21 September 2023

Further Progress at Dolphin Tungsten Mine

Key Highlights

- **Increasing production rate of higher-grade ROM Ore from Dolphin Pit**
- **Plant performance and optimisation activities progressing well with recovery and concentrate specification improving.**
- **Research & Development grant application has been submitted for FY2023**
- **Official opening ceremony held for the Dolphin Tungsten Project**

Group 6 Metals Limited (**ASX: G6M**, "**Group 6 Metals**" or the "**Company**") is pleased to provide an update on its operational activities at the Company's wholly owned Dolphin Tungsten Mine ("**DTM**"), located on King Island, Tasmania.

Following the start of drill and blast activities at the Dolphin open pit in early August, blast size and frequency has steadily increased over the month with key monitoring parameters remaining well below regulatory requirements and in keeping with community expectations.

Initial areas of focus are West Pit and North Pit for low strip ore mining while blasted overburden removal is being carried out on the eastern side of pit to initially access the B-lens followed by the high-grade C-lens below.

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Figure 1 - West Pit Ore Mining

Figure 2 - East Pit Overburden Drilling

Figure 3 - West Pit Grade Control

During August, a total of 16,374 tonnes of Ore and 119,530 BCM of surveyed waste material was mined, as the mining progresses through the transitional zones in various areas of the Dolphin pit. The blast monitoring data confirmed that key environmental parameters are in line with modelling and well below the permit thresholds. Drill and blast activities are being ramped up in September which will increase the volume of blasted material available, increasing mine productivity.

Figure 4 - Tungsten Separation on Shaking Tables

Figure 5 - Third Shipment of Concentrate for dispatch

In August, the process team continued to work on optimising the process plant throughput and performance. Rectifications were made to the crusher circuit which improved throughput of ROM ore and to the dressing circuit which resulted in an improvement in the concentrate quality. The

plant processed 15,031 dry metric tonnes (DMT) of ore which was an increase of 20% on the previous month.

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

"Significant progress was made during the month on mine production with increasing blast frequency in the Dolphin Pit. It is pleasing that the key measurements for blasting are well below the limits allowed, and we are now recovering higher grade ore which is resulting in higher throughput through the crushing circuit and process plant.

While plant utilisation was lower for August due a planned shutdown at the beginning of the month, and some unplanned stoppages throughout the month, steady progress has been made with plant rectification works and operating procedures, optimising the performance and improving the overall resilience of the plant.

Tungsten concentrate has been shipped to both of our offtake partners and we look forward to ramping up production to increase shipments over the coming months."

Tungsten is a critical mineral used in a variety of applications, including steelmaking, mining, construction, electronics and defence. The global demand for tungsten is expected to grow significantly in the coming years, driven by demand from the construction, mining and defence sectors.

While trading volumes for tungsten products has been lower over the first six (6) months of the year, as excess stocks from 2022 are rundown, the Ammonium Paratungstate (APT) CIF Rotterdam prices have remained robust at US$305 – 325 per MTU.

Keith McKnight continued, *"It is encouraging to see the APT price remain strong despite lower trading volumes for the first 6 months of the year. As tungsten stocks are run down and demand picks up in USA and Europe, it should provide a catalyst for positive price movement again."*

Short term loan funding

The Company has executed unsecured loan facilities with three of its major shareholders raising $7.0 million. The funds will be used to fund the project during the ramp up period. The terms of the loans are 12 months, with termination dates in early September 2024. The loans are interest only with repayment due on the termination dates. Early repayment is permitted at any time.

Chairman Johann Jacobs said, *"We are grateful to have such strong support from three of our major shareholders who continue to show confidence in the Project and the Company's management. Our shareholders have stepped in to support the Company during the most challenging period in the Company's transition through construction, commissioning and ramp-up to steady state operations."*

Research and development tax incentive

On 17 August, the Company submitted a Research & Development (R&D) tax incentive application for the year ended 30 June 2023 with AusIndustry. The R&D Tax Incentive provides an 18.5% refundable tax offset of eligible R&D expenditure for companies with an aggregated turnover of less than $20 million. As the Company is in a tax loss position at 30 June 2023, the refundable offset will

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take the form of a cash refund which will be realised through the lodgement of the Income Tax Return. The consolidated Income Tax Return was lodged on Friday 8 September 2023.

Official opening ceremony held for Dolphin Tungsten Mine

After being dormant for 33 years, it was a privilege for the Company to host dignitaries including the Tasmanian Resources Minister The Hon Felix Ellis, Senator for Tasmania Anne Urquhart and King Island Mayor Marcus Blackie at the official opening ceremony of the Dolphin Tungsten Mine on 24 August 2023.The dignitaries were joined by the board of G6M, investors, employees and supporters of the Company on a tour of the newly commissioned process plant followed by the unveiling of a plaque by Mr Ellis to commemorate the occasion.

Figure 6 – Tour of the process plant

Figure 7– Plaque to commemorate the occasion

Chairman Johann Jacobs continued, *"We were thrilled to host many of the Company's key stakeholders and supporters at the official opening of the Dolphin Tungsten Mine. It was a momentous occasion, 14 years in the making. We were pleased to share the day with so many of whom have been instrumental in reopening the historic Dolphin Tungsten Mine."*

Approved by the board of Group 6 Metals Limited.

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About Group 6 Metals

Group 6 Metals Limited (ASX: G6M), previously known as King Island Scheelite Limited (ASX: KIS), is an Australian resources exploration, development and production company. The Company's name honours tungsten as Group 6 Metals' first commodity project (The Dolphin Mine) in production, as tungsten is a member of Group 6 of the periodic table along with chromium and molybdenum, as well as being a critical mineral and a geopolitically strategic resource.

The Company is focused on the producing high-grade tungsten concentrate from its 100%-owned Dolphin Mine located on King Island, Tasmania. The Company's medium-term objectives is to investigate opportunities to value-add the product for supply into the upstream tungsten industry.

Forward looking statements

Statements in this Announcement may be forward looking statements. Forward looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe' or 'continue' or the negative or other variations of comparable terminology.

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

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

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