

Quarterly Activities and Cash Flow Report to 31 March 2025

Highlights

OPERATIONS

Safety and Environmental

- In the March 2025 quarter, the safety focus remained on improvements in the workplace environment particularly in the processing plant area, training of operations staff and embedding supervision and leadership protocols.
- Two Lost Time Injuries (LTIs) were recorded during the quarter.

Quarterly Production

- The mine produced 112kt of ore for the quarter, a slight reduction from the previous quarter as some of the final sections of the Dolphin open cut mine are extracted.
- End of quarter stockpiles equated to 429kt at an average grade of 0.56% WO₃¹.
- Process plant throughput in the quarter was 45,124 tonnes with an average feed grade estimate of 0.71%.
- Saleable tungsten production for the quarter was 14,955 mtu² at an average grade of 55% WO₃.
- 14,948 mtu of WO₃ in tungsten concentrate was sold compared to 9,332 mtu in the previous quarter.
- Cash received from customers was \$4.6 million for the quarter.

¹ Tungsten trioxide, based on pit grade estimation

² A metric ton unit (mtu) is 10 Kg WO₃

CORPORATE AND FINANCIAL

Recapitalisation Plan

- Receipt during the quarter of \$3.8 million of loans under debt facilities arranged as part of the recapitalisation plan.
- Receipt during the quarter of \$4.0 million of advanced payments under the recapitalisation subscription agreements.
- Closing cash balance at quarter end of \$0.7 million.
- Significantly strengthened balance sheet after general meeting of shareholders held subsequent to the quarter resulted in the passing of all resolutions and a significant reduction in loans and other debt payable as well as the receipt of remaining subscription funds.³
- Subsequent to quarter end, the Company executed a \$7.5 million debt facility agreement with the State of Tasmania, however no drawdown funds have yet been provided.

Critical Minerals Market

- Significant increase in spot WO₃ pricing, driven by global events.
- Reports of severe WO₃ shortages due to restrictions on Chinese exports.
- G6M well placed to benefit from western governments' strategic stockpiling policies.

Dolphin Tungsten Mine Operations

A summary of key safety, environment and production statistics relevant to the operations for the last quarter and comparative quarters are as follows:

	Unit of Measure	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Safety and environment					
Lost time incidents	No.	3	3	3	2
Production					
Waste mined	t	267,857	250,653	108,702	283,478
Ore mined	t	119,798	132,853	124,551	112,201
Plant feed volumes	t	60,908	46,440	31,717	45,124
Average feed grade	WO ₃ %	0.52%	0.73%	0.79%	0.71%
WO ₃ produced	mtu	14,606	14,462	11,405	14,955
WO ₃ sold	mtu	12,290	17,072	9,332	14,948

³ Refer to Company announcements *Notice of Meeting* dated 21 March 2025 and *Result of Meeting* dated 23 April 2025 for details

From a safety perspective, the Company incurred 2 lost time incidents in the quarter, an improved trend but one with which the board is still dissatisfied. Management have assessed that these incidents were mainly due to issues with resourcing associated with the early phases of production ramp-up, and relatively high employee turnover. These matters are now being addressed systematically including recruitment of suitably qualified and experienced shift supervisors and superintendents.

Ore mined during the quarter was 112,201 tonnes. Waste mined was 283,478 tonnes. Strip ratios were greater than in previous quarters as excavation was targeted at gaining access to final stages of the current open cut mine plan. Processing feed volumes increased substantially from the previous quarter, demonstrating the initial impact of process plant remediation and upgrades progressively completed during the quarter. A consistent feed grade targeted at 0.70% continued. As a result, WO3 produced of 14,955 mtu was the highest of the last four quarters.

Corporate and Financial

Cash position

The Company held \$0.7 million in cash as at 31 March 2025.

Subsequent to quarter end:

- the Company executed an agreement with the State of Tasmania for a \$7.5 million loan facility. As at the date of this announcement, a drawdown had not yet been received.
- the Company received \$0.6 million of bridging facilities that acted as advanced payments under the recapitalisation subscription agreements.
- as a result of the General Meeting held on 23 April 2025 (refer below), the Company collected \$2.0 million in remaining subscription funds.

Debt position

During the quarter, the Company received \$3.8 million of loans under facilities arranged as part of its recapitalisation plan, and \$3.4 million of bridging facilities that acted as advanced payments under the recapitalisation subscription agreements.

As a result of the General Meeting, the Company's debt position was reduced to \$24.3 million. The principal repayment date for all loans is 30 April 2027. Of the \$24.3 million in loans, principal outstanding of \$17.8 million may be converted to ordinary shares of the Company at the option of lenders by way of the exercise of warrants issued to the lenders at the General Meeting.

Options

The following options expired during the quarter:

21,128,083 G6MAK options expiring 31 January 2025, exercisable at \$0.28.

Licences and Leases

The Company holds the following licences and leases as at 31 March 2025:

	Interest
Exploration Licence EL19/2001 at Grassy, King Island (63 sq km) (expired 14 December 2024) ⁴	100%
Mining Lease CML 2080P/M at Grassy, King Island (566 hectares) (expires 5 December 2029)	100%

There was no material activity at the exploration tenement during the quarter. The tenement is not subject to any farm-in or farm-out agreements.

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

⁴Application for extension has been lodged and is pending.

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 \$415,519 in director's fees, remuneration and payments to related associates. \$341,066 in payments were made to William Adams Pty Ltd, a Company controlled by Director Dale Elphinstone,. The payments were for the rental of mining equipment, spare parts and related services under an arrangement that was in place prior to Mr. Elphinstone's appointment to the Board of Directors. The arrangement between William Adams and the Company is operated on arms' length basis.

Group 6 Metals Executive Chairman Kevin Pallas said:

Recapitalisation

"The quarter to 31 March 2025 presented an opportunity for both change and improvement. Significant improvement steps were achieved during the quarter, although shareholder approval of the recapitalisation plan was somewhat delayed due to its complexity and the State of Tasmania agreements were slower to finalise than would have been ideal. Despite this, during the quarter, our very supportive senior lenders agreed to provide loan repayment extensions and additional bridge funding which supported ongoing operations and enabled the company to commence initial execution of a transformation plan at the Dolphin Tungsten Mine. Ultimately, at the general meeting held on 23 April 2025, shareholders overwhelmingly supported each of the recapitalisation plan resolutions. We are also very appreciative of Gekko, Maxfield Drilling and Billing Cranes for their participation."

Process Plant Improvement

"Investments in key process plant component changes and configuration adjustments were made, with early positive results becoming evident as milling rates steadily improved. Metal recovery showed mixed results with some highlights during steady state operations. However, there were several component breakdowns still plaguing process plant uptime – a frustrating consequence of strategic errors in the original commissioning of the plant, and poor legacy preventative maintenance practices. This certainly represents an area for improvement, but we recognise that it will take time and investments to identify and upgrade poor quality plant components, and to implement sound preventative maintenance plans."

“Of most importance is that, during the quarter, despite the distractions of a yet to be completed recapitalisation, we gained far more confidence that the processing plant production run-rate could be incrementally improved. With a more stable process plant and when feed grades were consistent, recovery rates were also noticeably greater, and less spillage occurred throughout the plant. Maintaining and improving on this run-rate on a consistent basis is the near-term objective.”

Mining Activity

“The Dolphin open cut mining activities continued positively but ore delivery in the quarter was lower than forecasted as the mining plan transitioned to some of the lower intensity ore bodies. Mobile plant availability was also negatively affected by legacy maintenance debts and unavailability of some OEM spare parts, most of which have now been ameliorated. Despite these difficulties, our ore stockpiles grew and the mining team progressed with the overall development of the mine including advancement of the tailings storage facility, and preparations for the planned Dolphin underground mining phase, noting that circa 1.5 million tonnes of high-grade ore is planned to be unlocked in this phase.”

Safety

Mr Pallas continued:

“During the quarter, there were two Lost Time Injuries recorded at the Dolphin Tungsten Mine. The first incident was due to an employee experiencing anxiety resulting from another incident that occurred requiring some time away from the workplace. The second incident involved an employee suffering a back strain during open pit charging operations. Both employees have since returned to work and are back to full preinjury duties.

A fitness for work campaign was initiated during the quarter with a specific focus on drugs in the workplace. During the period, all permanent employees and contractors were randomly subject to drug testing. Pleasingly there were no positive tests recorded. This campaign will continue throughout subsequent quarters.

The site also commenced work on the implementation of a web-based health and safety management system as part of the continuous improvement plan.”

Funding

“In the previous quarter, \$14.0M was advanced by the senior lenders. Of this, only \$4.75M was provided since the change in board and management following announcement of the recapitalisation plan at the beginning of December 2024. In the current quarter, senior lenders again supported ongoing operations and provided momentum to the operational improvement plan by providing \$7.2M by way of loan advances and pre-payment of subscription amounts. The company is very appreciative of this support without which a very different outcome might have been realised. Subsequent to quarter end, the company executed a \$7.5 million debt facility agreement with the State of Tasmania. However, as at the date of this report, a drawdown has not been made available.”

Conclusion

Mr Pallas concluded:

“Having gained shareholder approval for the recapitalisation plan, the board is keen to progress the various improvement and development plans without delay. We anticipate that the company will be in a position to reconvene the FY24 AGM in order to address the outstanding audited accounts, and that other ASX compliance hurdles will be met so that our shares can recommence trading in the near future, subject to ASX review.”

“With about 15,000 mtu of WO₃ in tungsten concentrate sold compared to about 9,000 in the previous quarter, we feel that the Company is on the right track but there remains much work to be done to unlock the full potential of the project including the underground phase of mining. We are also considering investment in ore sorting and other potential downstream technologies as we look to the future. There are very positive external factors in play, including an increasing tungsten price on the open market and we aim to capitalise on these whilst the conditions are favourable.”

Approved by the Board of Group 6 Metals Limited.

For more information, please contact:

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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.

Appendix 5B

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

Name of entity

GROUP 6 METALS LIMITED

ABN

40 004 681 734

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,622	12,361
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production	(6,325)	(22,742)
(d) staff costs	(3,661)	(10,113)
(e) administration and corporate costs	(1,541)	(4,305)
1.3 Dividends received		
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	(55)	(533)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	6
1.8 Other (provide details if material)		
1.9 Net cash used in operating activities	(6,958)	(25,320)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(143)	(504)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		

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

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received		
2.5	Other (provide details if material)		
2.6	Net cash used in investing activities	(143)	(504)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	7,213	29,102
3.6	Repayment of borrowings & leases	(508)	(3,473)
3.7	Prepaid transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from financing activities	6,705	25,629
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,010	809
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,958)	(25,320)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(143)	(504)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,705	25,629
4.5	Effect of movement in exchange rates on cash held	130	130
4.6	Cash and cash equivalents at end of period	744	744

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

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	744	1,010
5.2	Call deposits	-	-
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	744	1,010

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	416
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

Appendix 5B

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	98,300	95,763
7.2 Credit standby arrangements		
7.3 Other (Mobile fleet finance facility)	10,300	2,096
7.4 Total financing facilities	108,600	97,859
7.5 Unused financing facilities available at quarter end		10,741

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

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%	30/04/2025	Secured
Pure Asset Management Pty Ltd	Debt	\$2,800,000	12.00%	30/04/2025	Secured
Pure Asset Management Pty Ltd	Debt	\$2,812,500	12.00%	30/04/2027	Secured
Pure Asset Management Pty Ltd	Bridging Facility	\$1,000,000	12.00%	30/04/2025	Unsecured
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Debt	\$4,000,000	8.25%	30/04/2025	Secured
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Convertible debt	\$4,500,000	6.50%	30/04/2025	Secured
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Debt	\$1,500,000	14.35%	30/04/2025	Unsecured - Secured upon shareholder approval
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Debt	\$3,187,500	12.00%	30/04/2027	Unsecured - Secured upon shareholder approval
Chrysalis Investments Pty Ltd ATF The Ellis Family Trust	Bridging Facility	\$900,000	12.00%	30/04/2025	Unsecured
CJRE Maritime Pty Ltd	Debt	\$3,000,000	12.00%	30/04/2025	Unsecured
CRJE Maritime Pty Ltd	Debt	\$2,000,000	14.35%	30/04/2025	Unsecured - Secured upon shareholder approval
CRJE Maritime Pty Ltd	Debt	\$3,850,000	12.00%	30/04/2025	Unsecured - Secured upon shareholder approval
Elphinstone Holdings Pty Ltd	Convertible debt	\$5,000,000	6.50%	30/04/2025	Secured
Elphinstone Holdings Pty Ltd	Debt	\$1,000,000	12.00%	30/04/2025	Unsecured
Elphinstone Holding Pty Ltd	Debt	\$2,000,000	14.35%	30/04/2025	Secured
Elphinstone Holding Pty Ltd	Debt	\$2,250,000	12.00%	30/04/2025	Secured
Elphinstone Holding Pty Ltd	Debt	\$7,125,000	12.00%	30/04/2027	Secured
Elphinstone Holding Pty Ltd	Bridging Facility	\$1,000,000	12.00%	30/04/2025	Unsecured
D.A.CH.S AG	Convertible debt	\$3,000,000	6.50%	30/04/2025	Secured
D.A.CH.S AG	Debt	\$2,000,000	14.35%	30/04/2025	Secured
Abex Limited	Convertible debt	\$6,500,000	6.50%	30/04/2025	Secured
Abex Limited	Debt	\$3,000,000	12.00%	30/04/2025	Unsecured
Abex Limited	Debt	\$2,000,000	14.35%	30/04/2025	Unsecured - Secured upon shareholder approval
Abex Limited	Debt	\$1,500,000	14.35%	30/04/2025	Unsecured
Abex Limited	Debt	\$3,850,000	12.00%	30/04/2025	Unsecured - Secured upon shareholder approval

Appendix 5B

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

Abex Limited	Debt	\$4,687,500	12.00%	30/04/2027	Unsecured - Secured upon shareholder approval
Abex Limited	Bridging Facility	\$500,000	12.00%	30/04/2025	Unsecured
Ballarat & Clarendon College Ltd (BCC)	Debt	\$800,000	Variable	30/06/2026*	Secured

*maturity date was extended from 30/03/2025 by way of agreement signed subsequent to the quarter end.

Lender	Facility Type	Finance Amount	Interest Rate	Maturity date	Secured/ Unsecured
Tasmanian Government Loan	Debt	\$10,000,000	Variable	10 years from drawdown	Secured
OEM Financier	Mobile mining fleet facility	\$2,095,850	Various	48 months from drawdown	Unsecured

Proposed facilities

Lender	Facility Type	Finance Amount	Interest Rate	Maturity date	Secured/ Unsecured
Tasmanian Government	Debt	\$7,500,000	12.00%	30/04/2027	Secured

The Tasmanian Government proposed facility was signed on 3 April 2025 and the facility became available upon passing of the resolutions at the Company's General Meeting held on 23 April 2025.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(6,958)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) *Capitalised development costs	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(6,958)
8.4 Cash and cash equivalents at quarter end (item 4.6)	744
8.5 Unused finance facilities available at quarter end (item 7.5)	10,741
8.6 Total available funding (item 8.4 + item 8.5)	11,485
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.65
<i>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.</i>	
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?	
No, the company expects that it will improve on its net operating cash flows as a result of increased revenues from production and processing improvements predominantly related to process plant remediation and optimisation.	

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?

As previously announced and as a result of the Company's General Meeting held on 23 April 2025, the Company has obtained access to additional funding of \$9,437,500 which includes further payment for subscriptions shares to be issued of \$1,937,500 and a facility agreement with the Tasmanian government of \$7,500,000. There are no other steps currently being taken or proposed to be taken for further funding in the short term.

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?

Yes, based on the responses to 8.8.1 and 8.8.2 above and that associated business improvements and plant remediation strategies are expected to return the Company to cashflow positive operations.

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: 30 April 2025

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.