

Acquisition of Brazilian Lithium & Rare Earth Elements Portfolio to Proceed

Key Highlights

- Si6 to expand its “supply-critical metals” exploration portfolio to add Brazil projects (Rare Earth Elements, Lithium, PGE) to Botswana projects (Nickel, Copper, Cobalt)
- Due diligence complete and acquisition of Rare Earth Elements (REE) and Lithium assets portfolio in Brazil to proceed (subject to Shareholder approval)
- ~17,800 hectare Brazil portfolio includes prospective REE and Lithium assets to be acquired in the “Lithium Valley” (North Minas Gerais) and Caldera Project (South Minas Gerais) areas
- Lithium Valley project areas amongst global Tier 1 lithium discoveries/producers including Latin Resources Ltd (ASX: LRS), SIGMA Lithium Corporation (CVE: SGML) (lithium producer), CBL (lithium producer), Lithium Ionic (CVE: LTH), Atlas Lithium (NASDAQ: AT LX) and also within Rio Tinto’s (ASX: RIO) exploration area in the known Eastern Brazilian Pegmatite Province
- Caldera Project areas adjacent to Meteoric Resources NL’s (ASX: MEI) major ionic adsorption clay REE Mineral Resource Estimate¹
- Additional REE, PGE, gold and base metals prospective projects in Ceará and Apuí in Brazil

Si6 Metals Ltd (“Si6” or “The Company”) is pleased to advise that, following the completion of due diligence, the Company has elected to proceed with the acquisition of a 50% interest in a portfolio of 10 licences (“Tenements”) from Foxfire Metals Pty Ltd (“Foxfire”) in Brazil subject to Shareholder approval and then enter a joint venture with Foxfire with respect to the Tenements (“Joint Venture”).

The Tenements are prospective for Lithium (Li), Rare Earth Elements (REE), Gold (Au), Base Metals and Platinum Group Elements (PGE), and comprising a total ~17,800 hectares in three different states of Brazil. Seven of the Tenements are located in the state of Minas Gerais, including five in the world-renown *Lithium Valley* (Lithium and REE) and two in Caldera (ionic adsorption clay REE), one in the state of Ceará (PGE and Gold), and one in the vastly underexplored state of Amazon (REE and gold), where previous RC drill hole intercepted significant REE mineralisation from surface to 88m (end of hole) recently completed by Foxfire (refer ASX announcement 13 June 2023).

¹ Meteoric Resources NL ASX release 1 May 2023, JORC Inferred Mineral Resource Estimate of 409Mt at 2,626ppm total rare earths oxide (TREO) at 1,000ppm TREO cut-off



Figure 1: Brazilian Project Tenement Locations



Si6 Executive Director Mr. Jim Malone, commented,

“We are excited that following the successful completion of our due diligence, Si6 has decided to go forward and participate in one of the most prospective exploration areas in the world. This portfolio of tenements enhances Si6’s portfolio of supply-critical metals which now encompasses Lithium, REE’s, Nickel, Copper, Cobalt as well as gold across Brazil, Botswana and Australia.

“We believe that we are focused on the right commodities in the right places in the green tech/ electric vehicle (EV) industry. Our geographical diversity has landed us in some of the most in-demand jurisdictions in the world and decreases our project risk to provide us with a strong chance of success. By



partnering up with Foxfire, Si6 will also inherit an experienced and skilled team that has been in Brazil for over 10 years and brings significant on-ground experience and expertise.”

Brazilian Project Tenements

Details of the current status of the Tenements are set out in the table below.

State	Project Area	Project Name	Licence	Status	Hectares	Minerals
Amazon	Apuí	Apuí	880.112/2020	Granted	4,000	Gold, REE
				TOTAL	4,000	
Ceará	Pedra Brancha	Pedra Brancha	800.848/2022	Granted	2,000	Base & Precious Metals, PGE, Gold
				800.849/2022	Application	
			TOTAL	3,997		
Minas Gerais	Lithium Valley	LV North	830.390/2023	Granted	1,950	Li, REE
				830.494/2023	Granted	
			831.074/2023	Application	1,951	
			830.504/2023	Granted	1,674	
			832.540/2022	Granted	1,151	
TOTAL	8,721					
Minas Gerais	Caldera	Caldera	831.091/2023	Granted	1,031	REE
				830.892/2023	Application	
			TOTAL	1,085		
TOTAL LICENCE AREAS (Hectares)					17,803	

Next Steps

In accordance with the Term Sheet Si6 and Foxfire will now proceed to negotiate and agree the terms of formal documentation to give effect to the Transaction, and will use their respective best endeavours to do so within the next 14 days.

Si6 and Foxfire have agreed to make one change to the commercial terms set out in the Term Sheet such that Si6’s obligations to meet an annual minimum expenditure amount of \$1,000,000 will only apply in the first year following completion, with expenditure for subsequent years to be agreed by the Technical Committee.

The formal agreement will also include standard terms concerning the Joint Venture including dilution, pre-emptive rights, first right of refusal and drag along and tag along rights in the Joint Venture company. As set out in the Company’s previous ASX announcement, the parties have not yet determined how dilution will occur in the event a bankable feasibility study or decision to mine does not occur, but once this has been agreed Si6 will update the market further in this regard.

Si6 will also now proceed with the engagement of an Independent Expert and the preparation of a Notice of General Meeting to seek the requisite Shareholder approval.





Key Terms

1. Si6 to acquire 50% interest in the Tenements from Foxfire for consideration comprising:
 - 1.1 the issue to Foxfire of 209,000,000 ordinary Si6 shares
 - 1.2 the issue to Foxfire of 209,000,000 1 cent, June 30, 2025, options each with a 'piggyback' 2 cent June 30, 2027, option (and otherwise on the same terms as the attaching options under the Company's current entitlements issue)
 - 1.3 a 1.5% (50%) gross sales royalty being 50% of the existing sales royalty applicable to the Tenements.
2. The acquisition will be conditional upon Si6 obtaining shareholder approval for the Transaction for all necessary purposes, including, without limitation, ASX Listing Rules 10.1 and 10.11 and the preparation of an Independent Expert's Report.
3. Upon completion, the parties shall incorporate a new company in Brazil to hold the Tenements which shall be held 50% Foxfire and 50% Si6 and Foxfire shall transfer the Tenements to JV Co.
4. Si6 shall free carry Foxfire by funding 100% of all exploration expenditure and annual fees (including, but not limited to, licence maintenance fees to the Department of Mines in Brazil) up until the completion of a bankable feasibility study or a decision to mine (whichever is earliest). The minimum expenditure amount to be incurred by Si6 shall be \$1,000,000 for the first year following completion, with expenditure for subsequent years to be agreed by the Technical Committee.
5. Foxfire shall be appointed as the manager of the Joint Venture for the duration of the free carry period and shall be responsible for the management of the exploration activities of the Tenements, subject to expenditure decisions being made by a Technical Committee to comprise of 2 members, with each party appointing 1 member.
6. Upon Si6 completing a bankable feasibility study (BFS) or a decision to mine (DTM) the joint venture shall become a contributing joint venture and both parties shall be required to contribute in accordance with their percentage interest or dilute in accordance with an industry standard dilution formula.
7. The formal agreement will also include standard terms concerning the Joint Venture including dilution, pre-emptive rights, first right of refusal and drag along and tag along rights in the Joint Venture company.
8. On completion, Foxfire will have the right (but not the obligation) to appoint one person as its nominee to the Board of Si6.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above announcement. No exploration data or results are included in this document that have not previously been released publicly. The source of all data or results have been referenced.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Si6's mineral properties, planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-





looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

This announcement has been approved for release by the Board of Si6 Metals Ltd.

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