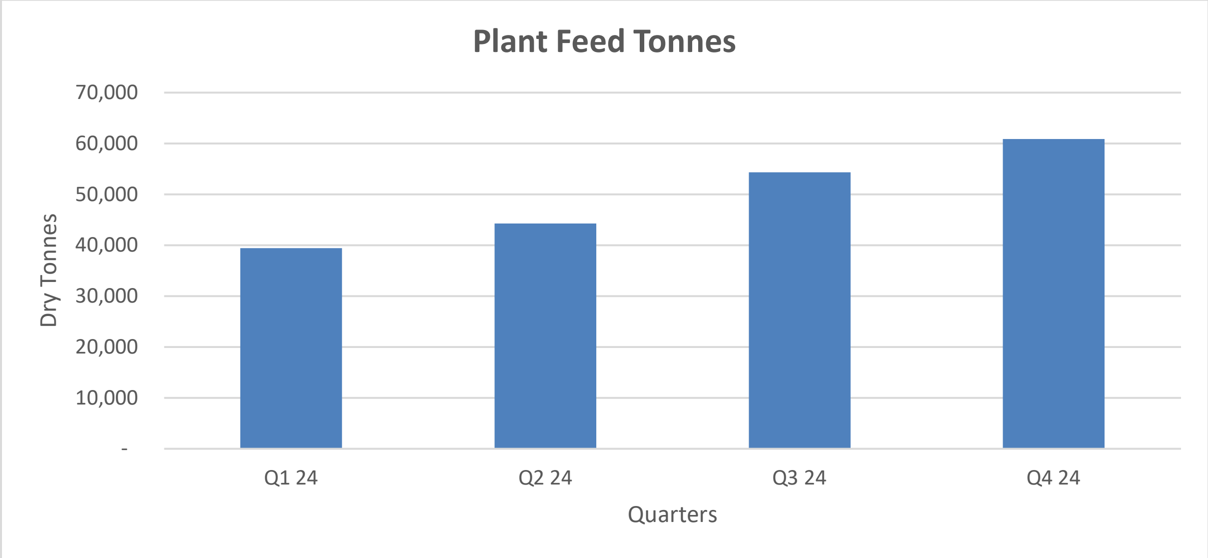

Figure 8 – Plant feed volumes at Dolphin Tungsten Mine FY 2024

During the June quarter, DTM's plant feed performance was 61kt, up 12% from the previous quarter. The increased plant feed rate was influenced by the refurbishment of ball mills completed in February and ongoing enhancement works to crushing circuits and conveyors. These works allowed for higher throughput, with the plant averaging 669t per day feed tonnes compared to the previous quarter of 597t per day, despite increased downtime to facilitate the enhancement works.

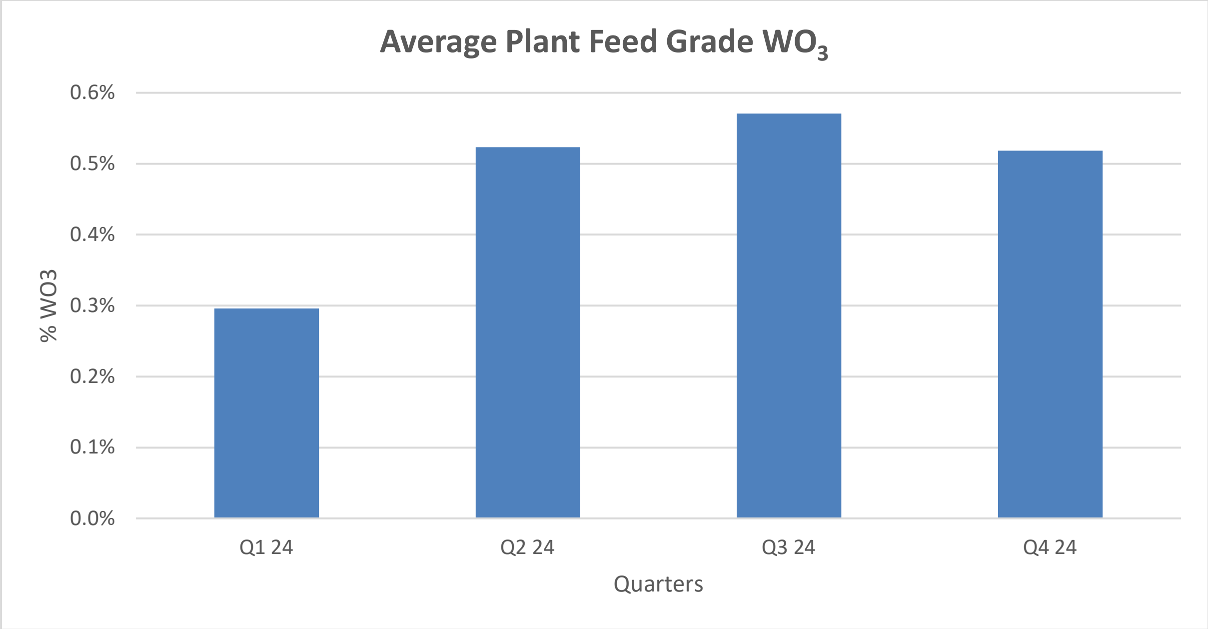

Figure 9 – Average Plant Feed Grade at Dolphin Tungsten Mine FY 2024

The average feed grade was slightly below the previous quarter. During the quarter, ore was sourced primarily from B lens, which is typically subject to elevated levels of dilution due to the narrow nature of the ore lenses. The mine sequence is now on the high-grade ore in the C-lens, which has been confirmed by production drill hole assaying, and high-grade ore has been delivered to the ROM stockpile since late June.

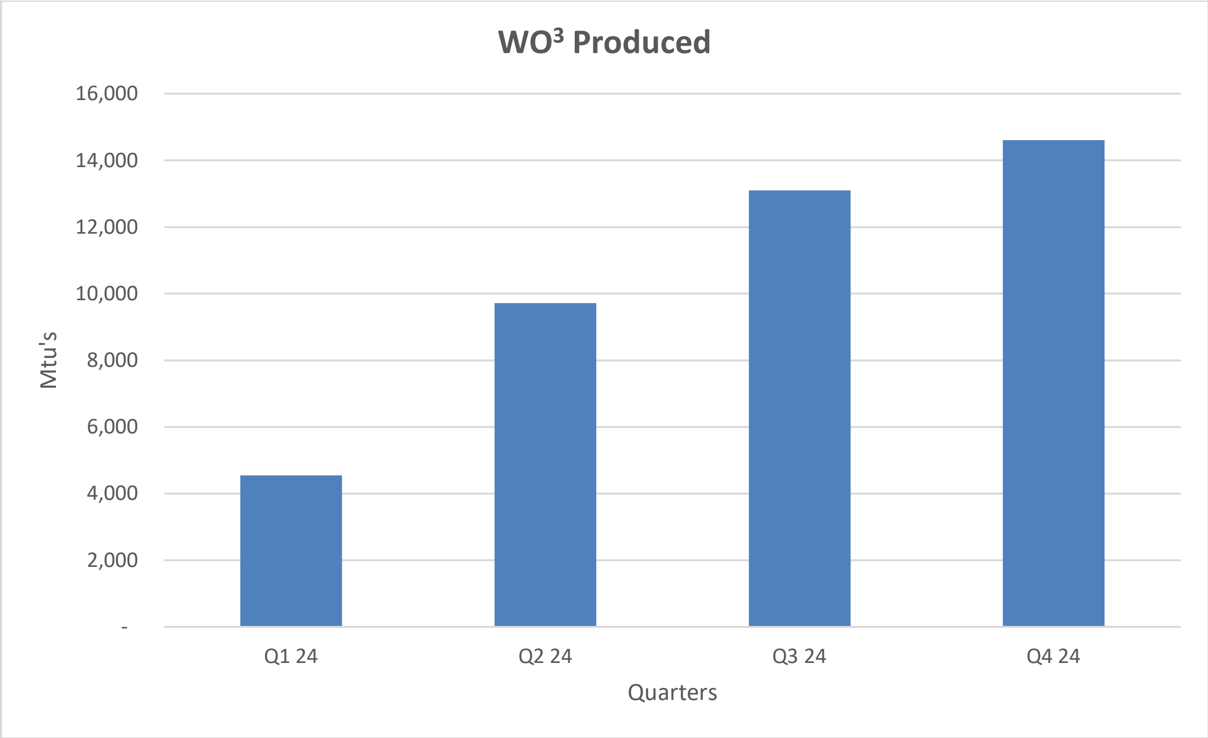

Figure 10 - WO_3 Produced from Dolphin Tungsten Mine

The Company achieved a new high production of 14,606 mtu, this increase in mtu production throughout FY 2024 demonstrates successful strategies in optimising ore extraction, maintaining plant operations, and improving recovery rates. These efforts contributed to higher production outputs and underscored the Company's commitment to operational improvement and efficiency.

DTM has completed an engineering review of the process plant with input from key OEMs. This review has identified improvements and upgrades to improve plant stability, throughput, and metallurgical performance.

The plant upgrades began in June, with work completed on the crushing circuit and conveyors already delivering benefits. More work is planned, which will require some limited downtime. Once completed, these enhancements will significantly increase utilisation, throughput and recovery.

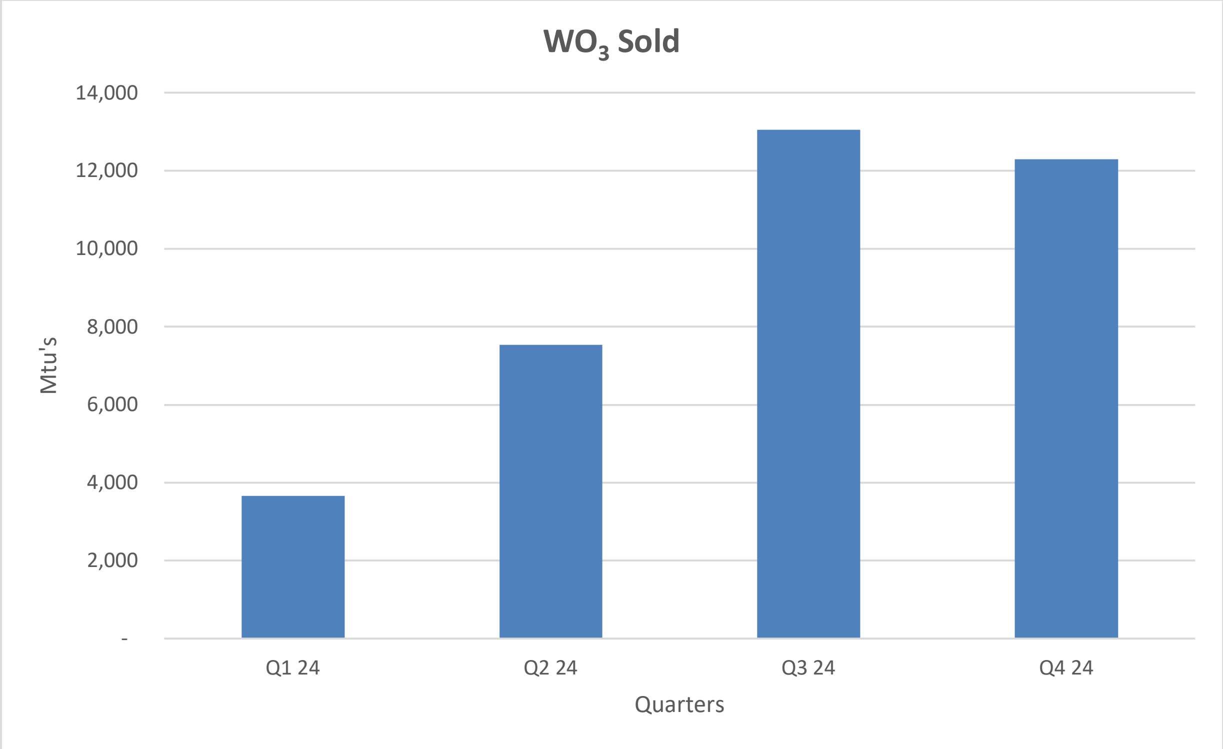

Figure 11 – WO_3 Sold from Dolphin Tungsten Mine

Sales in the June quarter were down on the previous quarter due to one cargo slipping into the Q1 2025 quarter.

Business Improvement

Operational Efficiencies

DTM is working through a program to implement further cost control measures and optimise the mine plan. It is soon to commence night shift trials in the mining operation to maximise the productivity of people and equipment.

Ore Sorting Trials

Ore sorting is expected to commence in the first half of 2025, subject to the completion of engineering and feasibility studies. Initial testing of low grade (0.4% WO_3) and high grade (0.8% WO_3) for material at +8mm to -50mm fraction has provided positive results indicating upgrade factors of 2.4. While further test work is required, these initial results are promising and warrant further investigation for ore sorting at DTM.

Renewable Energy Integration

The Company, in collaboration with Climate Capital Pty Ltd ("**Climate Capital**"), is 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 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), builds, owns, and operates behind-the-meter solar and storage projects across the country. Its goal is to decarbonise the electricity network and support Australian businesses.

Marketing

Tungsten concentrate pricing is referenced from the Ammonium Paratungstate (APT) price. APT CIF Rotterdam prices increased 11% during the quarter to US$335–$360 per mtu (10 kg of WO_3).

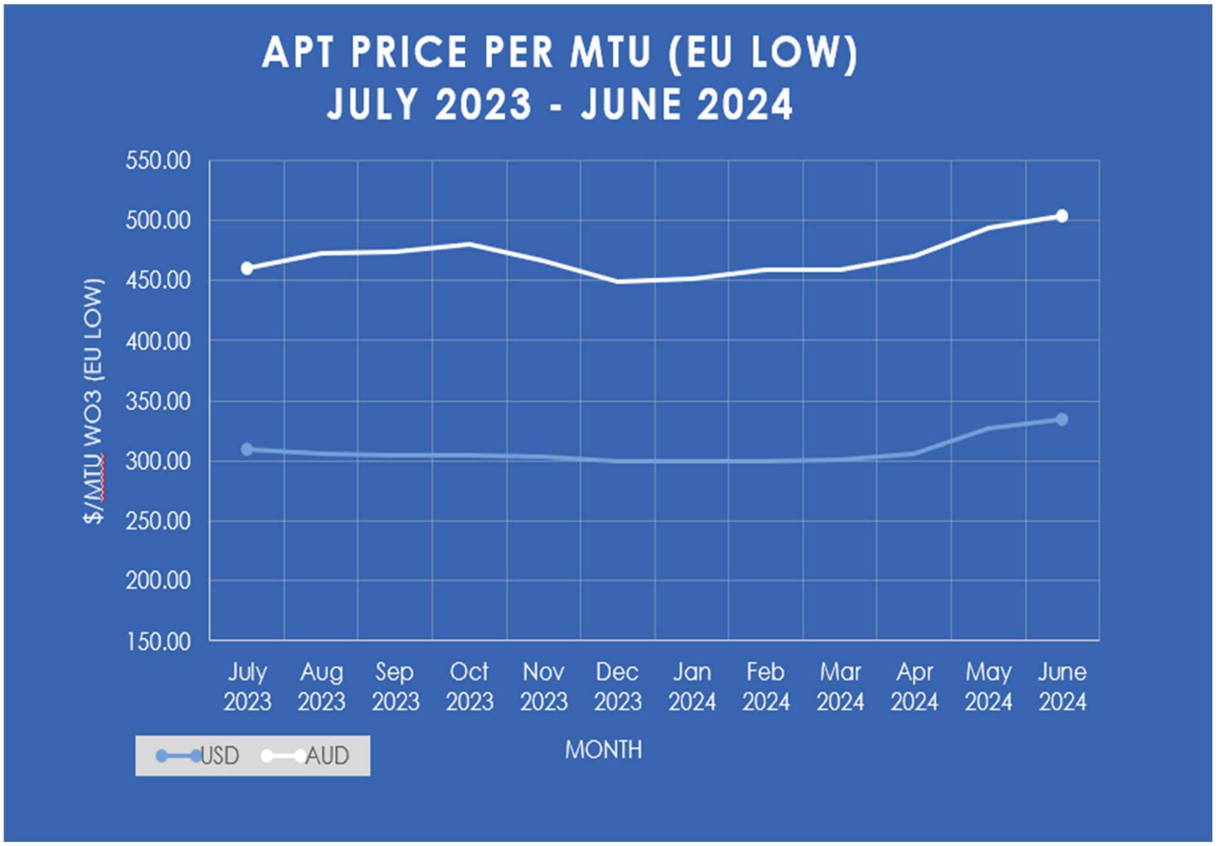

Figure 12 – APT price chart (Information from Fast Markets)

The increase in the APT Price CIF Rotterdam was due to a tightening of Chinese domestic supply, causing the APT Prices FOB China to increase above European prices and increased activity by Chinese buyers in western concentrate and APT markets. After the end of the quarter, the APT Prices CIF Rotterdam decreased slightly to US$335–$360 per mtu (10 kg of WO_3) as the activity slowed down for the European summer holiday period.

Corporate

Board Appointment

In April, G6M announced the appointment of Mr. Tony Caruso as a Non-Executive Director of the Company. A highly accomplished mining professional with more than 30 years of experience in the Australian coal sector and, more recently, the metals sector, Mr Caruso has led companies through diverse phases of the business cycle, including rapid growth and transformation.

Most notably, Mr. Caruso was CEO and Managing Director of ASX-listed Metarock Group Limited (formerly Mastermyne Pty Ltd). During his 18-year tenure, 13 as a public company, he oversaw the company's ASX listing in 2010 and nationwide expansion.

Mr. Caruso's appointment, together with Mr. Tony Davis's recent appointment as Executive General Manager-Operations, adds valuable expertise as the Company continues to ramp up to nameplate production and commences preparation for higher grade underground mining operations at the Dolphin Tungsten Mine, which are scheduled for 2026.

Cash Position

The Company's cash position as at 30 June 2024 was $0.8 million.

Licences and Leases

The Company holds the following licences and leases as at 30 June 2024:

	Interest
Exploration Licence EL19/2001 at Grassy, King Island (63 sq km) (expires 14 December 2024)	100%
Mining Lease CML 2080P/M at Grassy, King Island (566 hectares) (expires 5 June 2029)	100%

There have been no mining tenements acquired or disposed of during the Quarter.

Payments to related parties of the entity and their associates

The amount included in section 6.1 of the Appendix 5B includes cash payments of $124,054 in director's fees and remuneration.

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 redeveloping its 100%-owned Dolphin Mine located on King Island, Tasmania. Initially, the focus is on producing a high-grade tungsten concentrate; however, plans are to value-add the product for supply to the upstream tungsten industry.

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Group 6 Metals Limited

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GROUP 6 METALS LIMITED

ABN	Quarter ended ("current quarter")
40 004 681 734	30 June 2024

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	5,072	11,852
1.2	Payments for		
	(a) exploration & evaluation	0	0
	(b) development	0	0
	(c) production	-5,827	-35,115
	(d) staff costs	-3,187	-11,472
	(e) administration and corporate costs[i]	-2,155	-5,471
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	5	199
1.5	Interest and other costs of finance paid	-2,311	-4,443
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	10	14,503
1.8	Other (provide details if material)	0	0
1.9	**Net cash used in operating activities**	**-8,394**	**-29,948**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment including development costs	-59	-4,560
	(d) exploration & evaluation	0	0
	(e) investments	0	0
	(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	2,176	2,176
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash used in investing activities**	**2,118**	**-2,384**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	4,312
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	-126
3.5	Proceeds from borrowings	6,823	26,777
3.6	Repayment of borrowings & leases	-978	-6,857
3.7	Prepaid transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from financing activities**	**5,844**	**24,106**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,238	9,032
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-8,394	-29,948
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,118	-2,384
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,844	24,106

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**806**	**806**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	297	1
5.2	Call deposits	509	1,238
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**806**	**1,238**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments made to Directors and their associated entities – Directors' fees $124,054.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	68,550	66,850
7.2	Credit standby arrangements	0	0
7.3	Other (Mobile fleet finance facility)	10,300	3,048
7.4	**Total financing facilities**	78,850	69,898
7.5	**Unused financing facilities available at quarter end**		8,952

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Lender	Facility Type	Finance Amount	Interest Rate	Maturity date	Secured/ Unsecured
Pure Asset Management Pty Ltd	Convertible debt	$10,000,000	14.35%	08/11/2024 Refer to comment 8.8.3	Secured
Pure Asset Management Pty Ltd	Debt	$1,800,000	12.00%	31/08/2024	Secured
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Debt	$4,000,000	8.25%	42 months from practical completion of the Dolphin Project Refer to comment 8.8.3	Secured
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Convertible debt	$4,500,000	6.50%	42 months from practical completion of the Dolphin Project Refer to comment 8.8.3	Secured
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Debt	$1,500,000	14.35%	31/08/2024 Refer to comment 8.8.3	Unsecured
CJRE Maritime Pty Ltd	Debt	$3,000,000	12.00%	12 months after commencement	Unsecured
CRJE Maritime Pty Ltd	Debt	$2,000,000	14.35%	31/08/2024	Unsecured - Secured upon shareholder approval
CRJE Maritime Pty Ltd	Debt	$1,850,000	12.00%	31/08/2024 Refer to comment 8.8.3	Unsecured - Secured upon shareholder approval
Elphinstone Holdings Pty Ltd	Convertible debt	$5,000,000	6.50%	42 months from practical completion of the Dolphin Project Refer to comment 8.8.3	Secured
Elphinstone Holdings Pty Ltd	Debt	$1,000,000	12.00%	12 months after commencement	Unsecured
Elphinstone Holding Pty Ltd	Debt	$2,000,000	14.35%	31/08/2024 Refer to comment 8.8.3	Secured
Elphinstone Holding Pty Ltd	Debt	$1,250,000	12.00%	31/08/2024 Refer to comment 8.8.3	Secured
D.A.CH.S AG	Convertible debt	$3,000,000	6.50%	42 months from practical completion of the Dolphin Project Refer to comment 8.8.3	Secured
D.A.CH.S AG	Debt	$2,000,000	14.35%	31/08/2024 Refer to comment 8.8.3	Secured

Abex Limited	Convertible debt	$6,500,000	6.50%	42 months from practical completion of the Dolphin Project Refer to comment 8.8.3	Secured
Abex Limited	Debt	$3,000,000	12.00%	12 months after commencement	Unsecured
Abex Limited	Debt	$2,000,000	14.35%	31/08/2024	Unsecured - Secured upon shareholder approval
Abex Limited	Debt	$1,500,000	14.35%	31/08/2024 Refer to comment 8.8.3	Unsecured
Abex Limited	Debt	$1,850,000	12.00%	31/08/2024 Refer to comment 8.8.3	Unsecured - Secured upon shareholder approval
Ballarat & Clarendon College Ltd (BCC)	Debt	$800,000	Variable	31/12/2024	Secured
Tasmanian Government Loan	Debt	$10,000,000	Variable	10 years from drawdown	Secured
OEM Financier	Mobile mining fleet facility	$10,300,000	Various	48 months from drawdown	Unsecured

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	-8,394
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) *Capitalised development costs	0
8.3	Total relevant outgoings (item 8.1 + item 8.2)	-8,394
8.4	Cash and cash equivalents at quarter end (item 4.6)	806
8.5	Unused finance facilities available at quarter end (item 7.5)	8,952
8.6	Total available funding (item 8.4 + item 8.5)	9,758
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.16

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

As the Company has been in commercial production for 12 months, operating costs are starting to normalise. Management is investigating ways to reduce operating costs through cost reduction strategies and process efficiencies.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. The Company is in advanced discussions with various parties for short and medium-term funding support. The funding will be used to make capital improvements to the processing plant and support the working capital needs to the Company as it moves towards steady state production.

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	The Company expects to be able to continue its operations and meet its business objectives, subject to meeting production profiles and receiving additional funding currently being negotiated. In addition, the Company is in negotiation with its existing lenders to consolidate debt and defer the principal repayment time frames.
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.