

2 September 2024

# Additional Capital Secured to Support Strategic and Operational Review

## Key Highlights

- **Strategic review initiated to determine optimum capital structure and evaluate potential partnerships with strategic investors**
- **Existing lenders provide funding support for strategic review**
- **Plant recovery optimisation plan has been developed utilising the extensive knowledge gained over 12 months of operations**
- **Cost reduction activities are ongoing at the Dolphin Tungsten Mine**

Group 6 Metals Limited (**ASX: G6M**, “**Group 6 Metals**” or the “**Company**”), has appointed MA Moelis Australia to conduct a strategic review to determine its optimal capital structure, and to consider potential M&A activities to reposition the business and enhance the value proposition for shareholders.

To facilitate the strategic review, the Company has secured support from four of its senior lenders to increase the limits under the existing bridge facility agreements dated May 2024 (“**Bridge Facilities**”) by \$4m and to extend the maturity dates of all near-term debt to align with the expected timing of the conclusion of the strategic review (refer debt schedule in ASX announcement titled ‘Quarterly Activities/Appendix 5B Cash Flow Report’ released 31 July 2024).

The parties (“**Parties**”) providing the increase to the Bridge Facilities (in equal proportions) are:

- Abex Limited
- CJRE Maritime Pty Ltd
- Elphinstone Holdings Pty Ltd
- Pure Asset Management Pty Ltd

Interest is accrued monthly in arrears at a flat rate of 12% p.a margin. The Bridge Facilities, including accrued interest, is repayable on 22 November 2024.

Subject to obtaining relevant shareholder approvals at a General Meeting expected to be held in late October 2024 (in respect of Abex Limited and CJRE Maritime Pty Ltd), and the consents of existing lenders, the Bridge Facilities are expected to accede 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.

The Company has also continued a cost review of operations at the Dolphin Tungsten Mine (“DTM”) to identify opportunities to reduce its unit rate operating costs in line with current improving production output. As reported in the June 24 Quarterly Activities Report, the Company has identified the opportunity to rationalise the mining fleet with two 777s trucks demobilised and the remaining two 777s to be demobilised in the coming months. The 150t excavator will also be demobilised in the coming months. Trials of night shift mining operations will commence shortly, which is expected to maximise the utilisation of the mining equipment, and significantly improve productivity.

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

*“The Company is encouraged by the recent results in process plant performance and recoveries following the introduction of the high grade “C” lens. The mine continues to demonstrate improvement across all areas of operations and the management team have achieved a step change in production output. The appointment of MA Moelis comes at a pivotal time for the Company, where a recapitalisation and strategic investment will underpin the implementation of the plant optimisation plan, further cost reduction initiatives and growth initiatives such as ore sorting. These initiatives will accelerate cashflow positive operations.”*

**Group 6 Metals Chairman, Johann Jacobs said:**

*“We are pleased to have the continued support of our senior lending group as we undertake this important strategic and operational review. We see the opportunity to deliver value to all of our stakeholders and set the Company up for future success.”*

The Company will continue to update the market as appropriate.

Approved by the board of Group 6 Metals Limited.

**For more information, please contact:**

**Keith McKnight**  
Managing Director & CEO  
[keithm@g6m.com.au](mailto:keithm@g6m.com.au)

**Tim Dohrmann**  
Media & Investor Relations  
[tim@nwrcommunications.com.au](mailto:tim@nwrcommunications.com.au)  
+61 (0) 468 420 846

**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.

## About MA Moelis Australia

MA Moelis Australia is MA Financial Group's Corporate Advisory and Equities division. They provide strategic and financial advice for mergers and acquisitions, equity capital markets (ECM), debt capital markets, capital structure advisory as well as equities research, sales and trading.

## 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.

Certain statements made in this announcement contain or comprise certain forward-looking statements regarding Group 6 Metal's Mineral Resources and Reserves, exploration and project development operations, production rates, life of mine, projected cash flow, capital expenditure, operating costs and other economic performance and financial condition as well as general market outlook. Although Group 6 Metals believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions. They are subject to inherent risks and uncertainties that could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements. No assurance can be given that such expectations will prove correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, the success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in commodity prices and exchange rates and business and operational risk management.