



# EQUITY RAISING TO PROGRESS THE WORLD CLASS DOLPHIN TUNGSTEN PROJECT

 **GROUP 6  
METALS**  
LIMITED

# INVESTOR PRESENTATION

## Equity Raising

### MAY 2023



# Key Highlights – Placement Financing and Share Purchase Plan to Raise up to c.A\$32 Million

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1



**Imminent tungsten production** – mining has commenced with new processing plant to produce high-quality product. First concentrate on target for Q2 CY2023<sup>1</sup>

2



**13 year mine life** – with significant resource upside at Bold Head (previously mined) and Investigator exploration target

3



**Critical mineral** – broad application in “every-day settings”, including in construction, automotive, energy, aerospace and defence. Tungsten production is dominated by China (80%) and Russia (5%)

4



**Offtake agreements** – secured c.59% of estimated production for the first c.4 years with Traxys and Wolfram (Sandvik). Strong demand for production received outside of the two existing offtake agreements

5



**Highest-grade** – highest-grade tungsten deposit in the western world with an average reserve grade of 0.92%

6



**Attractive margins expected** – for the WO<sub>3</sub> contained in the concentrate sold, G6M will receive the APT price<sup>2</sup>, multiplied by an average payability factor of approximately 76%. At the current realisation price of A\$392/mtu of WO<sub>3</sub> (A\$39,200/t WO<sub>3</sub>), this would imply annual revenue of c.A\$100 million over the life of mine based on average annual sales of 2,600t of WO<sub>3</sub>. With estimated All-in Costs of A\$246/mtu of WO<sub>3</sub> (A\$24,600/t WO<sub>3</sub>), margins are c.37%

7



**Compelling project economics** – pay-back period of 5.5 years and a pre-tax IRR of 28%

8



**Beyond the Dolphin Mine** – capacity to add value through development of Bold Head mine operations and exploration at Investigator prospect, renewable energy deployment and potential downstream processing to increase WO<sub>3</sub> recovery

9



**Strong support of existing shareholders** – major shareholders Richard Chadwick, Chris Ellis, D.A.CH.S Capital AG and Dale Elphinstone have provided total commitments of A\$20.8 million

Note: (1) Refer to the “Requirements for Capital” risk on slide 26 of this Presentation for further details.

(2) G6M will receive the APT price as published by commodity price reporting agency Fastmarkets, which as of March 2023 is US\$345/mtu (A\$517/mtu).

# Restart of Australia's Largest and Highest-grade Tungsten Mine

Dolphin Tungsten Mine

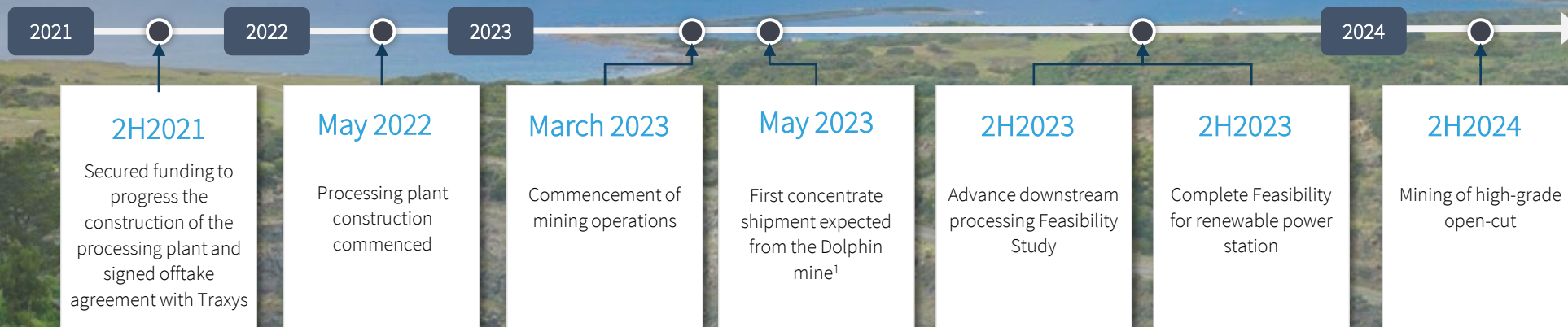


- Developing the highest-grade tungsten mine outside of China with a 13 year mine life at Dolphin
- Located near the town of Grassy, on the south east coast of King Island, it was first operated in 1917 and closed in 1990 due to sustained low tungsten prices
- Operated by Peko-Wallsend from 1947 and achieved a maximum capacity at 420,000 tpa
- Three phases of mining underpin total probable reserves of 4.4Mt<sup>1</sup> at 0.92% WO<sub>3</sub>
  - Years 0 – 6 – Open-cut mine producing c.386,000 tpa ore yielding an average of c.192,000 mtu of WO<sub>3</sub>
  - Years 6 – 11 – High-grade underground mine producing c.264,000 tpa ore yielding an average of c.314,000 mtu of WO<sub>3</sub>
  - Years 11 – 13 – High-grade open-cut closing pit producing c. 425,000 tpa ore yielding an average of c.295,000 mtu of WO<sub>3</sub>
- Brand new optimised processing plant with a capacity of 450,000 tpa
- Dolphin will produce approximately 260,000 mtu of WO<sub>3</sub> pa (i.e. 2,600 tpa of WO<sub>3</sub>) over the 13 year mine life
- Sale price linked to APT (ammonium paratungstate) price
  - Dolphin will produce a concentrate with a grade of 63% WO<sub>3</sub>
  - For the WO<sub>3</sub> contained in this concentrate, G6M will receive the APT price as published by commodity price reporting agency Fastmarkets, which is then multiplied by a payability factor of approximately 76%. The published APT price by Fastmarkets as of March 2023 is US\$345/mtu of WO<sub>3</sub> (A\$517/mtu WO<sub>3</sub>), implying price realisation to G6M of A\$392/mtu of WO<sub>3</sub> (A\$39,200/t WO<sub>3</sub>) post payability factor
  - At this price, this would imply an average annual revenue of approximately A\$100 million over the life of mine, while estimated All-in Costs of A\$246/mtu of WO<sub>3</sub> (A\$24,600/t WO<sub>3</sub>), imply margins of c.37%
- Commencing production in Q2 CY2023 with first concentrate expected in May 2023<sup>2</sup>

1. Source: Revised Feasibility Study dated 16 December 2020  
2. Refer to the “Requirements for Capital” risk on slide 26 of this Presentation for further details.

# Milestones and Near Term Outlook

## Timeline



1

All major OEM equipment installed onsite and commissioning underway

2

Tailings Storage Facility (TSF) scheduled to be completed

3

Power station commissioned. Concept study completed to develop renewable energy supply, increasing green tungsten credentials

4

Stage 1 mining area pre-strip almost complete, ready for blasting. Historically stockpiled rock to use for construction of the TSF

1. Refer to the "Requirements for Capital" risk on slide 26 of this Presentation for further details.

# Location and Existing Infrastructure

Strategic location with access to key tungsten markets



The Dolphin Tungsten Mine is located near the town of Grassy, on the south east coast of King Island.



G6M owns an adjacent property (Portside Links), providing the mine direct private access to the Port of Grassy (**less than 1km away**)



The Port of Grassy accommodates 5,000 tonne vessels and is serviced weekly from Tasmania and Melbourne



Purchase of Ballarat Clarendon College King Island Campus and Grassy School House to provide staff accommodation and messing



Acquired land over Bold Head for mine development. Suitable acreage for explosive magazines and renewable energy initiatives to secure clean, green energy to meet Dolphin's power needs

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# Sales and Production Profiles LOM

Significant increase in production anticipated years 2 – 3, resulting from higher-grade open-cut ore (averaging 1.2% for 12 months)

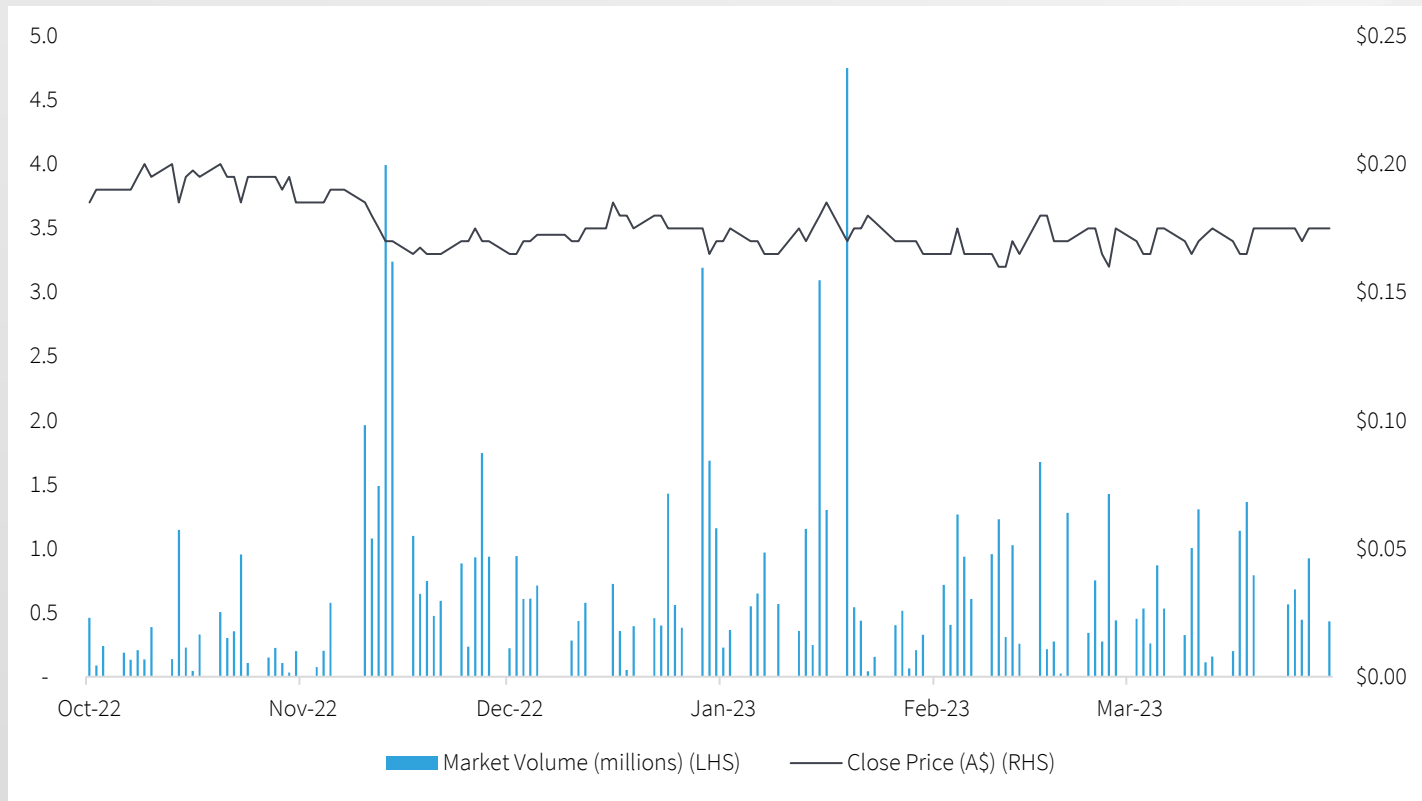
Annual Sales MTU



Note: This is representative of the current mine plan. Mine plans are subject to change due to both natural and operational factors and are subject to the risk factors set out in this presentation.

# Corporate Overview

## 6-Month Share Price and Volume



**A\$0.17**

Share Price  
@ 28th April 2023

**779.5M**

Shares on Issue

**A\$5.4M**

Undrawn Debt Facilities  
@ 31st March 2023

**A\$3.2M**

Cash  
@ 31st March 2023

**A\$132.5M**

Market Cap  
(@ \$0.17)

**A\$47.8M**

Debt Drawn  
@ 31st March 2023

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# Board of Directors and Key Management

## Johann Jacobs

### Chairman

Johann has held a number of executive roles over 40 years in resource companies, where he's managed acquisitions, expansions and start-ups of mining operations in Australia, Indonesia and South Africa. His exposure in the mining industry includes coal, iron ore, uranium, oil and gas, gold and tungsten.

He is also a non-executive director of a number of private resource focused companies and was until 2020 a Non-Executive Director of Magnis Energy Technologies Ltd.

## Chris Ellis

### Executive Director

Chris has over 40 years of experience in the exploration and mining industry in Australia and overseas. He was a founding member and Executive Director of coal mining company Excel Coal Limited which became Australia's largest independent coal mining company, before being acquired by Peabody Energy Inc. in October 2006 for A\$2 billion.

Chris has core skills in geology, mining engineering and minerals processing, in coal, gold, base metals, diamonds and tungsten. Chris is a Non-Executive Director of Ausquest Limited.

## Greg Hancock

### Non-Executive Director

Greg is Managing Director of Hancock Corporate Investments P/L, a specialist Corporate Advisory practice.

He is Non-Executive Chairman of Ausquest Ltd, BMG Resources Ltd, Cobra Resources Plc and Non-Executive director of Golden State Mining.

He was first Chairman and founding director of Cooper Energy Ltd.

Greg maintains an active and ongoing engagement with capital markets both in Australia and the United Kingdom.

## Keith McKnight

### Managing Director & CEO

Keith joined Group 6 Metals in January 2022 with over 22 years of mining and resources project delivery and company management experience in Australia and overseas. He was previously Managing Director and co-founder of Kirrama Resources Limited, a commodities development company with chromite and manganese projects in Madagascar.

Keith has extensive experience spanning a range of commodities and has a Bachelor's Degree in Mechanical Engineering (Honours) from the University of Limerick.

## Michael Zannes

### CFO

Michael Zannes is a (CPA) with more than 20 years of experience in the mining industry. He has extensive experience in mining operational and corporate roles. Experience in organisational design, funding, compliance, tax, treasury, reporting,, purchasing, logistics, project development and business improvement.

Before joining Group 6 Metals Ltd, Michael held executive roles in Andromeda Metals Ltd, New Gold Inc, Whitehaven Coal Ltd and Xstrata PLC.

# Equity Raising Summary

| Offer Size and Structure     | <ul style="list-style-type: none"> <li>Placement for cash consideration of A\$21 million (and up to c.A\$24 million) to sophisticated, professional and institutional investors and conversion of A\$3 million of unsecured debt provided by key shareholders since 31 March 2023 to raise up to c.A\$27 million ("<b>Placement Financing</b>"). The Placement Financing will result in the issuance of up to 193.1 million fully paid ordinary shares ("<b>New Shares</b>"). Shareholder approval will be required in respect to Chris Ellis' (as a Group 6 director) participation in the Placement Financing under ASX Listing Rule 10.11.</li> <li>The Company intends to offer a Share Purchase Plan to raise an additional A\$5 million ("<b>SPP</b>") which will be subject to shareholder approval and will be on the same terms as the Placement Financing. Eligible shareholders can participate for up to A\$50,000 of New Shares in the SPP. The SPP to be partially underwritten to A\$3 million with certain of the Company's major shareholders intending to provide A\$3 million of sub-underwriting support</li> <li>The Placement Financing will be comprised of: <ul style="list-style-type: none"> <li>an unconditional placement tranche to issue up to 156.9 million New Shares at A\$0.14 per share ("<b>Offer Price</b>") to raise up to A\$22 million, utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A</li> <li>a conditional placement tranche to Chris Ellis, Johann Jacobs and Keith McKnight to issue 36.2 million shares at A\$0.14 per share to raise A\$5.1 million</li> </ul> </li> </ul> |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Attaching Options            | <ul style="list-style-type: none"> <li>Participants will receive two free options for every three New Shares subscribed for with an exercise price of A\$0.21 and an expiration date of 30 June 2025. The Options are free attaching such that they are being issued for nil cash consideration</li> <li>The issuance of the options will be subject to a shareholder approval at the forthcoming EGM</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Existing Shareholder Support | <ul style="list-style-type: none"> <li>Major shareholders Richard Chadwick, Chris Ellis and Dale Elphinstone have provided total commitments of A\$18 million of which A\$3 million is in the form of conversion of debt provided by these key shareholders since 31 March 2023 and A\$3 million intended to form the SPP sub-underwriting. In addition, D.A.CH.S has provided commitments to subscribe for up to approximately A\$2.8 million of New Shares as part of the Placement Financing</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Offer Pricing                | <ul style="list-style-type: none"> <li>New Shares will be issued at the Offer Price, which represents a discount of: <ul style="list-style-type: none"> <li>15.2% to the last closing price of A\$0.165 per share on 28 April 2023</li> <li>16.6% discount to the 5-day volume weighted average price ("<b>VWAP</b>") of A\$0.168 on 28 April 2023</li> <li>17.9% discount to the 10-day VWAP of A\$0.171 on 28 April 2023</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Ranking                      | <ul style="list-style-type: none"> <li>New Shares issued under the Placement Financing and SPP will rank equally in all respects with existing ordinary shares</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Syndicate                    | <ul style="list-style-type: none"> <li>Canaccord Genuity (Australia) and Ord Minnett are acting as Bookrunners and Lead Managers to the Placement Financing and have agreed to partially underwrite (to A\$3 million) the SPP (which is to be sub-underwritten by certain of the Company's major shareholders)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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# Construction Impact and Solutions

Compelling project economics with a pre-tax NPV of c.A\$252m, despite a high-inflationary environment leading to increased construction costs

## Project Construction Impact and Mitigants

| Component                                                        | Construction Impact                                                                                                                                                                                                                                                                                                                                                        | Strategy and Mitigants                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Processing plant materials                                     | <ul style="list-style-type: none"> <li>Lead engineering, procurement, and construction contractor, Gekko System Pty Ltd ("Gekko") have advised of increased delivery lead times and execution costs pertaining to plant key components, construction, labour, steel and galvanising</li> <li>Increased plant scope increased requirement for critical materials</li> </ul> | <ul style="list-style-type: none"> <li>✓ Strategic inventory of critical spare components to ensure plant resilience and mitigate against further price increases and supply chain disruptions</li> <li>✓ All major construction work for the processing plant completed</li> </ul>                                                                                                   |
| 2 Market conditions – logistics, labour and commercial transport | <ul style="list-style-type: none"> <li>Delays in critical components and labour shortages have led to project delays and push back of first cash flow</li> <li>Increased commercial flight and shipping costs associated with higher diesel prices</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>✓ Ongoing project and operations team in place under an EBA</li> <li>✓ Increased storage capacity for critical operational materials i.e. fuel and explosives</li> <li>✓ Entered into a take-or-pay shipping arrangement with logistics providers to materially lower overall costs whilst establishing a regular shipping schedule</li> </ul> |
| 3 Accommodation                                                  | <ul style="list-style-type: none"> <li>Initial modular facilities did not meet Tasmanian legislative requirements, requiring modification of the modular buildings and delay to occupancy.</li> <li>Lack of on-island staff required larger-scale accommodation, messing and associated facilities for FIFO staff</li> </ul>                                               | <ul style="list-style-type: none"> <li>✓ Facilities have been completed, are fully funded and in compliance with all Tasmanian standards</li> <li>✓ Significantly reduced personnel requirements for ongoing operations</li> </ul>                                                                                                                                                    |

1. Refer to the "Requirements for Capital" risk on slide 26 of this Presentation for further details.

## Financing Impact and Solutions

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact    | In light of a high-inflationary environment, the cost to acquire and procure key materials significantly increased during the construction period, resulting in an estimated final construction cost of A\$117m. Capital raised through the Placement Financing and the SPP will provide working capital to enable the Company to progress initial ramp-up phase of the project and explore any additional financing solutions as required                                                                                                                                                                                                                                                                                                                |
| Solutions | <p>G6M have commenced discussions pertaining to a working capital facility and the potential for offtake prepayment from offtake partner Traxys<sup>1</sup></p> <p>G6M is advancing multiple cost reduction and cash flow increasing initiatives, including increasing equipment productivity, acceleration of mine plan to access higher-margin, high-grade ore<sup>1</sup></p> <p>Equity raising supports working capital to finance growth initiatives including renewable energy studies, advancement of downstream processing capabilities, and increased drilling at the highly prospective exploration targets of Bold Head and Investigator to extend mine life and maximise cash flow returns to shareholders over the long-term<sup>1</sup></p> |

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# Sources and Uses of Funds

Enhanced balance sheet to support Dolphin ahead of first concentrate shipment in May 2023<sup>1</sup>

| Sources            | A\$m         | Uses                                 | A\$m         |
|--------------------|--------------|--------------------------------------|--------------|
| Placement proceeds | 24.0 – 27.0m | Process plant and project management | 4.9m         |
| SPP proceeds       | 3.0 – 5.0m   | Site infrastructure                  | 3.1m         |
|                    |              | Plant and equipment                  | 0.7m         |
|                    |              | Project ramp-up                      | 7.8m         |
|                    |              | TSF and water infrastructure         | 1.2m         |
|                    |              | Working capital                      | 9.3 – 14.3m  |
| Total              | 27.0 – 32.0m |                                      | 27.0 – 32.0m |

- ✓ **Cost overruns associated with labour and critical construction materials in a high-inflationary environment**
  - ✓ 65kt ore stockpile on site to provide ~2 months of feedstock, mitigating initial processing risks during ramp-up phase
  - ✓ **No change to key project fundamentals including metallurgy, mine plan, production or offtake agreements, with compelling project economics and a pre-tax NPV of c.A\$252m**
- 
- ✓ **Funds runway to production with first concentrate on target for shipment in May 2023<sup>1</sup>**
  - ✓ Equity raising strengthens the balance sheet and provides working capital to enable the Company to progress initial ramp-up phase of the project and finalise any additional funding solutions as required
  - ✓ **Provides working capital to advance renewable energy initiatives, to secure clean, green energy to meet Dolphin's power needs**
  - ✓ Funding for technical feasibility study for downstream processing of Dolphin tungsten concentrate
  - ✓ **Funding to progress advanced exploration initiatives – e.g. Bold Head and Investigator both of which are located proximate to the Dolphin Project**

1. Refer to the "Requirements for Capital" risk on slide 26 of this Presentation for further details.

# Strong Commitment from Existing Shareholders to Support Placement Financing

- ✓ Strong leadership from shareholders Chris Ellis, Richard Chadwick and Dale Elphinstone (“**Cornerstones**”), having provided since 31 March 2023 A\$1 million each (A\$3 million in aggregate) of unsecured debt, to be settled by the issue of New Shares at the Offer Price
- ✓ Of the remaining A\$29 million to be raised through the Placement and SPP through the issuance of New Shares, the Cornerstones have committed a further A\$4 million each (A\$12 million in aggregate)
- ✓ The Cornerstones also intend to sub-underwrite the SPP for a further A\$1 million each (A\$3 million in aggregate)
- ✓ Major shareholder D.A.CH.S. Capital AG has also committed up to approximately A\$2.8 million as part of the Placement Financing for the issuance of New Shares
- ✓ **Including the conversion of unsecured debt to equity and partial sub-underwriting of the SPP, the top 4 shareholders have committed to covering approximately A\$20.8 million**
- ✓ **Cash balance as at March 31 2023 was A\$3.2m. Since this date, Group 6 has received A\$1.64m in government grants, in addition to A\$3.0m which was initially drawn as unsecured shareholder debt from the Cornerstones, to be converted to equity as outlined above at the election of the Company or Cornerstones**

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# Indicative Equity Raising Timeline

| Event                                                                  | Date                   |
|------------------------------------------------------------------------|------------------------|
| Announcement of the Placement Financing and the Share Purchase Plan    | Monday, 8 May 2023     |
| Settlement of New Shares issued under Placement                        | Friday, 12 May 2023    |
| SPP Offer opens                                                        | Monday, 15 May 2023    |
| Allotment of New Shares issued under Placement                         | Monday, 15 May 2023    |
| Extraordinary General Meeting to approve Conditional Placement and SPP | Thursday, 15 June 2023 |
| SPP Offer closing date                                                 | Thursday, 22 June 2023 |
| Announcement of results of the SPP Offer                               | Tuesday, 27 June 2023  |
| Allotment of New Shares under the SPP Offer                            | Tuesday, 27 June 2023  |

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# Top 15 Shareholders and Debt

Group 6 has benefitted from strong levels of support provided by its largest shareholders, including the provision of flexible debt capital with minimal amortisation requirements ensuring strong alignment across capital classes

|                                              |       |
|----------------------------------------------|-------|
| 1. Chris Ellis – Executive Director          | 13.7% |
| 2. Richard & Gwenda Chadwick                 | 13.2% |
| 3. D.A.CH.S. Capital AG                      | 9.4%  |
| 4. Elphinstone Holdings Pty Ltd              | 3.4%  |
| 5. Anthony James Haggarty                    | 2.4%  |
| 6. Catherine Morritt                         | 1.5%  |
| 7. Belgravia Strategic Equities Pty Ltd      | 1.2%  |
| 8. Johann Jacobs – Chairman                  | 1.1%  |
| 9. Giuseppe Coronica and Mrs Yvonne Price    | 1.1%  |
| 10. AJ and LM Davies                         | 0.9%  |
| 11. Citicorp Nominees Pty Limited            | 0.9%  |
| 12. BNP Paribas Nominees                     | 0.7%  |
| 13. National Nominees Limited                | 0.7%  |
| 14. Ranamok Pty Ltd                          | 0.7%  |
| 15. BNP Paribas Nominees – Retail Client DRP | 0.6%  |

- Long standing and supportive shareholder base who have participated in debt financing and multiple fundraisings to fund project development
- Board and management hold 14.9%

Note: (1) As per March 31 2023 adjusted for April shareholder loans. (2) As at 26 April 2023.

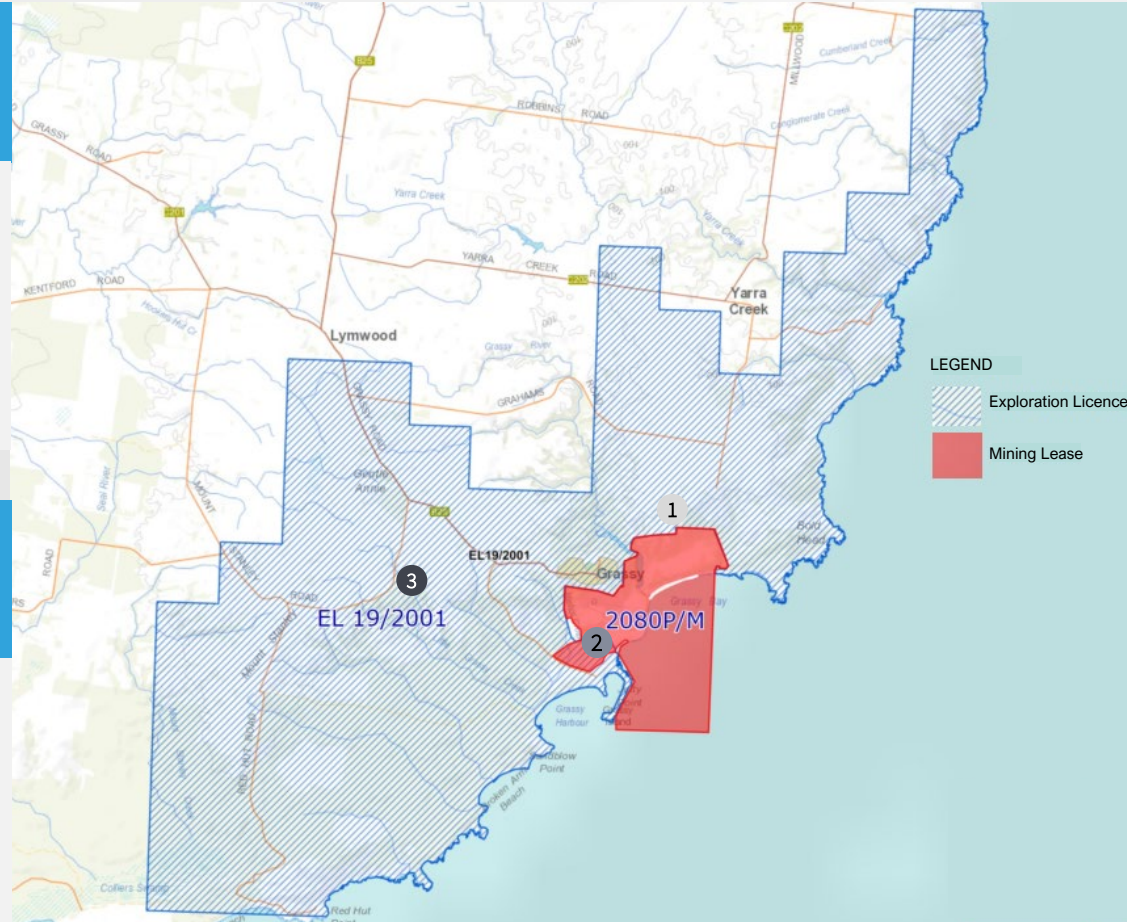
| Lender                        | Facility Type       | Facility A\$m | Drawn A\$m | Interest Rate | Maturity                         |
|-------------------------------|---------------------|---------------|------------|---------------|----------------------------------|
| Pure Asset Management         | Convertible debt    | \$10.0        | \$10.0     | 8.25%         | Nov-2024                         |
| Shareholder Loan              | Debt                | \$4.0         | \$4.0      | 8.25%         | 2026/2027                        |
| Shareholder Loans             | Convertible debt    | \$19.0        | \$19.0     | 6.25-6.50%    | 2026/2027                        |
| Shareholder Loan <sup>1</sup> | Convertible debt    | \$3.0         | \$3.0      | Nil           | Prepayment for current Placement |
| Tasmanian Government Loan     | Debt                | \$10.0        | \$10.0     | Variable      | 7 years from drawdown            |
| OEM Financier                 | Mobile mining fleet | \$10.2        | \$4.8      | Various       | 48 months from drawdown          |
| Total <sup>2</sup>            | -                   | \$56.2        | \$50.8     | -             | -                                |

- Low FY24 debt amortisation of A\$5.8m during ramp-up phase

Debt as of Apr-23 to be converted to equity as part of the Placement

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|  | <b>Indicated Resource<sup>1</sup></b>                    |
|-----------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>Dolphin</b>                                                                    | – 9.6M tonnes @ 0.90% W0 <sub>3</sub><br>(0.20% cut-off) |
| <b>Bold Head</b>                                                                  | – 1.6M tonnes @ 0.91% W03<br>(0.50% cut-off)             |
| <b>Exploration</b>                                                                | – Significant upside – Bold Head and Investigator        |



- 1 Bold Head may add to the tungsten Reserve on completion of Feasibility Study
- 2 Dolphin underground mine (extension beyond open-pit) producing c.264kt pa at an average grade of 1.24%
- 3 A drilling campaign in 2018 successfully found scheelite at the Investigator deposit (6km west of Dolphin), with similar geology to the Dolphin Mine. Currently drilling Investigator with early signs of success

The Dolphin Tungsten Mine | Investor Presentation

# Low Risk Mining Restart

First concentrate on track for Q2 CY2023<sup>1</sup>

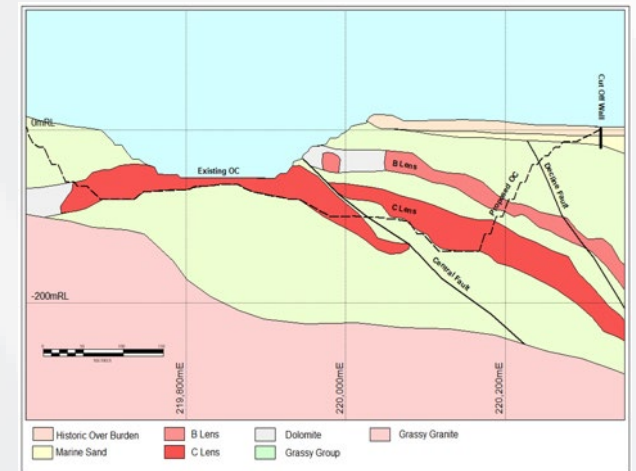
- Developed open-cut pit with access to first ore on commencement of mining
- Owner operated truck and shovel mining fleet, with mining of material already underway – mine plan optimisation underway looking to bring higher-grade ore forward
- Currently operating dayshift only, opportunity to increase operating hours with existing mining fleet
- Material increase in expected revenue per tonne c.2 years after mining commencement with ultra high-grade ore scheduled
- Overburden rock is pH neutral and non-acid-forming and therefore waste can be used to progressively raise the wall of the TSF
- Potential opportunity to trial co-disposal of tailings within the waste footprint



**Mining lease valid to 2029 and extendable**

**Environmental approval granted**

**Mining economic grade ore from day one**



1. Refer to the “Requirements for Capital” risk on slide 26 of this Presentation for further details.

# Proven and Optimised Processing Flowsheet

Higher recovery, lower cost and low risk

- ✓ Historically proven and simple gravity separation for coarse ore separation
- ✓ 60t/hr ore feed rate to produce with additional spare capacity of 15-20% available
- ✓ Optimised fine ore separation through use of multi-gravity separators (MGS) results in lower flotation costs and higher recovery (c.78%)
- ✓ MGS removes calcite from fine ore stream where final concentrate is recovered from a small flotation circuit. Significant step change from historical processing flow sheet
- ✓ Installation is complete with commissioning underway
- ✓ Practical completion of the processing plant expected in early May 2023<sup>1</sup>

1. Refer to the "Requirements for Capital" risk on slide 26 of this Presentation for further details.



ROM Ore Bin and Primary Crusher



Spirals Tower

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# Processing Plant – Dolphin Tungsten Mine



Fine ore stacker, fine ore bin and tertiary crushing and screening circuit



Concentrate dressing, drying and bagging area

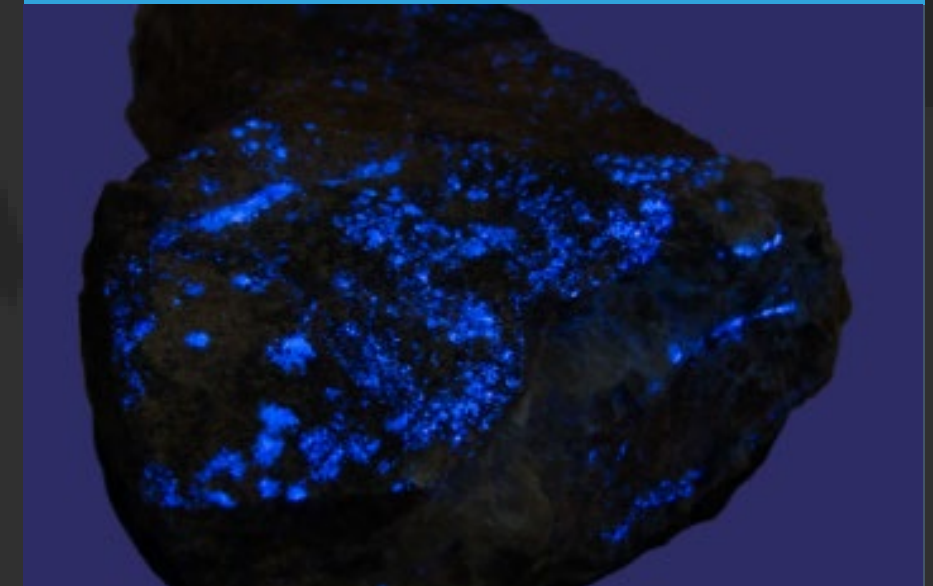
# Offtake Agreements

Higher recovery, lower cost and low risk

- Wolfram Bergbau und Hütten AG – a world leading supplier of tungsten powders and a subsidiary of the US\$23 bn market cap Sandvik Group (STO: SAND) – 35,000 mtu of  $WO_3$  per annum for 4 years
- Traxys, a leading international physical commodity trader headquartered in Luxembourg, engaged in the sourcing, trading, marketing and distribution of non-ferrous metals, ferro-alloys, minerals and industrial raw materials – 82,500 mtu of  $WO_3$  per year for 4 years
- Combined agreements accounted for c.59% of average annual forecast production over contracted period
- Offtake agreements are “take or pay” with “floor price” protection
- Discussions continuing with other ammonium paratungstate producers to increase committed sales under offtake
- The price of concentrate is referenced to the APT price as published by Fastmarkets

**A\$181M**

**At current tungsten pricing, offtake agreements represent approx. A\$181 million over 4 years**

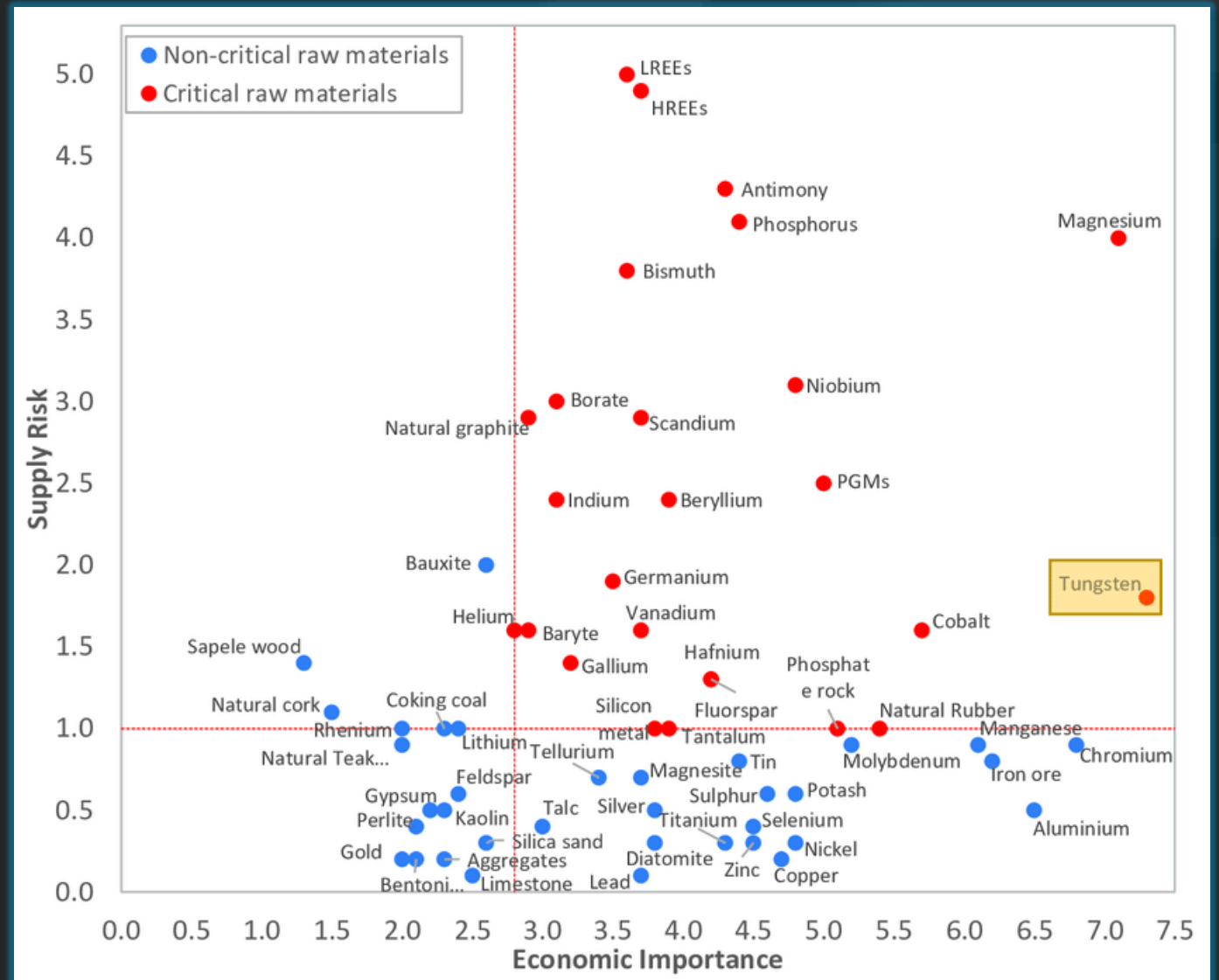


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# Tungsten: A Critical Industrial Metal

An element of great economic importance

- Tungsten is ranked by the British Geological Surveys, various US Departments, the European Commission, Japan, Russia and **Australia as a 'critical' mineral:**
  - Due to its economic importance
  - Supply risk – dominance of China in the market
  - Inability to be substituted
- **Tungsten market heading for a material deficit:**
  - Overall primary tungsten production has been declining since 2014
  - Chinese production falling due to tougher regulation and declining ore grade
  - New forecast production for 2023 postponed/delayed
  - Near term “out of ordinary business” demand with defence consumption growing at double digit rates



Source: European Commission Study on the Review of the List of Critical Raw Materials, 2020

# Supply and Demand For Tungsten

Growing demand and list of new industrial applications

**Mining and Construction** – Primarily used in drill bits, hammers and tunnel-boring machines, mining and construction was the most tungsten consuming segment in 2021

**Automotive** – Cutting tools are abrasion resistant able to withstand higher temperatures, and used in applications where steel tools would wear quickly. Tungsten is widely used for machining in engines and prominent in electric vehicles

**Industrial** – Used in applications where steel tools would wear quickly, such as high-quantity and high-precision production. Significant growth estimated in the electronics industry, robotics and automation

**Energy** - Used in a wide range of applications in both the renewables and O&G industry. Critical input for equipment needing the ability to withstand significant pressure, such as drill bits and well logging. Particularly strong growth to come from renewables construction, primarily wind turbines and solar panels

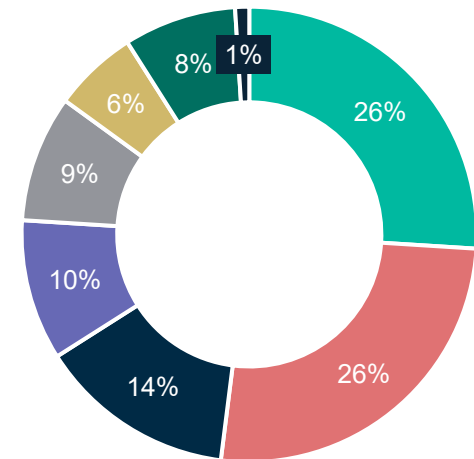
**Defence and Aerospace** – Used in a wide range of counterweights for satellite and helicopter blades, missiles, and cockpits to increase the efficacy of vibration-warning control. Significant growth in demand is expected following increasing defence budgets in light of Russia's military activity in Ukraine

Short Term Demand Drivers



## Tungsten End-Use (2021) and Key Market Trends

- Mining & Construction
- Automotive
- Industrial
- Chemicals
- Consumer Durables
- Energy
- Defence & Aerospace
- Medical



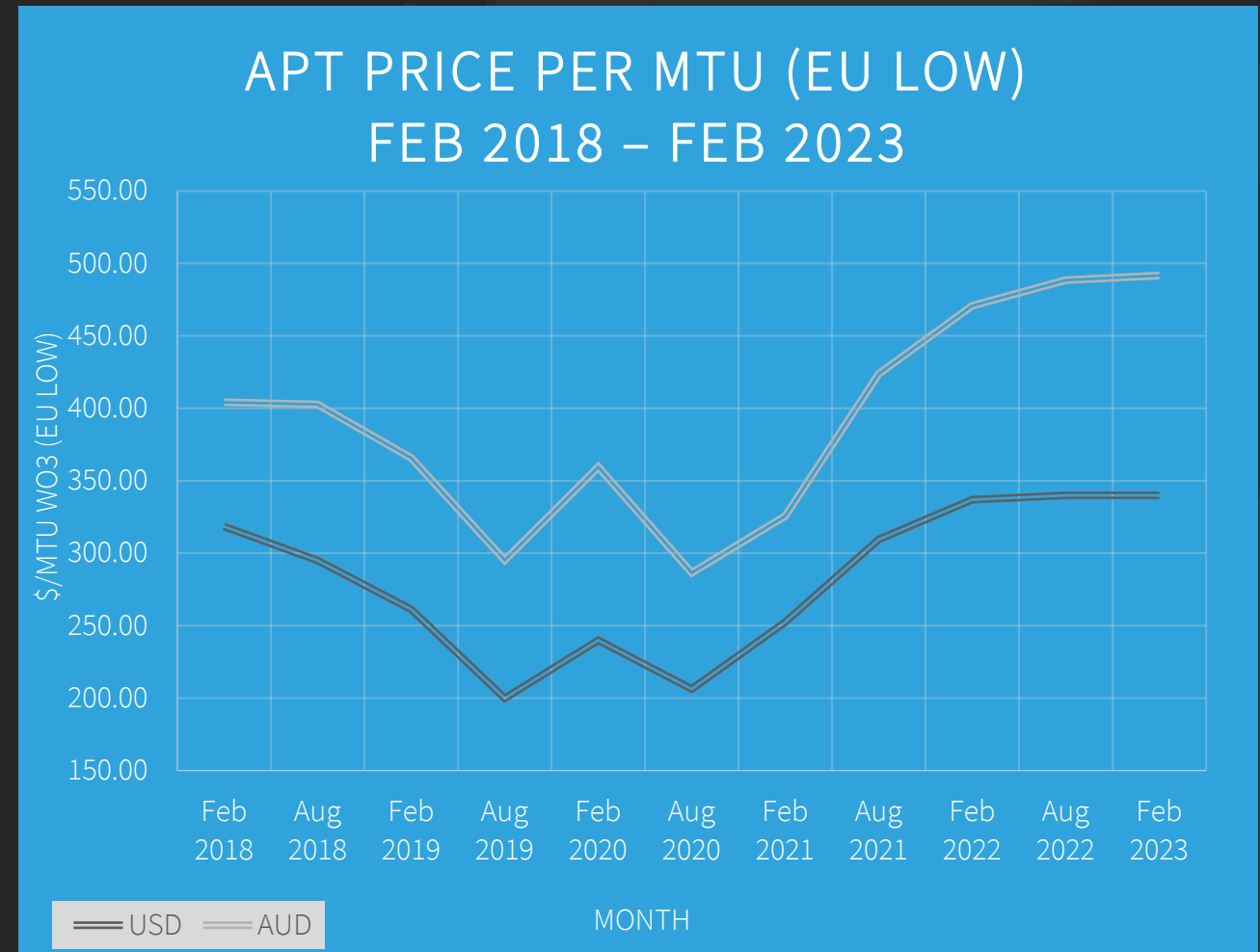
Source: SRM Tungsten in 2021 End of Use Consumption (November 2022), Argus Tungsten Analytics 2021.

- **Defence spending** – NATO 2% of GDP guideline and requirement to replenish ammunitions as a result of the Ukraine – Russia conflict
- **Strategic stockpile** – US strategic stockpile expected to deplete by 2025, therefore will need to be restocked in the near term
- **Commercialisation of new industrial applications** such as tungsten Niobium batteries and tungsten hexafluoride gas

# Tungsten

## Price history

- Ammonium paratungstate (or APT) is a white crystalline material and is described as the most important raw material for all other tungsten products
- Tungsten concentrate pricing is referenced from the APT price published weekly by Fastmarkets, Argus and other market publications
- Prices have been steadily increasing since economic slowdown resulting from Covid-19
- The average cost of production for Chinese producers is estimated to be US\$230/mtu and increasing due to environmental permitting



Source: Fastmarkets Metal Bulletin – CIF Rotterdam.

# ESG Commitment



Group 6 Metals is committed to redeveloping the Dolphin Tungsten Mine in a responsible and sustainable manner, preserving the environment while also generating jobs, growth and economic returns through the commencement of mining from this asset

## Project Governance

- Strict adherence to project environmental management and monitoring plans, including management of processing and overburden
- Minimise impact on King Island threatened flora and fauna through commitment of 38Ha for land conservation
- Commitment to prioritise local residential employment and provide skilled training for local people through trainee and apprenticeship programs
- Strategic partnerships to replace our diesel power generation capacity on site

Historically, the Dolphin Tungsten Mine was a key economic driver of King Island's economy. Through its redevelopment, it is playing a significant role again

# Disclaimer

This presentation has been prepared by Group 6 Metals Limited ("G6M") as a summary of its Dolphin Project. By accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

It is for general information purposes only. This presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in G6M, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in G6M will be entered into on the basis of this presentation. This presentation contains certain forward-looking statements which have not been based solely on historical facts but, rather, on G6M current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of G6M and its directors, officers and advisers. Due care and attention has been taken in the preparation of this presentation. However, the information contained in this presentation (other than as specifically stated) has not been independently verified for G6M or its directors and officers, nor has it been audited. Accordingly, G6M does not warrant or represent that the information contained in this presentation is accurate or complete. To the fullest extent permitted by law, no liability, however arising, will be accepted by G6M or its directors, officers or advisers, for the fairness, accuracy or completeness of the information contained in this presentation.

## COMPETENT PERSON'S STATEMENT

The Information in this presentation relating to Mineral Resources and Exploration Results are extracted from the following reports lodged as market announcements and available to view on the Company's website [www.g6m.com.au](http://www.g6m.com.au):

- "Updated Resources Statement April 2015" released 24 April 2015
- "Updated Reserve Statement" released 21 September 2015
- "Updated Reserve Statement released 21 September 2015" released 20 October 2015
- "Dolphin Project Drilling Results April 2018" released 23 April 2018
- "Exploration Drilling Results May 2018" released 17 May 2018
- "Updated Feasibility Study and Mineral Resource" released 3 June 2019
- "18% Increase in Tungsten Resources" released 26 September 2019

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements. Material assumptions underpinning production targets, or the forecast financial information derived from a production target, in the relevant market announcements continue to apply and have not materially changed. In the case of estimates of mineral resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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## CAPITAL COST ASSUMPTIONS

The Company is relying on various internal assumptions in respect of capital costs associated with the ramp-up phase at the Dolphin Project. These assumptions are inherently uncertain and subject to various factors, many of which are outside the control of the Company. Refer to the "Requirements for Capital" risk on slide 26 of this Presentation for further details.

# Key Risks

Set out below are the principal risks and uncertainties associated with G6M and its subsidiaries, which are likely to have an effect on G6M's future financial prospects. It is not possible to determine the likelihood of these risks occurring with any certainty. If one or more of these risks materialise, G6M's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted.

## (1) Exploration Risk

G6M's existing mineral exploration tenements are in the early stages of exploration, and there can be no assurance that exploration of the tenements currently held by G6M, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Until G6M is able to realise value from its existing mineral exploration tenements, it is likely to incur ongoing operating losses in connection with those tenements. If exploration is successful, there will be additional costs and processes involved in moving to the development phase. By its nature, exploration risk can never be fully mitigated, but G6M has the benefit of significant exploration expertise through its management team and of operational and business expertise at both board and management level.

## (2) Land Access (Including Native Title)

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title claimants/holders and the owners/occupiers of private land are generally required before G6M can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on G6M's activities.

Commonwealth law recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters according to their traditional laws and customs. Native title may impact G6M's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be a grant of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title. There may be areas in relation to tenements which G6M has an existing interest in, or will acquire an interest in the future, over which common law native title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities. Land access may also be affected by the existence of laws or regulations regarding the protection of heritage sites or archaeological artefacts in the relevant land.

## (3) Requirements for Capital

The ability for G6M to commence production on schedule, ramp up the project and develop its plant and equipment is dependent on G6M accessing working capital. G6M's ability to satisfy these capital requirements will depend on numerous factors, including the degree of success of its planned exploration programs and production activities, its ability to generate income from its operations, prevailing commodity prices, market conditions and possible acquisitions or other corporate opportunities. These factors are inherently uncertain and subject to various other factors, many of which are outside the control of the Company. The ultimate capital costs associated with production and the ramp-up phase at the Dolphin Project may be materially different from the Company's assumptions, which may require higher than expected capital requirements. Exploration costs will reduce G6M's cash reserves. Those cash reserves may not be replaced if future or existing operations or other acquisition opportunities prove unsuccessful or perform below expectations.

G6M would then be dependent on seeking additional capital elsewhere, through equity, debt or joint venture financing, to support long-term exploration, evaluation and development of its projects. No assurance can be given that G6M will be able to procure funding (if required) in a timely manner on terms acceptable to it or at all. Any additional equity financing may dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If G6M is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or scale back its exploration programs, as the case may be, which may adversely impact on G6M, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.

## (4) Tenement Titles

G6M could lose title to its mineral tenements if insufficient funds are available to meet the relevant annual expenditure commitments, as and when they arise. G6M closely monitors its compliance with licence conditions, including expenditure commitments and rents, and maintains a dialogue with the relevant government representatives who are responsible for enforcing licence conditions. Most tenements have a long history, with multiple previous title holders. While registration on the Mineral Titles Register is evidence of ownership, it is not definitive. The registration is subject to prior registered dealings and encumbrances which may be incomplete or have not been identified and may materially affect the value of the relevant tenements and/or G6M's intended operations on those tenements.

# Key Risks

## (5) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on G6M's Board and executive team. There can be no assurance given that there will be no detrimental impact on G6M if one or more of its directors, particularly the Managing Director, or key executives no longer works with G6M.

## (6) Risks Relating to G6M's Financial Instruments

G6M's principal financial instruments currently comprise cash and short-term deposits, the main purpose of which is to finance G6M's operations. G6M has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from G6M's financial instruments are credit risk, interest rate risk and liquidity risk:

- A. Credit Risk:** G6M trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that G6M's exposure to bad debts is not significant. Credit risk arises from the financial assets of G6M, which comprise cash and cash equivalents and trade, other receivables and other financial assets. G6M's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security.
- B. Interest Rate Risk:** G6M's exposure to the risk of changes in market interest rates relates primarily to G6M's cash and cash equivalents with a floating interest rate.
- C. Liquidity Risk:** G6M's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year. G6M has limited financial resources and may need to raise additional capital from time to time and such fund raisings will be subject to factors beyond the control of G6M and its directors. When G6M requires further funding for its programs in the future, then it is G6M's intention that the additional funds will be raised by any one or a combination of the following: project finance, placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public and, where appropriate, debt. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be G6M's intention to meet its obligations by either partial sale of G6M's interests or farm-out, the latter course of action being part of G6M's overall strategy.

## (7) General Economic Climate

General economic conditions, movements in interest and inflation rates, currency exchange rates and commodity prices may have an adverse effect on G6M's exploration activities and the potential for future development and production activities, as well as the ability to fund those activities. If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. Furthermore, share market conditions may affect the value of G6M's quoted securities regardless of operating performance. Share market conditions are affected by many factors such as general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities. G6M's future revenues, the economic viability of its projects, the market price for its listed securities, and its ability to raise future capital may be affected by these factors, which are beyond G6M's control.

# Key Risks

## (8) Political Risk, Commodity Price Volatility and Exchange Rates Risks

Both from its operations and, in the event that G6M achieves exploration success, the revenue that may be derived through the sale of commodities exposes potential income to commodity price and exchange rate risks and any profits will be exposed to changes in the taxation or royalty regime in Australia. Commodity prices fluctuate and are affected by many factors beyond the control of G6M. Such factors include supply and demand fluctuations for tungsten, technological advancements, forward selling activities and other macroeconomic factors. G6M revenues are exposed to fluctuations in the commodity prices. Volatility in the copper price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are retained despite a fall in the spot copper price.

The risks associated with such fluctuations and volatility may be reduced by any copper price hedging that G6M may undertake. A declining copper price can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in commodity prices. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on G6M's results of operations and financial condition. Furthermore, international prices of various commodities are denominated in United States dollars, whereas some of G6M's income and the majority of its expenditure will be in Australian dollars, exposing G6M to fluctuations in the exchange rate between the United States dollar and the Australian dollar, as determined by international markets.

## (9) Permits and Approvals Risks

Companies engaged in the development and operation of mines are subject to increased costs, production and other scheduling delays resulting from the requirement to comply with applicable environmental and planning laws, regulatory requirements and permitting. G6M can give no assurance that relevant approvals and permits required to commence construction, development or operation of future expansions will be obtained. Additionally, future business plans and budgets are underpinned by the assumption that relevant regulatory approvals are obtained in a timely manner.

## (10) Environmental Risks

The operations and proposed activities of G6M are subject to both Australian Federal and State laws and regulations concerning the environment. As with most exploration projects and mining operations, activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. G6M intends to conduct its activities in compliance with relevant environmental laws and approvals in order to minimise damage to the environment and risk of liability. However, as with all exploration and mining activities, G6M's operations are expected to have an impact on the environment. There are also risks inherent in G6M's activities including accidental leakages, spills, or other unforeseen circumstances that could subject G6M to extensive liability.

Further, G6M may require approval from relevant regulatory authorities before undertaking activities that are likely to impact the environment. If G6M fails to obtain such approvals, it will be prevented from undertaking those activities. G6M also cannot predict what changes in legislation and regulations may govern mining and may impose significant environmental obligations on G6M including bonding. No assurances can be given that new environmental laws, regulations or stricter enforcement policies (including increased fines and penalties for non-compliance), once implemented, will not oblige G6M to incur significant expenses and undertake significant investments which could materially and adversely affect G6M's operations, financial condition and performance.

## (11) Change of Production Risks

The capacity of G6M to achieve production will depend on a wide range of factors including capital costs and operating costs that may be applicable to the individual projects and the capacity of the Group to fund those costs. If production is achieved, unanticipated problems may increase extraction costs and reduce anticipated recovery rates.

## (12) Contract Risks

G6M operates through a series of contractual relationships with consultants, operators and sub-contractors and may, sell production through various marketing contracts. All contracts carry risks associated with the performance by the parties of their obligations and the time and quality of works performed.

# Key Risks

## (13) COVID-19 Impact

The outbreak of COVID-19 pandemic has a material impact on global economic markets. Australia experienced an economic downturn and has been recovering in 2021 and 2022. Uncertainty continues as to the ongoing and future response of government authorities and regulators as well as a likelihood of a global or more localised economic recession of unknown duration or severity. Therefore, the full impact of COVID-19 to G6M is not fully known. Given this, COVID-19 could potentially be materially adverse to G6M's financial and operational performance, or to the price of G6M shares. The potential effects of these possible outcomes on G6M include, but are not limited to:

- A. Closure of and/or reduced capacity at G6M mines, plant and facilities;
- B. Delays or interruption in supply chains leading to an inability to secure or obtain raw materials, finished products, components, or required plant and equipment;
- C. Health outcomes for G6M employees or its customers' employees, which could result in the closure of a mine, plant or facility for a period and could adversely affect the availability of technically equipped and qualified personnel
- D. Need to conduct certain operations;
- E. Counterparty non-performance or claims under existing contractual arrangements; and
- F. Delays of projects with large associated capital spend, deferral of discretionary capital spend and impact on valuation of assets.

## (14) Mineral Resources and Ore Reserves

G6M's Mineral Resources estimates for its existing projects are expressions of judgement based on industry practice, experience and knowledge and are estimates only, which are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Mineral Resources and/or Ore Reserves are accurate or that the estimated level of copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any or all of G6M's Mineral Resources constitute or will be converted into Ore Reserves. Actual Mineral Resources and/or Ore Reserves may differ from those estimated, which could have a positive or negative effect on G6M's operational or financial performance.

Commodity price fluctuations as well as increased production and costs may render G6M's Mineral Resources and/or Mineral Resources or Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated Mineral Resources and/or Ore Reserves may have to be recalculated based on actual production experience. Any of these factors may require G6M to reduce its Mineral Resources and/or Ore Reserves, which could have a negative impact on G6M's financial results and the expected operating life of their Operations.

## (15) Production and Cost Estimates

The ability of G6M to achieve its production expectations or meet operating and capital expenditure estimates on a timely basis cannot be assured. The operations and assets of G6M, as with any other mining operations, are subject to a number of uncertainties, including in relation to ore tonnes, grade, metallurgical recovery, actual realised values and grades of stockpiles (which are to date estimated), ground conditions, operational environment, funding for development, regulatory changes, weather, accidents, difficulties in operating plan and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

No assurance can be given that such estimates will be achieved. As a result, there is a risk that G6M may not achieve its production or cost estimates or expectations. Failure of G6M to achieve production or cost estimates could have an adverse impact on G6M's future cashflows, profitability, results of operations and financial condition. Costs of production for G6M may be affected by a variety of factors, including changing waste to ore ratios, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. Unforeseen production cost increases could result in G6M not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on G6M's operational or financial performance.

# Key Risks

## (16) Geological and Geotechnical

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining ore reserves, such as unusual or unexpected geological conditions, pit wall failures, rock bursts, seismicity and cave ins. Unforeseen geological and geotechnical difficulties could impact production and/or require additional operating or capital expenditure to rectify problems and in doing so have an adverse effect on G6M's operational or financial performance.

## (17) Equipment and Supplies

The price and availability of resources required for G6M's operations (such as diesel, gas and other fossil fuels) may change from time to time, and this may materially impact the operations, financial position and profitability of G6M. G6M requires certain consumables, spare parts, plant and equipment (e.g. drill rigs) and construction materials for its exploration, development and mining activities. Any delay, lack of supply or increase in price in relation to such equipment and material could have a material and adverse impact on G6M.

## (18) Operational Risk

Drilling, mining and processing activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of a number of factors outside G6M's control. These include geological conditions, technical difficulties, securing and maintaining tenements, weather, residue storage and tailings dam failures and construction of efficient processing facilities. The operation may be affected by force majeure, changes in geology, fires, labour disruptions, landslides, and the inability to obtain adequate machinery, engineering difficulties and other unforeseen events. As with most mines, reserves, resources and stockpiles are based on estimates of grade, volume and tonnage. The accuracy and precision of these estimates will depend upon drill spacing and other information such as continuity, geology, rock density, metallurgical characteristics, mining dilution, costs, etc. which evolve as the mine moves through different parts of the ore body. G6M will endeavour to take appropriate action to mitigate these operational risks (including by properly documenting arrangements with counterparties and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on G6M's performance and the value of its assets.

## (19) Development, Rehabilitation and Mining Risks

When G6M conducts exploration and feasibility studies on potential projects, the commercial viability of any such endeavours is based upon estimates of the size and grade of relevant resources or reserves, location of infrastructure and other required resources (such as energy and water), potential production rates, the feasibility of recovery of metals, capital and operating costs, and demand and prices of the products. Certain projects may be conditional on favourable environment assessments, further feasibility studies, the grant and maintenance of necessary permits and authorisations, and availability of adequate financing.

It is possible that certain projects may be delayed, cancelled or otherwise adjusted due to a lack of commercial viability associated with such factors, for example, unforeseen geological and geotechnical difficulties causing additional operating or capital expenditure and adversely impacting G6M's operational or financial performance. G6M may conduct or oversee the conduct of certain rehabilitation. There is no guarantee that such rehabilitation works will occur on time or at cost, and there is a risk that they may involve unanticipated or higher than expected costs or delays, including due to factors beyond G6M's control such as weather events, legal requirements, geological issues, technological change and market conditions.

It is possible that development projects do not realise their predicted value or revenue due to circumstances beyond G6M's control. Each ore body is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire ore body.

## (20) Infrastructure and Transportation

As or when G6M is in production stage, the products will need to be transported to customers domestically and internationally. The transportation process involves risks, including the remoteness of G6M's projects. Fuel costs, unexpected delays (including through inclement weather and climate change and accidents) could materially affect G6M's financial position and profitability. Moreover, there are risks associated with the availability of adequate transportation facilities (e.g. road, railway, port) and obtaining approvals to access these facilities (including the timing and conditions on which access may be granted). If G6M cannot access the required infrastructure within a certain time period or at a reasonable cost, this could adversely affect G6M's operations and financial performance. The price of transportation is market driven and can vary throughout the life of each project. These may also impact on the overall profitability of G6M.

# Key Risks

## (21) Reliance on Information Systems

G6M relies on computer, information and communications technology and related systems for the purpose of the proper operation of the administrative and compliance aspects of its business. From time to time G6M experiences occasional system interruptions and delays. G6M has implemented processes to respond to system interruptions and delays. However, if it is unable to regularly deploy software and hardware, effectively upgrade its systems and network and take other steps to maintain or improve the efficacy and efficiency of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data.

Moreover, G6M's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organised cyber-attacks and other security problems and system disruptions. G6M relies on accepted security measures and technology to maintain the security of its computer systems, however the risks of being attacked remain. An unauthorised user who circumvents G6M's security measures could misappropriate confidential or proprietary information or cause interruptions normal functions in G6M's operations which may require G6M to expend significant resources to alleviate these issues. Any of these events could damage G6M's reputation and generally have an adverse effect on its operating and financial performance.

## (22) Laws and Authorisations

G6M's operations will be subject to various laws and plans, including those in respect of mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety, occupational health and plants and animals (for example laws or permitting required in relation to preservation of endangered or threatened species). Approvals, licences and permits for the compliance with these rules may be subject to the discretion of the applicable government or authorities, the local community or other stakeholders. Moreover, new laws and regulations may be enacted, and existing laws and regulations may be amended or applied in a manner which could impact G6M's exploration, development or production activities. G6M may not be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation or may not obtain the relevant authorisations in time. If so, G6M may be limited or curtailed from continuing or proceeding with exploration, production or development activities.

Mining development and operations can be subject to public and political opposition. Opposition may include legal challenges to exploration, development and production permits, political and public advocacy, electoral strategies, ballot initiatives, media and public outreach campaigns and protest activity, all which may delay or stop development or expansion, for example, native title claimants (or determined native title holders) may oppose the validity or grant of existing or future tenements held by G6M in Australia, which may potentially impact G6M's future operations and plans. For tenements in Australia (that may still be subject to registered native title claims or determinations) to be validly granted (or renewed), there are established statutory regimes that will need to be followed in connection with those grants (or renewals). Furthermore, change of laws, regulations or policies may take place as a result of political opposition in a way that adversely impacts G6M's abilities to deliver expected outcomes for certain reasons, e.g. increase of royalties or taxes or environmental bonds or change in regimes relating to permits and authorisations which are necessary for G6M's operations.

In the ordinary course of business, mining companies are required to seek governmental permits for exploration, expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the control of G6M. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by G6M and that the permits will be obtained in a timely manner. Amendments to current laws, regulations and permits governing operations and activities of mining companies which apply to G6M's current or future operation, or a more stringent implementation thereof, could have a material adverse impact on G6M and cause increases in the cost of production, capital expenditure or exploration costs and reduction in levels of production for G6M's operations.

## (23) Occupational Health and Safety

Workplace incidents may take place for various reasons, including as a result of non-compliance with safety rules and regulations. G6M may be liable for personal injuries or fatalities that are suffered by G6M's employees, contractors or other persons under applicable occupational health and safety laws. If G6M is liable under applicable laws, in whole or part, it may be subject to significant penalties. G6M may be subject to liability to pay compensation, and this may materially and adversely affect G6M's financial position and profitability. The potentially hazardous nature of exploration and mining mean that health and safety regulations impact the activities of G6M. Any injuries, accidents or other relevant events that occur on G6M's operation site could result in legal claims, potential delays or halt that could adversely impact G6M.

## (24) Labour Shortages and Industrial Disputes

There is a risk that G6M may need to pay higher than expected costs to acquire or retain the necessary labour for its operations. This could result in a material and adverse increase in costs and/or development projects being delayed or becoming uneconomic and not proceeding as planned. G6M will also be exposed to the risk that industrial disputes may arise (for example, in relation to claims for higher wages or better conditions) which might disrupt some of its operations and lead to increases in project costs and delays including to scheduled start up dates of projects under construction.

# Key Risks

## (25) Insurance Arrangements

G6M maintains insurance arrangements to protect against certain risks with such scope of coverage and amounts as determined by G6M's board and management, although its insurance policies may not be sufficient to cover all of the potential risks in respect of its operations. No assurance can be given that G6M will be able to obtain or maintain insurance coverage at reasonable rates, or that any coverage it obtains will be adequate and available to cover all risks or claims on acceptable terms. Losses, liabilities and delays arising from uninsured or underinsured events could adversely affect G6M's financial position and profitability.

## (26) Changes to Accounting Standards

Changes to AAS, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 (Cth) ("Corporations Act") and other relevant authorities or applicable laws could affect G6M's reported results of operations in any given period or G6M's financial condition from time to time.

## (27) Changes in Tax Rules or Their Interpretation

Changes in tax law (including value added or indirect taxes and stamp duties), or changes in the way tax laws are interpreted, may impact G6M's tax liabilities or the tax treatment of a G6M shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in G6M shares involves tax considerations which may differ for each G6M shareholder. Each G6M shareholder is encouraged to seek professional tax advice in connection with the Offer and how they may be impacted.

## (28) Other External Factors

Events may occur within or outside Australia that could impact upon the Australian economy, G6M's operations and the price of G6M shares. These events include but are not limited to flooding or adverse weather conditions, fires, explosions, rock falls, water ingress, seismic activity or the potential effects of climate change that affect the exploration, development or mining operations of the business, that can have an adverse effect on the demand for G6M's products and its ability to operate its assets or may result in delays to or loss of production. G6M has only a limited ability to insure against some of these risks.

## (29) Litigation

G6M may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations. These disputes may lead to legal, regulatory and other proceedings, and may cause G6M to incur significant costs, delays and other disruptions to its businesses and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions.

## (30) Water Sources

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs, production levels and financial performance of G6M's operations. There is no guarantee that there will be sufficient future rainfall to support G6M's future water demands in relation to its sites and operations, and this could adversely affect production and G6M's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that G6M will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions. Climate related changes to precipitation patterns could exacerbate water stress in some areas and therefore potentially have a negative impact on G6M's ability to access fresh water and process ore at some or all of its existing operations.

## (31) Weather Conditions

Some of G6M's sites and operations may be impacted from time to time by severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production or sales.

# Key Risks

## General Risks Associated with an Investment in Shares

There are general risks associated with investments in equity securities. No assurances can be given that the New Shares will trade at or above the price at which they are issued. None of G6M, its directors or any other person guarantees the market performance of the New Shares, or of G6M. The trading price of shares in G6M may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the price at which they are issued.

### (1) No guarantee of market price

There can be no guarantee of an active market in the shares in G6M or that the price of the shares in G6M will increase. There may be relatively few potential buyers or sellers of G6M shares on the ASX at any time. This may increase the volatility of the market price of G6M shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in G6M.

Generally applicable factors which may affect the market price of G6M shares (and over which G6M and its directors have limited or no control) include:

- A. The impact of COVID-19 (or other pandemics or epidemics), and the measures taken to control their spread, including on the health of the workforce, customers and supply chains;
- B. General movements in Australian and international stock markets;
- C. Investor sentiment and the demand for ASX-listed securities generally, and the risk of contagion;
- D. Australian and international economic conditions and outlook, including aggregate investment and economic output, employment levels and labour costs;
- E. Commodity prices, inflation, interest rates, and exchange rates;
- F. Changes in interest rates and the rate of inflation;
- G. Changes in exchange rates, copper or other relevant commodity prices, employment levels and consumer demand;
- H. Changes in government legislation, regulation and policies, including fiscal, regulatory and monetary policies and tax laws;
- I. Announcement of new technologies and displacement of existing technologies;
- J. Natural disasters, extreme weather events and catastrophes;
- K. Geo-political instability, including international hostilities and acts of terrorism;
- L. Demand for and supply of G6M shares;
- M. Announcements and results of competitors; and
- N. The expectations of securities analysts and analysts' reports.

It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. There have been during the last year, and may be in the future, significant fluctuations and volatility in the prices of equity securities. In particular, the COVID-19 pandemic, and the continuing uncertainty as to its future impact on the Australian and global economies, and a changing geopolitical risk environment has contributed to significant market falls and volatility, which may materially adversely impact the market price of the New Shares.

### (2) The Arrangements in Relation to the Placement May Be Terminated or May Not Complete

G6M has entered into a Placement Agreement with the Joint Lead Managers, subject to the terms and conditions of that agreement. Subject to the terms and conditions of that agreement, the Joint Lead Managers have agreed to act as joint bookrunners and placing agents in connection with the Placement and seek to place the shortfall of the SPP. The Placement is non-underwritten and the placement of the shortfall of the SPP is on a best efforts basis only. Accordingly, the Company may not be able to raise the equity capital that it is seeking through the Placement and SPP. If the Company raises less than it is seeking, this may result in the Company becoming dependent on seeking additional capital elsewhere, such through equity, debt or joint venture financing and there is a risk such additional capital may not be available or may be available on less favourable terms. See the "Requirements for Capital" risk for more discussion on the Company's capital requirements, particularly in respect of the capital costs associated with the ramp-up phase at the Dolphin Project. The Joint Lead Managers and their respective affiliates and related bodies corporate are financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, market lending, and brokerage amongst other financial and non-financial activities and services including for which they have received or may receive customary fees and expense. The Joint Lead Managers are expected to receive fees and expenses for acting in their capacity as joint lead managers in connection with the Placement and SPP.

# Key Risks

## (3) Allocation of New Shares and Dilution Risk

It is intended that certain eligible institutional shareholders may be able to participate in the Placement. For this purpose, an eligible institutional existing holding will be estimated by reference to G6M's beneficial register as at the date of the register which is not necessarily fully up to date. No verification or reconciliation of the holdings as shown on the historical beneficial register will be undertaken and accordingly, this may not truly reflect a participant's actual shareholding. Institutional shareholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. As a result, the New Shares actually allocated to a participant under the Placement may not reflect their actual pro rata share of G6M shares and accordingly, a shareholder's percentage shareholding may be diluted.

## (4) Other Dilution Risk

Existing shareholders who do not participate in the Placement or SPP will have their percentage shareholding in G6M diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Placement and/or SPP depending on the number of New Shares allocated to them under the Placement and/or SPP. Investors may also have their investment diluted by future capital raisings by G6M.

## (5) Dividends

The payment of any dividends in respect of G6M's shares is impacted by several factors, including G6M's profitability, retained earnings, availability to frank dividends, capital requirements and free cashflow. Any future dividends will be determined by G6M's board, whilst having regard to these factors, among others. There is no guarantee that any dividends will be paid by G6M, or if paid, paid at historical levels, or with any franking credits. If G6M is unable to pay dividends or pays reduced dividends, the price of its shares may fall.

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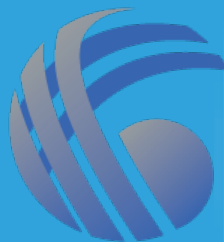
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