# Group 6 Metals Limited
# ACN 004 681 734

## NOTICE OF GENERAL MEETING

**TIME**: 11:00 (AEST

**DATE**: Wednesday 23 April 2025

**PLACE**: Virtual meeting platform

This Notice of Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

### VENUE

A general meeting of the Shareholders of Group 6 Metals Limited will be held at 11:00(AEST) on 23 April 2025 to be held virtually via the Computershare Meeting Platform. To join and participate in the meeting virtually you can log in via the below link on your computer, tablet or smartphone. Online registration will open 30 minutes before the scheduled start time for the meeting. This Meeting will be held virtually (online) only. There will not be a meeting where shareholders can attend in person.

https://meetnow.global/MLWLC9D

Proxyholders will need to contact Computershare prior to the meeting date to obtain their login details. To participate in the meeting online follow the instructions below.

**Step 1:** Click on 'Join Meeting Now'

**Step 2:** Enter your SRN/HIN. Proxyholders will need to contact Computershare on 1300 265 043 prior to the meeting date to obtain their login details.

**Step 3**: Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop-down list.

**Step 4:** Accept the Terms and Conditions and click 'Continue'.

For further information, please refer to the Online Meeting Guide, available at www.computerhsare.com.au/virtualmeetingguide.

You will be able to cast votes at the appropriate times, as directed by the Chair, while the meeting is in progress.

Shareholders will be able to ask questions at the virtual meeting. Shareholders are also encouraged to submit questions in advance of the meeting to the Company. In assist the Company to provide meaningful answers to questions, it is recommended that shareholders provide questions in writing at least 48 hours before the meeting to Andrew Bickley, Company Secretary at andrewb@g6m.com.au.

If there is a technical difficulty affecting any online participants, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, the Company encourages Shareholders to lodge a direct vote or directed proxy by 11:00am (AEST) on Monday, 21 April 2025, even if they intend to participate online.

### YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding in the Company and your vote is important.

### VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person as at 12:00pm (AEST) on Monday 21 April 2025.

If you are not registered as a holder of the Company's shares at this time, you will not be entitled to attend or vote at the Meeting as a Shareholder. Share transfers registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

As Shareholders are being asked to participate virtually in the Meeting, each resolution will be conducted by a poll.

### APPOINTING A PROXY

If you are a Shareholder entitled to attend and vote at the Meeting, you are entitled to appoint one or two proxies as an alternative to attending the Meeting in person. Where more than one proxy is appointed, you may specify the number or proportion of votes that each may exercise, failing which, each may exercise half of the votes. A proxy may, but need not be a Shareholder of the Company and can be an individual or a body corporate.

If you want to appoint one proxy, please use the form provided. If you want to appoint two proxies, please follow the instructions on the front page of the proxy form.

Section 250BB and 250BC of the *Corporations Act 2001 (Cth)* (**Corporations Act**) apply to voting by proxy. The effect of these sections is that if a proxy votes, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed.

***The Chairman intends to vote all undirected proxies in respect of which he is appointed in favour of all resolutions.*** If there is a change to how the Chairman intends to vote undirected proxies, the Company will make an announcement to ASX.

**Lodging your proxy**

For it to be effective, the proxy form and any authorities under which the proxy form has been signed (or certified copies of those authorities) must be received by the Company or the Company's Share Registry no later than 48 hours before the commencement of the Meeting (that is, by 11:00am AEST) on Monday 21 April 2025). Lodgement instructions are as follows:

| | |
|---|---|
| **VOTE ONLINE** | www.investorvote.com.au or scan the QR Code on the proxy form with your mobile device and follow the instructions on the secure website to vote. |
| **CUSTODIAN VOTING** | For intermediary Online subscribers only (Custodians) please visit www.intermediaryonline.com to submit your voting intentions. |
| **IN PERSON** | Computershare, Yarra Falls, 452 Johnston Street Abbotsford, VIC, 3067 |
| **BY MAIL** | Computershare Investor Services, GPO Box 242, Melbourne, Victoria, 3001 |

If you appoint a proxy, you may still attend the Meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the Meeting.

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Group 6 Metals Limited will be held at via the Computershare Meeting Platform at 11:00 (AEST) on Wednesday, 23 April 2025

The Explanatory Statement accompanying (and forming part of this Notice of Meeting) is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in this Notice of Meeting.

The Directors recommend Shareholders read the Explanatory Statement in full before making any decision in relation to the resolutions.

Completion of the Recapitalisation (see section 1.1 of the Explanatory Statement) is conditional on Shareholders approving Resolutions 1-7 as set out in this Notice of Meeting.

Capitalised terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary at the end of the Explanatory Statement.

**BUSINESS**

**Resolution 1 – Approval of the issue of Shares to Ellis Entities**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of item 7 of section 611 of the Corporations Act, approval is given for:*

- *Chrysalis to acquire, by way of issue, up to 3,200,285,475 Shares in accordance with the Chrysalis Subscription Agreement;*
- *CJRE Maritime to acquire, by way of issue, up to 2,355,585,160 Shares in accordance with the CJRE Subscription Agreement; and*
- *Chrysalis and CJRE Maritime to acquire a relevant interest in the voting shares of the Company resulting from the issue of those Shares under the Chrysalis Subscription Agreement and CJRE Subscription Agreement and the exercise of the Chrysalis Warrants ), which will result in the voting power of the Ellis Entities (and their associates) increasing to a maximum of 28.95%,*

*on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 1 by:

- the person proposing to make the acquisition and their associates; or
- the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard the votes cast on this Resolution 1 by the Ellis Entities and their associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
- **Independent Expert's Report** - Shareholders should carefully consider the Independent Expert's Report included in Annexure A of the Explanatory Statement which has been prepared (among other things) for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert's Report comments on the fairness and the reasonableness of the transaction the subject of this Resolution to non-associated Shareholders and concludes that the transaction is fair and

reasonable to Shareholders that are not-associated with the Ellis Entities.

**Resolution 2 – Approval of the issue of the Chrysalis Warrants**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.11, approval is given for Chrysalis to acquire, by way of issue, up to 910,714,286 Warrants in accordance with the Chrysalis Warrant Subscription Deed on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 2 by:

- the person who is to receive the securities in question;
- any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an Associate of those persons.

Accordingly, the Company will disregard the votes cast on this Resolution 2 by the Ellis Entities and their Associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 2 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 3 – Approval of the issue of Shares to Abex Limited**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of item 7 of section 611 of the Corporations Act, approval is given for Abex Limited to acquire:*

- *by way of issue, up to 5,097,818,715 Shares in accordance with the Abex Subscription Agreement;*
- *a relevant interest in the voting shares of the Company resulting from the issue of those Shares under the Abex Subscription Agreement and the exercise of the Abex Warrants, which will result in the voting power of Abex Limited (and its associates) increasing to a maximum of 28.33%, on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 3 by:

- the person proposing to make the acquisition and their associates; or
- the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard the votes cast on this Resolution 3 by Abex Limited and its associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Independent Expert's Report** - Shareholders should carefully consider the Independent Expert's Report included in Annexure A of the Explanatory Statement which has been prepared (amongst other things) for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert's Report comments on the fairness and the reasonableness of the transaction the subject of this Resolution to non-associated Shareholders and concludes that the transaction is fair and reasonable to Shareholders that are not associated with Abex.

**Resolution 4 – Approval of the issue of Shares to Elphinstone**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of item 7 of section 611 of the Corporations Act, approval is given for Elphinstone to acquire:*

- *by way of issue, up to 3,473,106,664 Shares in accordance with the Elphinstone Subscription Agreement; and*
- *a relevant interest in the voting shares of the Company resulting from the issue of those Shares under the Elphinstone Subscription Agreement and the exercise of the Elphinstone Warrants, which will result in the voting power of Elphinstone (and its associates) increasing to a maximum of 23.26%,*

*on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 4 by:

- the person proposing to make the acquisition and their associates; or
- the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard the votes cast on this Resolution 4 by Elphinstone and its associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Independent Expert's Report** - Shareholders should carefully consider the Independent Expert's Report included in Annexure A of the Explanatory Statement which has been prepared (amongst other things) for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert's Report comments on the fairness and the reasonableness of the transaction the subject of this Resolution to non-associated Shareholders and concludes that the transaction is fair and reasonable to Shareholders that are not associated with Elphinstone.

**Resolution 5 – Approval for security to be granted to the Ellis Entities**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.1, and for all other purposes, approval is given for the Ellis Entities to have the benefit of the security granted by Australian Tungsten Pty Ltd under the Security Documents, on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 5 by:

- the person disposing of the substantial asset to, or acquiring the substantial asset from the entity;
- any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an Associate of those persons.

Accordingly, the Company will disregard the votes cast on this Resolution 5 by the Ellis Entities and their Associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Independent Expert's Report** - Shareholders should carefully consider the Independent Expert's Report included in Annexure A of the Explanatory Statement which has been prepared (among other things) for the purposes of the Shareholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and the reasonableness of the transaction the subject of this Resolution to Shareholders whose votes on this Resolution are not to be disregarded and concludes that the transaction is fair and reasonable to those Shareholders.

**Resolution 6 – Approval for security to be granted to Abex Limited**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 10.1, and for all other purposes, approval is given for Abex Limited to have the benefit of the security granted by Australian Tungsten Pty Ltd under the Security Documents, on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 6 by:

- the person disposing of the substantial asset to, or acquiring the substantial asset from the entity;
- any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an Associate of those persons.

Accordingly, the Company will disregard the votes cast on this Resolution 6 by Abex Limited and its Associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Independent Expert's Report** - Shareholders should carefully consider the Independent Expert's Report included in Annexure A of the Explanatory Statement which has been prepared (amongst other things) for the purposes of the Shareholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and the reasonableness of the transaction the subject of this Resolution to non-associated Shareholders and concludes that the transaction is fair and reasonable to Shareholders that are not associated with Abex.

**Resolution 7 – Approval of issue of Shares and Warrants (ASX Listing Rule 7.1)**

*To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:*

*"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval be given for the issue of 6,782,449,982 Shares and 6,321,428,571 Warrants on the terms and conditions described in the Explanatory Statement."*

**Voting Exclusion** – No votes may be cast in favour of this Resolution 7 by:

- the person who is expected to participate in the proposed issue;
- any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- an Associate of those persons.

Accordingly, the Company will disregard the votes cast on this Resolution 7 by:

- Abex Limited and its Associates;
- Elphinstone and its Associates;
- Pure Asset Management and its Associates;
- DACHS and its Associates;
- Gekko and its Associates;
- the State of Tasmania and its Associates;
- Billing Cranes Pty Ltd and its Associates; and
- Maxfield Drilling Pty Ltd and its Associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 8 – Approval of issue of Options to Director Mr Kevin Pallas**

*To consider and, if thought fit, pass, with or without amendment, the following resolution as an ordinary resolution:*

*"That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is given for the issue of 76 million Options to Mr Kevin Pallas, who is a Director, on the terms and conditions described in the Explanatory Statement."*

***Voting Exclusion*** – No votes may be cast in favour of this Resolution 8 by:

- a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's long term incentive scheme; or
- an Associate of that person or those persons.

Accordingly, the Company will disregard the votes cast on this Resolution 8 by Kevin Pallas and his Associates.

**Exceptions**

However, the above voting exclusions do not apply to a vote cast in favour of Resolution 8 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
    - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
    - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**DATED: 21 MARCH 2025**

**BY ORDER OF THE BOARD**

Andrew Bickley
**Company Secretary**
**Group 6 Metals Limited**

## EXPLANATORY STATEMENT

This Explanatory Statement contains an explanation of, and information about, the Resolutions to be considered at the Meeting. Shareholders should read this Explanatory Statement in full. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

This Explanatory Statement does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. If you are in any doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Capitalised words used in the Notice of Meeting and in this Explanatory Statement are defined in the Glossary section at the end of this Explanatory Statement.

The Meeting of the Company is to be held at 11:00 (AEST) on Wednesday 23 April 2025 via the Computershare Meeting Platform.

## RESOLUTIONS 1 – 7 – RECAPITALISATION

### 1.1. Background

Group 6 Metals Limited announced on 4 December 2024 that it had reached agreement with its senior lenders, subordinate lenders and some of its larger unsecured creditors to undertake a substantial recapitalisation, involving the conversion of approximately $67.1 million of the Company's debt and accrued interest costs into ordinary shares. Since this announcement, with additional interest calculated to 31 March 2025 and the participation of the State of Tasmania in the recapitalisation, this amount has increased to $81.13 million.

The transaction agreements were entered into with the Company's senior lenders, PURE Asset Management Pty Ltd, Elphinstone, CJRE Maritime, DACHS, the State of Tasmania and Abex Limited who hold most of the Company's $103.2 million of debt, of which $70.7 million was due for repayment on 22 November 2024. As part of the Recapitalisation, the repayment date for these loans have been extended to 30 April 2025. Upon completion of the Recapitalisation most of this debt will be converted to equity representing approximately 94.09% of the Shares on issue in the Company, with the balance of $6.5 million having its repayment date extended until 30 April 2027 and that debt moving to a second ranking position behind amounts advanced under the New Senior Secured Facility Agreements.

More specifically the Recapitalisation involves:

- New Senior Secured Facility Agreements providing debt funding to Australian Tungsten (a wholly owned subsidiary of the Company) of up to $25.31 million ($17.9 of which has already been advanced with the potential for further advances between the date of this notice and the meeting).

- The issue of up to 1.7 billion fully paid ordinary Shares in the capital of the Company to raise $5.94 million of new equity.

- Conversion of $77.43 million of existing secured and unsecured loans originally due for repayment by Australian Tungsten on 22 November 2024 (and extended to 30 April 2025) into ordinary shares of the Company at prices of 0.4 and 0.5 cents per Share.

- The repayment date of the remaining $6.5 million of secured debt owing to PURE by Australian Tungsten being extended to 30 April 2027.

- Unsecured trade creditors of Australian Tungsten agreeing to convert $3.7 million of amounts owing into Shares at a price of 0.5 cents per Share.

- The issue of 7.2 billion of warrants allowing the debt provided under the New Senior Secured Facility Agreements to be converted into Shares at a price of $0.35 per share. Each Warrant expires on 31 October 2025.

- The new Share issues upon conversion of the approximately $81.13 million of outstanding secured, unsecured and trade creditor debt owed by Australian Tungsten will constitute approximately 97.5% of the number of Shares on issue after the Recapitalisation (prior to dilution from the exercise of Warrants, Options and Performance Rights).

- The potential for the issuance of new equity to the Company's non-lender shareholders when it is practical for the Company to do so.

Mr Kevin Pallas has been appointed as Executive Chair of the Company and Mr Dale Elphinstone has joined Mr Chris Ellis on the board as a non-executive director.

It is expected that the Recapitalisation should allow the Company to finalise the audit of its financial statements for the year ended 30 June 2024, and subject to ASX's processes and requirements, resume trading on ASX.

Completion of the Recapitalisation is conditional on Shareholders approving Resolutions 1-7 as set out in this Notice of Meeting.

Completion of the issue of the Shares and Warrants the subject of the Recapitalisation is expected to occur within 7 days after the date of the Meeting (subject to satisfaction of the other conditions in the applicable Investor Subscription Agreements and Warrant Subscription Deeds).



### 1.2. Rationale

The Recapitalisation will address unsustainable debt levels and repayment dates, significantly strengthen the Group's balance sheet, lower funding costs and enhance liquidity with access to $25.31 million in funding (of which $17.9 has already been provided with the potential for further advances between the date of this notice and the meeting). This restructure of the Group's debt and funding arrangements is aimed at putting the Group in a position to support a business and operational review and deliver a transformation plan to ramp up to profitable operations at the Dolphin Tungsten Mine on King Island, Tasmania.

The Group implemented operational and cost reductions over the past six months in an effort to reduce cash outflows and limit monthly operational deficits. However, this proved to be disruptive and severely eroded plant resilience. The Project requires additional capital and adequate funding to properly support the optimisation of plant performance to achieve profitable production levels.

In order to stabilise the business a transformation plan is to be actioned over the coming months. Near-term initiatives have been identified which, if funded and actioned immediately, provides the Company with a viable future. These include:

- **Optimised Mine Plan**: A revised mine plan is being developed, aimed at reducing strip ratios and targeting higher grade ore, whilst developing the Project for the underground phase.

- **Process Plan Optimisation Plan**: A plan focusing on improved plant resilience, throughput, utilisation and recovery has been developed to support steady-state production. The processing plant has been the key inhibitor of performance to date due to a variety of factors, including poorly funded repairs and maintenance.

- **Operating Cost Reductions**: Rationalisation of operating expenses to significantly drive down unit production costs.

- **Enhanced Management Team**: A re-energised focussed mine management and operations team with key new appointments to drive profitability.

Upon completion of the transformation plan the Company will have an opportunity to achieve its operational and growth objectives as the demand for tungsten continues to strengthen, especially for a critical mineral supplied from Australia.

If Shareholders do not approve the Recapitalisation, then the Recapitalisation will not proceed. If the Recapitalisation does not proceed and an alternative proposal is not forthcoming, then the likely outcome is that the Directors will need to place the Company into administration.

## 1.3. Advantages and disadvantages

### (a) Advantages

The Recapitalisation will rectify an unsustainable capital structure, providing the Group with improved financial flexibility to support a transformation plan aimed at delivering operational improvements.

**Deleveraging**: Approximately $80.98 million of outstanding secured, unsecured and trade creditor debt, that the Group will not have the means to repay on maturity, will be permanently eliminated.

**Increased Liquidity**: The Group will gain access to $23.75 million in new liquidity via the New Secured Loan Agreements and Equity Issue. The Recapitalisation provides essential capital for process plant improvements, normalisation of creditor terms and working capital for the Project to ramp up to profitable production. The added liquidity will support ongoing operations and facilitate critical upgrades needed to optimise production capacity and process plant stability.

### (b) Disadvantages

**Dilution**: The Recapitalisation is highly dilutive of existing Shareholder's equity in the Company. Although existing Shareholders will be significantly diluted, the Directors believe that the Recapitalisation presents the best available opportunity for Shareholders to realise value from their shareholdings. Failure to implement the Recapitalisation will likely result in the Company being placed in administration and a zero return for all existing Shareholders.

## 1.4. Independent Expert's Report

The Company engaged BDO Corporate Finance Ltd to prepare an Independent Expert's Report on the fairness and reasonableness of the Recapitalisation on non-associated Shareholders.

A copy of the Independent Expert's Report is included in Annexure A.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Recapitalisation.

The Independent Expert has concluded that the transaction is fair and reasonable to the non-associated shareholders. It is recommended that Shareholders read the Independent Expert's Report in full.

## 1.5. Effect of the Recapitalisation on the Company

### (a) Financial Effect

The Company has been unable to finalise its audited financial statements for the year ended 30 June 2024 due to the uncertainty of its financial position.

Set out in Schedule 3 is:

- the unaudited consolidated statement of financial position of the Company as at 28 February 2025; and
- a pro forma consolidated statement of financial position of the Company as at 28 February 2025 incorporating the effect of the Recapitalisation.

The Recapitalisation should allow the Company to finalise the audit of its financial statements for the year ended 30 June 2024.

### (b) Capital structure

If the Recapitalisation proceeds, the proforma capital structure of the Company will be as follows:

| | Shares | Options (various exercise prices and expiry dates) | Warrants (various exercise prices and expiry dates) |
|---|---|---|---|
| Securities currently on issue | 1,004,022,852 | 250,558,626 | 148,214,286 |
| Securities to be issued if the Recapitalisation proceeds | 20,909,245,996[1] | 76,000,000[3] | 7,232,142,857[2] |
| **Total** | 21,913,268,848 | 326,558,626 | 7,380,357,143 |

**Notes**

1. Including 5,555,870,635 Shares the subject of Resolution 1, 5,097,818,715 Shares the subject of Resolution 3, 3,473,106,664 Shares the subject of Resolution 4 and 6,782,449,982 the subject of Resolution 7.
2. Including 910,714,286 Warrants the subject of Resolution 2 and 6,321,428,571 Warrants the subject of Resolution 7. All new Warrants will have an exercise price of 0.35 cents per Share (subject to adjustments), which is to be applied towards converting the senior secured debt of the holder of the Warrants into Shares, and will expire on 31 October 2025. See Section 7 and Schedule 1 for further information about the new Warrants.
3. Including/Comprising the 76 million Options the subject of Resolution 8.

**(c) Dilution**

If the Recapitalisation proceeds, then the Shares on issue at the date of this Notice will comprise:

- on an undiluted basis, 4.58% of the Shares that would be on issue (excluding any Shares that could be issued on exercise of any Warrants, Options or Performance Rights); and
- on a fully diluted basis, 3.40% of the Shares that would be on issue (that is, the number of Shares that would be on issue if the Recapitalisation proceeds and all Warrants and Options to be on issue on completion of the Recapitalisation are converted into Shares).
- In context, this means that if a current shareholder who is not a participant in the Recapitalisation holds 1% of the Shares on issue at the date of this Notice, then, if the Recapitalisation proceeds:
  - on an undiluted basis, that Shareholder will hold 0.25% of the Shares that would be on issue (excluding any Shares that could be issued on exercise of any Warrants, Options or Performance Rights), representing a 75.39% decrease in the size of that shareholder's shareholding against all of the Shares that would be on issue; and
  - on a fully diluted basis, that Shareholder will hold 0.18% of the Shares that would be on issue (that is, the number of Shares that would be on issue if the Recapitalisation proceeds and all Warrants and Options to be on issue on completion of the Recapitalisation are converted into Shares), representing a 81.67% decrease in the size of that shareholder's shareholding against all of the Shares that would be on issue.

**(d) Substantial shareholders**

Based on notices of substantial holding filed as at the date of this Notice of Meeting, if the Recapitalisation proceeds, the substantial Shareholders of the Company will be as follows (excluding any Shares issued on exercise of Warrants, Options or Performance Rights):

| Entity | Shares[1] | Voting Power[1] |
|---|---|---|
| Pure Asset Management Pty Ltd[2] | 2,221,675,274 | 10.12% |
| Ellis Entities[3] | 5,697,114,957 | 25.94% |
| Elphinstone[4] | 3,534,987,070 | 16.10% |
| DACHS[5] | 1,291,957,154 | 5.88% |
| Abex Limited[6] | 5,215,916,015 | 23.91% |
| State of Tasmania[7] | 2,623,044,770 | 11.95% |

**Notes**

1. Based on the number of Shares held at the date of this Notice of Meeting and assuming there are no changes to the number of Shares held and that no further Shares are issued by the Company prior to completion of the Recapitalisation.
2. Based on information provided by Pure Asset Management Pty Ltd, as at the date of this Notice of Meeting Pure Asset Management Pty Ltd (together with its associates) has a relevant interest in 1,364,706 Shares equating to voting power of 0.14%.
3. Based on information provided by the Ellis Entities, as at the date of this Notice of Meeting the Ellis Entities (together with their associates) have a relevant interest in 141,244,322 Shares equating to voting power of 14.07%.
4. Based on information provided by Elphinstone, as at the date of this Notice of Meeting Elphinstone (together with its associates) has a relevant interest in 61,880,406 Shares equating to voting power of 6.16%.
5. Based on information provided by DACHS, as at the date of this Notice of Meeting DACHS AG (together with its associates) has a relevant interest in 91,693,710 Shares equating to voting power of 9.1%.

6. Based on information provided by Abex Limited, as at the date of this Notice of Meeting Abex Limited (together with its associates) has a relevant interest in 151,304,877 Shares equating to voting power of 15.07%.
7. Based on information provided by the State of Tasmania, as at the date of this Notice of Meeting the State of Tasmania (together with its associates) does not have a relevant interest in any Shares.

**(e) Board and management**

The Board of the Company currently comprises Mr Kevin Pallas, Executive Chair, and Non-Executive Directors, Mr Chris Ellis and Mr Dale Elphinstone.

Kevin Pallas was appointed as managing director and chairperson and Dale Elphinstone was appointed as a non-executive director on 4 December 2024, being the date on which the Recapitalisation was announced.

The Company Secretary, Ms Megan McPherson, resigned and has been replaced by Mr Andrew Bickley, effective 19 December 2024. The Company expects to appoint an independent non-executive director in the coming months. An executive search is underway for an experienced Chief Financial Officer. Mr Tony Davis, Executive General Manager of Operations will report directly to the Executive Chair.

**(f) Consequences if the Recapitalisation does not proceed**

Should the Recapitalisation not proceed and an alternative proposal is not forthcoming, the current intention of the Directors is to place the Company into administration, requiring the Company to renegotiate with lenders to pursue an alternative restructuring proposal in order to continue operating.

The Outgoing Independent Directors considered it unlikely that a superior proposal could be agreed upon or that any alternative to the Restructure would provide a better return for creditors and Shareholders.

**1.6. Recapitalisation agreements**

A summary of the agreements that the Company has entered into in connection with the Recapitalisation is set out in Schedule 1.

**1.7. Terms of the Warrants**

A summary of the terms of the Warrants proposed to be issued by the Company in connection with the Recapitalisation is set out in Schedule 2.

**1.8. Indicative timetable**

If Shareholders approve the Recapitalisation at the Meeting on 23 April 2025 it is anticipated that the Recapitalisation will complete before 30 April 2025.

**1.9. Interests of Directors**

Each of the Directors of the Company has relationships with the Company's lenders and major shareholders.

Mr Kevin Pallas, Executive Chair, with the support of the senior lenders, is a nominee of Elphinstone, a lender and major shareholder of the Company. It is proposed that Mr Pallas be issued 76 million Options the subject of Resolution 8. He does not have any other personal interests in the securities of the Company.

Mr Chris Ellis, Non-Executive Director, is a director and ultimately controls each of Chrysalis and CJRE Maritime.

Each of Chrysalis Super Investments Pty Ltd as trustee for the Ellis Superannuation Fund and Sandrina Postorino are Shareholders in the Company and are also considered to be Associates of Mr Chris Ellis.

As at the date of this Notice of Meeting, the Ellis Entities and their Associates:

- Own 141,244,322 Shares, voting power of 14.07%.
- Are secured and unsecured lenders of $22,037,500 to the Company's subsidiary, Australian Tungsten.

If the Recapitalisation proceeds:

- Chrysalis will subscribe for an additional 303,571,429 Shares for 0.35 cents per Share under the Equity Issue;
- Chrysalis will convert the existing secured debt of $10,207,545 owing to them into 2,551,886,238 Shares for 0.4 cents per Share;
- CJRE Maritime will convert the existing secured debt of $6,578,505 owing to them into 1,644,626,256 Shares for 0.4 cents per Share;
- Chrysalis will convert the existing unsecured debt of $1,724,139 owing to them into 344,827,808 Shares for 0.5 cents per Share;
- CJRE Maritime will convert the existing unsecured debt of $3,554,795 owing to them into 710,958,904 Shares for 0.5 cents per Share;
- Chrysalis will be secured lenders of $3,330,418 to the Company's subsidiary, Australian Tungsten; and

  Chrysalis will be granted 910,714,286 new Warrants.

Resulting in the Ellis Entities and their Associates having a relevant interest in a total of 5,697,114,957 Shares, being voting power of 25.94% (prior the exercise of any Warrants, Options or Performance Rights) and 6,607,820,243 Shares, being voting power of 28.96%, if the Ellis Entities exercise their Warrants, but no other Warrants, Options or Performance Rights are exercised.

Mr Dale Elphinstone, Non-Executive Director, is the founder of and Executive Chairman of the Elphinstone, which as at the date of this Notice of Meeting:

- Owns 61,880,406 Shares, voting power of 6.16%.
- Is a secured and unsecured lender of $17,375,000 to the Company's subsidiary, Australian Tungsten.
- If the Recapitalisation proceeds, will:
  - o subscribe for an additional 678,571,429 Shares for 0.35 cents per Share under the Equity Issue;
  - o convert the existing secured debt of $10,328,768 owing to it into 2,582,191,900 Shares for 0.4 cents per Share;
  - o convert the existing unsecured debt of $1,061,716 owing to it into 212,343,245 Shares for 0.5 cents per Share;
  - o be secured lenders of $7,335,362 to the Company's subsidiary, Australian Tungsten Pty Ltd; and
  - o be granted 2,035,714,286 new Warrants,

resulting in Elphinstone having a relevant interest in a total of 3,534,987,070 Shares, being voting power of 16.10% (prior the exercise of any Warrants, Options or Performance Rights) and 5,570,701,355 Shares, being voting power of 23.27%, if Elphinstone exercises its Warrants, but no other Warrants, Options or Performance Rights are exercised.

### 1.10. Independent Director Recommendation

There are currently no Directors who would be considered independent in the context of the Recapitalisation. Accordingly, the Directors have decided not to make a recommendation to Shareholders as to how to vote on any of Resolutions 1 to 7.

Prior to their resignation, the Outgoing Independent Directors determined that the Recapitalisation was in the best interests of the Company and its Shareholders. Subject to no superior proposal arising and the independent expert not concluding that the Recapitalisation is not fair and not reasonable to non-participating Shareholders, the Outgoing Independent Directors of the Company unanimously recommended that Shareholders vote in favour of the Resolutions required to implement the Recapitalisation.

In reaching their decision, the Outgoing Independent Directors considered the following:

- **Independent Strategic Review:** The Company engaged independent financial advisers to provide a strategic review, exploring market conditions and options aimed at enhancing value for creditors, Shareholders and all stakeholders.
- **Oversight and Evaluation:** The Outgoing Independent Directors worked with management and lenders to oversee the strategic review. The Outgoing Independent Directors and management team sought counsel from its advisers to assess the proposal, explore strategic options and review debt and equity market conditions. Regular updates were provided to the Board.
- **Capital Structure Challenges:** The Company's existing capital structure is unsustainable. High debt levels and restricted liquidity, further exacerbated by the extended delay to ramp up of mine and profitable operations, have increased debt servicing costs and limited options for additional capital to properly fund ongoing operations.

The strategic review confirmed that a comprehensive deleveraging was necessary. Following extensive negotiations with lenders, the Outgoing Independent Directors formed the view that the Recapitalisation emerged as the best, and only viable, option to preserve residual value for the Company and its stakeholders.

## 2. RESOLUTION 1 AND RESOLUTION 2

### 2.1. Approval of the acquisition of Shares by the Ellis Entities

As announced to ASX on 4 December 2024 as part of the Recapitalisation, Chrysalis and CJRE Maritime have each entered into an Investor Subscription Agreement (the **Chrysalis Subscription Agreement and CJRE Subscription Agreement**) with the Company. Subject to satisfaction of a number of conditions, the Company has agreed to allot and issue up to *3,340,584,071*Shares to Chrysalis under the Chrysalis Subscription Agreement and 2,355,585,160 Shares to CJRE Maritime under the CJRE Subscription Agreement.

Chrysalis and CJRE Maritime are both entities that are ultimately owned and controlled by Chris Ellis, who is a non-executive director of the Company and are collectively referred to as the **Ellis Entities** in this Notice of Meeting.

A summary of the material terms and conditions of the Chrysalis Subscription Agreement and CJRE Subscription Agreement is set out in Schedule 1.

**2.2. Shareholder approval – Resolution 1**

Resolution 1 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act for:

- the acquisition, by way of issue, of up to *3,340,584,071*Shares by Chrysalis under the Chrysalis Subscription Agreement;
- the acquisition, by way of issue, of up to 2,355,585,160 Shares by CJRE Maritime under the CJRE Maritime Subscription Agreement; and
- Chrysalis and CJRE Maritime to acquire a relevant interest in the voting shares of the Company resulting from the issue of those Shares under the Chrysalis Subscription Agreement and CJRE Subscription Agreement and the exercise of the Chrysalis Warrants, which will result in the voting power of the Ellis Entities (and their associates) increasing to a maximum of 28.95%.

**2.3. Approval of the acquisition of Warrants by Chrysalis**

As also announced to ASX on 4 December 2024 as part of the Recapitalisation, Chrysalis has entered into a Warrant Subscription Deed (the Chrysalis Warrant Subscription Deed) with the Company. Subject to satisfaction of a number of conditions, the Company has agreed to issue up to 910,714,286 Shares to Chrysalis upon the future conversion of the Chrysalis Warrants.

Chrysalis is an entity that is ultimately owned and controlled by Chris Ellis, who is a non-executive director of the Company.

A summary of the material terms and conditions of the Chrysalis Warrant Subscription Deed is set out in Schedule 1.

**2.4. Shareholder approval – Resolution 2**

Resolution 2 seeks Shareholder approval for the purpose of ASX Listing Rule 10.11 to acquire, by way of issue, up to 910,714,286 Warrants in accordance with the Chrysalis Warrant Subscription Deed.

ASX Listing Rule 10.11 deals with the issue of equity securities in a listed entity to persons in a position of influence with the listed entity.

Relevantly, ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to any of the following persons without the approval of the listed entity's security holders:

- a related party (ASX Listing Rule 10.11.1);
- a person who is or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity (ASX Listing Rule 10.11.2);
- a person who is or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so (ASX Listing Rule 10.11.3);
- an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3 (ASX Listing Rule 10.11.4); or
- a person whose relationship with the listed entity or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's option, the issue or agreement should be approved by Shareholders (ASX Listing Rule 10.11.5).

For the purposes of ASX Listing Rule 10.11, the issuance of the Chrysalis Warrants falls within Listing Rule 10.11.1 as Chrysalis is a related party of the Company because Chris Ellis is a director of the Company and therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

## 2.5. Independent Expert's Report

An Independent Expert's Report is included in Annexure A which comments on the fairness and reasonableness of the transaction the subject of Resolution 1 and Resolution 2 to the Non-Associated Shareholders of the Company.

The Independent Expert has concluded in the Independent Expert's Report that the transaction is fair and reasonable to the non-associated shareholders. It is recommended that Shareholders read the Independent Expert's Report in full.

## 2.6. About the Ellis Entities

The Ellis Entities comprise a group of investment vehicles that specialise in strategic investments across various sectors including Mining and Resources, Listed Share Portfolios, Residential, Rural and Commercial Property and Startup businesses. The Ellis Entities are focused on identifying and supporting opportunities that align with their investment philosophy, which emphasises long-term value creation and sustainable growth.

The associates of the Ellis Entities are:

- Chrysalis Super Investments Pty Ltd ACN 633 352 833 as trustee for The ELLIS Superannuation Fund ABN 71 330 854 687; and
- Sandrina Postorino.

## 2.7. Financial effect on the Company

If the Chrysalis Subscription Agreement becomes unconditional, Chrysalis will be obliged to subscribe for:

- 303,571,429 Shares for an aggregate subscription amount of $1,062,500 (or 0.35 cents per Share) in cash;
- 344,827,808 Shares for an aggregate subscription amount of $1,724,139 (or 0.5 cents per Share), with the obligation of Chrysalis to pay this amount to be satisfied by a reduction in the amount of unsecured debt owed by Australian Tungsten (a wholly owned subsidiary of the Company) to Chrysalis of the same amount; and
- 2,551,886,238 Shares for an aggregate subscription amount of $10,207,545 (or 0.4 cents per Share), with the obligation of Chrysalis to pay this amount to be satisfied by a reduction in the amount of secured debt owed by Australian Tungsten to the Ellis Entities of the same amount.

If the CJRE Subscription Agreement becomes unconditional, CJRE Maritime will be obliged to subscribe for:

- 710,958,904 Shares for an aggregate subscription amount of $3,554,795 (or 0.5 cents per Share), with the obligation of CJRE Maritime to pay this amount to be satisfied by a reduction in the amount of unsecured debt owed by Australian Tungsten (a wholly owned subsidiary of the Company) to CJRE Maritime of the same amount; and
- 1,644,626,256 Shares for an aggregate subscription amount of $6,578,505 (or 0.4 cents per Share), with the obligation of CJRE Maritime to pay this amount to be satisfied by a reduction in the amount of secured debt owed by Australian Tungsten (a wholly owned subsidiary of the Company) to CJRE Maritime of the same amount.

No issue price is payable in respect of the Chrysalis Warrants to be issued under the Chrysalis Warrant Subscription Deed.

The obligation of Chrysalis to pay the exercise price for each Chrysalis Warrant it converts is to be satisfied by the amount payable by Australian Tungsten under the New Secured Loan Agreement with Chrysalis (summarised in Schedule 1) being reduced by the amount of the exercise price.

If Chrysalis exercises all of the Chrysalis Warrants, the maximum aggregate exercise price will be $3,187,500 (or 0.35 cents per Share) resulting in a reduction in the amount owed by Australian Tungsten under the New Secured Loan Agreement with Chrysalis, of that amount.

Refer to Schedule 3 for a pro forma balance sheet showing the financial effect of the overall Recapitalisation on the Company.

## 2.8. Item 7 of section 611 of the Corporations Act

### (a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases from 20% or below, or from a starting point that is above 20% and below 90%.

**(b) Voting Power**

The voting power of a person in a company is determined under section 610 of the Corporations Act. The calculation of person's voting power involves determining the percentage of voting shares issued by the company which the person and the person's associates have a relevant interest in.

**(c) Associates**

For the purposes of determining voting power under the Corporations Act a person (**second person**) is an "associate" of the other person (**first person**) if:

- (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
  - a body corporate the first person controls;
  - a body corporate that controls the first person; or
  - a body corporate that is controlled by an entity that controls the person;
- the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact.

**(d) Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- are the holder of the securities;
- have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- a body corporate in which the person's voting power is above 20%; and
- a body corporate that the person controls.

**(e) Control and relevant agreement**

The Corporations Act defines "control" and "relevant agreement" very broadly as follows:

- under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of a company; and
- under section 9 of the Corporations Act, a relevant agreement includes an agreement, arrangement or understanding whether written or oral, formal or informal and whether or not having legal or equitable force.

**2.9. Shareholder approval under ASX Listing Rule 7.1 not required**

Pursuant to ASX Listing Rule 7.2 (Exception 8), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purposes of item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 1, the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Further and pursuant to ASX Listing Rule 7.2 (Exception 14), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purposes of ASX Listing Rule 10.11. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 2, the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 2.10. Reason item 7 of section 611 of the Corporations Act approval is required

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition against acquiring a relevant interest in voting shares where this would result in an increase in voting power above, or from a point above, 20% described in section 2.8 whereby a person may acquire a relevant interest in a company's voting shares which would otherwise breach the prohibition with shareholder approval.

As at the date of this Notice of Meeting, the Ellis Entities and their associates have the following relevant interests in voting shares of the Company, and the following voting power in the Company:

| Entity | Shares | Voting Power |
|---|---|---|
| Chrysalis | 140,298,596 | 13.97% |
| CJRE Maritime | - | - |
| Chrysalis Super Investments Pty Ltd ACN 633 352 833] as trustee for The ELLIS Superannuation Fund | 220,503 | 0.02% |
| Sandrina Postorino | 725,223 | 0.07% |
| **Total** | **141,244,322** | **14.06%** |

**Notes**

1. Based on the number of Shares held at the date of this Notice of Meeting and assuming there are no changes to the number of Shares held and that no further Shares are issued by the Company prior to completion of the Recapitalisation.
2. Based on information provided by the Ellis Entities as at the date of this Notice of Meeting.

Following the issue of Shares under the Chrysalis Subscription Agreement and CJRE Subscription Agreement:

- Chrysalis would have a relevant interest in 3,341,529,797 Shares;
- CJRE Maritime (and its associates) would have a relevant interest in 2,355,585,160 Shares;
- each of the Ellis Entities and their associates would have voting power of 15.27% (assuming all of Shares proposed to be issued under the Recapitalisation are issued, but no other Shares are issued by the Company, and the Ellis Entities and their associates do not dispose of any Shares, following the date of this Notice of Meeting).

Following the exercise of the Chrysalis Warrants under the Chrysalis Warrant Subscription Deed, each of the Ellis Entities and their associates would have voting power of 28.96% (assuming all of Shares proposed to be issued under the Recapitalisation are issued, but no other Shares are issued by the Company, and the Ellis Entities and their associates do not dispose of any Shares, following the date of this Notice of Meeting).

The Maximum voting power in the Company that could be achieved by the Ellis Entities under the Recapitalisation Plan is 28.96%, in a situation where:

- all of Shares proposed to be issued under the Recapitalisation are issued, but no other Shares are issued by the Company, and the Ellis Entities and their associates do not dispose of any Shares, following the date of this Notice of Meeting;
- all of warrants proposed to be issued under the Recapitalisation are issued, and are exercised by the Ellis Entities; and
- none of the warrants proposed to be issued to the entities that are not related to the Ellis Entities are exercised.

Resolution 1 seeks Shareholder approval for the purposes of section 611 of item 7 of the acquisition by Chrysalis and CJRE Maritime of Shares to be issued under the Chrysalis Subscription Agreement and the CJRE Subscription Agreement respectively.

Whilst the recapitalisation is structured for the transactions to complete concurrently, theoretically, should only the Ellis Entities transactions complete, the voting power of the Ellis Entities and their associates would be a maximum of 88.57% and all other loans would be required to be repaid.

## 2.11. Shareholder approval under Chapter 2E of the Corporations Act not required

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in the sections 210 to 216 of the Corporations Act.

The Ellis Entities are related parties within the meaning of the Corporations Act, and the issuance of the Shares to the Ellis Entities under Resolution 1 and the issue of the Warrants to Chrysalis under Resolution 2 will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

The Board has formed the view that the issuance of the Shares to the Ellis Entities under Resolution 1 and the issue of the Warrants to Chrysalis under Resolution 2 do not require shareholder approval under section 208 of the Corporations Act, as the issue is on arms length terms, in accordance with section 210 of the Corporations Act.

### 2.12. Ellis Entities' intentions

Following completion of the issue of the Shares and Warrants the subject of Resolution 1 and Resolution 2 respectively, the Ellis Entities will have a significant interest in the capital of the Company which could mean that they will be in a position to influence the election of Directors and the financial and operating decisions of the Company and its interests may not align with those of all other Shareholders.

Other than as set out elsewhere in this Notice of Meeting, the Company understands that the Ellis Entities and its associates:

- have no present intention to change the business of the Company;
- have no present intention to inject further capital into the Company (other than pursuant to the Recapitalisation and potential exercise of the Warrants);
- have no present intention to change the future employment of the present employees of the Company;
- have no proposal to transfer any property between the Company and the Ellis Entities and their associates; and
- have no intention to change the Company's existing policies in relation to financial matters and dividends.

## 3. RESOLUTION 3

### 3.1. Approval of the acquisition of Shares by Abex Limited

As part of the Recapitalisation the Company and Abex Limited have entered into an Investor Subscription Agreement (the **Abex Subscription Agreement**) under which the Company has agreed to allot and issue up to 5,097,818,715 Shares to Abex Limited, subject to the satisfaction of a number of conditions.

Abex Limited has also entered into a Warrant Subscription Deed (the Abex Warrant Subscription Deed) with the Company. Subject to satisfaction of a number of conditions, the Company has agreed to issue up to 1,339,285,714 Warrants which may be issued to Abex Limited under the Abex Warrant Subscription Deed, subject to the satisfaction of a number of conditions.

### 3.2. Shareholder approval – Resolution 3

Resolution 3 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act for:

- the acquisition, by way of issue of 5,097,818,715 Shares by Abex Limited under the Abex Subscription Agreement; and

- Abex Limited to acquire a relevant interest in the voting shares of the Company resulting from the issue of those Shares under the Abex Subscription Agreement and the exercise of the Abex Warrants, which will result in the voting power of Abex Limited increasing to a maximum of 28.35%.

Pursuant to ASX Listing Rule 7.2 (Exception 8), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purposes of item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 3, the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The issue of the Abex Warrants by the Company to Abex Limited does require the approval of Shareholders under ASX Listing Rule 7.1, in respect of them. The issue of the Abex Warrants is the subject of Resolution 7 (amongst other matters).

**3.3. Independent Expert's Report**

An Independent Expert's Report is included in Annexure A which comments on the fairness and reasonableness of the transaction the subject of Resolution 3 to the non-associated Shareholders of the Company.

The Independent Expert has concluded in the Independent Expert's Report that the transaction is fair and reasonable to shareholders not associated to Abex. It is recommended that Shareholders read the Independent Expert's Report in full.

**3.4. About Abex Limited**

Abex Limited is a privately owned company, registered and resident in Guernsey. Its principal activity is investment holding.

There are no associates of Abex Limited that hold shares in the Company.

**3.5. Financial effect on the Company**

If the Abex Subscription Agreement becomes unconditional, Abex Limited will be obliged to subscribe for:

- 446,428,571 Shares for an aggregate subscription amount of $1,562,500 (or 0.35 cents per Share) in cash;
- 1,070,260,328 Shares for an aggregate subscription amount of $5,351,301 (or 0.5 cents per Share), with the obligation of Abex Limited to pay this amount to be satisfied by a reduction in the amount of unsecured debt owed by Australian Tungsten (a wholly owned subsidiary of the Company) to Abex Limited of the same amount; and
- 3,581,129,816 Shares for an aggregate subscription amount of $14,324,519 (or 0.4 per Share), with the obligation of Abex Limited to pay this amount to be satisfied by a reduction in the amount of secured debt owed by Australian Tungsten (to Abex Limited of the same amount.

No issue price is payable in respect of the Warrants which may be issued to Abex Limited under the Abex Warrant Subscription Deed.

The obligation of Abex Limited to pay the exercise price for each Warrant it converts is satisfied by the amount payable by Australian Tungsten under the New Secured Loan Agreement with Abex Limited (summarised in Schedule 1) being reduced by the amount of the exercise price.

If Abex Limited exercises all of the Warrants which may be issued to it under the Abex Warrant Subscription Deed, the maximum aggregate exercise price will be $4,687,500 (or 0.35 cents per Share) resulting in a reduction in the amount owed by Australian Tungsten under the New Secured Loan Agreement with Abex Limited, of that amount.

Refer to Schedule 3 for a pro forma balance sheet showing the financial effect of the overall Recapitalisation on the Company.

**3.6. Reason item 7 of section 611 of the Corporations Act approval is required**

Item 7 of section 611 of the Corporations Act provides an exception to prohibition on acquiring a relevant interest in voting shares where this would result in an increase in voting power above, or from a point above, 20% described in section 2.8 whereby a person may acquire a relevant interest in a company's voting shares which would otherwise breach the prohibition with shareholder approval.

Refer to section 2.8 of this Explanatory Statement for an overview of item 7 of Section 611 of the Corporations Act.

As at the date of this Notice of Meeting, Abex Limited and its associates have the following relevant interests in voting shares of the Company, and the following voting power in the Company:

| Entity | Shares | Voting Power |
|---|---|---|
| Abex Limited | 151,304,877 | 15.07% |

Following the issue of Shares under the Abex Subscription Agreement, Abex Limited:

- would have a relevant interest in 5,249,123,592 Shares;

- Abex Limited and its associates would have voting power of 23.95% (assuming all of Shares proposed to be issued under the Recapitalisation are issued, but no other Shares are issued by the Company, and Abex Limited and their associates do not dispose of any Shares, following the date of this Notice of Meeting).
- The Maximum voting power in the Company that could be achieved by Abex Limited under the Recapitalisation Plan is 28.33%, in a situation where:
  - all of Shares proposed to be issued under the Recapitalisation are issued, but no other Shares are issued by the Company, and Abex Limited and their associates do not dispose of any Shares, following the date of this Notice of Meeting;
  - all of warrants proposed to be issued under the Recapitalisation are issued, and are exercised by Abex Limited; and,
  - none of the warrant proposed to be issued to the entities that are not related to Abex Limited are exercised.

Resolution 3 seeks Shareholder approval for the purposes of section 611 of item 7 and all other purposes of the acquisition by Abex Limited of Shares to be issued under the Abex Subscription Agreement and Shares issued upon exercise of Warrants to be issued under the Abex Warrant Subscription Deed.

Whilst the recapitalisation is structured for the transactions to complete concurrently, theoretically, should only Abex Limited's transaction complete, the voting power of Abex Limited would be a maximum of 88.49% and all other loans would be required to be repaid.

### 3.7. Abex Limited's intentions

Following completion of the issue of the Shares and Warrants the subject of Resolution 3, Abex Limited will have a significant interest in the capital of the Company which could mean that it will be in a position to influence the election of Directors and the financial and operating decisions of the Company and its interests may not align with those of all other Shareholders.

Other than as set out elsewhere in this Notice of Meeting, the Company understands that Abex Limited and its associates:

- have no present intention to change the business of the Company;
- have no present intention to inject further capital into the Company (other than pursuant to the Recapitalisation and potential conversion of the Warrants);
- have no present intention to change the future employment of the present employees of the Company;
- have no proposal to transfer any property between the Company and Abex Limited and its associates; and
- have no intention to change the Company's existing policies in relation to financial matters and dividends.

## 4. RESOLUTION 4

### 4.1. Approval of the acquisition of Shares by Elphinstone

Also as part of the Recapitalisation the Company and Elphinstone have entered into an Investor Subscription Agreement (the Elphinstone Subscription Agreement) under which the Company has agreed to issue up to 3,473,106,664 Shares to Elphinstone, subject to the satisfaction of a number of conditions.

Elphinstone has also entered into a Warrant Subscription Deed (the **Elphinstone Warrant Subscription Deed**) with the Company. Subject to satisfaction of a number of conditions, the Company has agreed to issue up to 2,035,714,286 Warrants to Elphinstone under the Elphinstone Warrant Subscription Deed, subject to the satisfaction of a number of conditions.

### 4.2. Shareholder approval – Resolution 4

Resolution 4 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act for:

- the acquisition, by way of issue, of 3,473,106,664 Shares under the Elphinstone Subscription Agreement; and
- Elphinstone to acquire a relevant interest in the voting shares of the Company resulting from the issue of those Shares under the Elphinstone Subscription Agreement and the exercise of the Elphinstone Warrants, which will result in the voting power of Elphinstone (and its associates) increasing to a maximum of 23.26%.

Elphinstone is ultimately owned and controlled by Dale Elphinstone, who was appointed a non-executive director of the Company on 4 December 2024, after execution of the Elphinstone Subscription Agreement, Elphinstone Warrant Subscription Deed and the New Secured Loan Agreement with Elphinstone.

### 4.3. Shareholder approval under ASX Listing Rules not required

Pursuant to ASX Listing Rule 7.2 (Exception 8), ASX Listing Rule 7.1 does not apply to an issue of securities approved for the purposes of item 7 of section 611 of the Corporations Act. Accordingly, if Shareholders approve the issue of securities pursuant to Resolution 4, the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The issue of the Elphinstone Warrants by the Company to Elphinstone does require the approval of Shareholders under ASX Listing Rule 7.1, in respect of them. The issue of the Elphinstone Warrants is the subject of Resolution 7 (amongst other matters).

Pursuant to ASX Listing Rule 10.12 (Exception 10), the requirement for Shareholder approval under ASX Listing Rule 10.11 for the issue of securities to a related party does not apply if an exception under ASX Listing Rule 10.12 applies. Exception 10 under ASX Listing Rule 10.12 applies to the proposed issue of Shares to Elphinstone under the Elphinstone Subscription Agreement, as the Company entered into the Elphinstone Subscription Agreement before Elphinstone became a related party and complied with the ASX Listing Rules at the time. Consequently, Shareholder approval under ASX Listing Rule 10.11 is not required.

### 4.4. Independent Expert's Report

An Independent Expert's Report is included in Annexure A which comments on the fairness and reasonableness of the transaction the subject of Resolution 4 to the non-associated Shareholders of the Company.

The Independent Expert has concluded in the Independent Expert's Report that the transaction is fair and reasonable to shareholders not associated with Elphinstone. It is recommended that Shareholders read the Independent Expert's Report in full.

### 4.5. About Elphinstone

Elphinstone Holdings Pty Ltd is a member of the Elphinstone Group. The Elphinstone Group owns, or holds a majority or substantial interest in: William Adams (CAT Dealer Victoria and Tasmania), United Equipment (CAT and Kone forklift dealer in Australia), Elphinstone Pty Ltd (CAT OEM), Mine Energy Solutions (dual fuel mobile mining) and Engenco Limited. The Group is principally focused on Caterpillar product distribution and support, manufacturing, technology, materials handling, rail and resources.

### 4.6. Financial effect on the Company

If the Elphinstone Subscription Agreement becomes unconditional Elphinstone will be obliged subscribe for:

- 678,571,429 Shares for an aggregate subscription amount of $2,375,000 (or 0.35 cents per Share) in cash;
- 212,343,245 Shares for an aggregate subscription amount of $1,061,716 (or 0.5 cents per Share), with the obligation of Elphinstone to pay this amount to be satisfied by a reduction in the amount of unsecured debt owed by Australian Tungsten (a wholly owned subsidiary of the Company) to Elphinstone of the same amount; and
- 2,582,191,900 Shares for an aggregate subscription amount of $10,328,768 (or 0.4 cents per Share), with the obligation of Elphinstone to pay this amount to be satisfied by a reduction in the amount of secured debt owed by Australian Tungsten to Elphinstone of the same amount.

No issue price is payable in respect of the Warrants to be issued to Elphinstone under the Elphinstone Warrant Subscription Deed.

The obligation of Elphinstone to pay the exercise price for each Warrant it converts is satisfied by the amount payable by Australian Tungsten under the New Secured Loan Agreement with Elphinstone (summarised in Schedule 1) being reduced by the amount of the exercise price.

If Elphinstone exercise all of the Warrants which may be issued to it under the Elphinstone Warrant Subscription Deed, the maximum aggregate exercise price will be $7,125,000 (or 0.35 cents per Share) resulting in a reduction in the amount owed by Australian Tungsten under the New Secured Loan Agreement with Elphinstone, of that amount.

Refer to Schedule 3 for a pro forma balance sheet showing the financial effect of the overall Recapitalisation on the Company.

### 4.7. Reason item 7 of section 611 of the Corporations Act approval is required

Item 7 of section 611 of the Corporations Act provides an exception to prohibition on acquiring a relevant interest in voting shares where this would result in an increase in voting power above, or from a point above, 20% described in section 2.8 whereby a person may acquire a relevant interest in a company's voting shares which would otherwise breach the prohibition with shareholder approval.

Refer to section 2.8 of this Explanatory Statement for an overview of item 7 of Section 611 of the Corporations Act.

As at the date of this Notice of Meeting, Elphinstone and its associates have the following relevant interests in voting shares of the Company, and the following voting power in the Company:

| Entity | Shares | Voting Power |
|---|---|---|
| Elphinstone | 61,880,406 | 6.16% |

Following the issue of Shares under the Elphinstone Subscription Agreement, Elphinstone would have a relevant interest in 3,534,987,070 Shares and Elphinstone and its associates voting power of 16.13% (assuming all of Shares proposed to be issued under the Recapitalisation are issued, but no other Shares are issued by the Company, and Elphinstone and its associates do not dispose of any Shares, following the date of this Notice of Meeting).

Further following the issue of Warrants under the Elphinstone Warrant Subscription Deed, if Elphinstone exercises all of those Warrants it will acquire a relevant interest in a further 2,035,714,286 Shares, resulting in Elphinstone having a relevant interest in 5,570,701,355 Shares in total (assuming it does not dispose of any Shares after the date of this Notice of Meeting). This would increase the voting power of Elphinstone and its associates to 23.26% (if, apart from the issue of Shares under the Recapitalisation and on conversion of those Warrants, no other Shares are issued by the Company, and none of Elphinstone or its associates dispose of any Shares, following the date of this Notice of Meeting).

Accordingly, Resolution 4 seeks Shareholder approval for the purposes of section 611 of item 7 and all other purposes of the acquisition by Elphinstone of Shares to be issued under the Elphinstone Subscription Agreement and Shares issued upon exercise of the Warrants to be issued under the Elphinstone Warrant Subscription Deed.

Whilst the recapitalisation is structured for the transactions to complete concurrently, theoretically, should only the Elphinstone transaction complete, the voting power of Elphinstone would be a maximum of 78.96% and all other loans would be required to be repaid.

### 4.8. Shareholder approval under Chapter 2E of the Corporations Act not required

It is acknowledged that Elphinstone is a related party of the Company within the meaning of the Corporations Act, and the issuance of the Shares to Elphinstone under Resolution 4 and the issue of the Warrants to Elphinstone under Resolution 7 will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

The Board has formed the view that the issuance of the Shares to Elphinstone under Resolution 4 and the issue of the Warrants to Elphinstone under Resolution 7 do not require shareholder approval under section 208 of the Corporations Act, as the issue is on arms length terms, in accordance with section 210 of the Corporations Act.

### 4.9. Elphinstone's intentions

Following completion of the issue of the Shares and Warrants the subject of Resolution 4, Elphinstone will have a significant interest in the capital of the Company which could mean that it will be in a position to influence the election of Directors and the financial and operating decisions of the Company and its interests may not align with those of all other Shareholders.

Other than as set out elsewhere in this Notice of Meeting, the Company understands that Elphinstone and its associates:

- have no present intention to change the business of the Company;
- have no present intention to inject further capital into the Company (other than pursuant to the Recapitalisation and potential conversion of the Warrants);
- have no present intention to change the future employment of the present employees of the Company;
- have no proposal to transfer any property between the Company and Elphinstone and its associates; and
- have no intention to change the Company's existing policies in relation to financial matters and dividends.

### 4.10. Nominee Directors

Mr Kevin Pallas and Mr Dale Elphinstone are nominee directors of Elphinstone on the Board of the Company appointed in accordance with the right granted to Elphinstone under the Elphinstone Investor Subscription

Agreement to nominate directors of the Company (see Schedule 1 for more information about these nomination rights).

## 5. RESOLUTION 5 – Approval for security to be granted to the Ellis Entities

### 5.1. Background

Australian Tungsten is a wholly owned subsidiary of the Company. Australian Tungsten is the operator of the Project and holds both the mining license for the Project and the associated Project tenements.

In connection with the Recapitalisation, Australian Tungsten has entered into a New Secured Loan Agreement with Chrysalis under which, subject to satisfaction of the applicable conditions (summarised in Schedule 1) Chrysalis has agreed to loan Australian Tungsten up to $3,187,500, $3,187,500 of which has already been advanced.

The amounts advanced under the New Secured Loan Agreement will be used to facilitate the payment of creditors of Australian Tungsten and for the provision of working capital to facilitate necessary capital works. A timetable for completion of the New Secured Loan Agreement is set out in section (b) of Schedule 1.

Subject to Shareholder approval and satisfaction of the other conditions summarised in Schedule 1, Australian Tungsten has agreed to the amounts advanced under the New Secured Loan Agreement with Chrysalis having the benefit of the general security over all of the assets of Australian Tungsten, the Company and Scheelite Management Pty Ltd under the Security Documents as security for performance of its obligations under the New Secured Loan Agreement.

ASX deems the granting of a security interest over the assets and undertakings of an entity to be a "disposal" of a substantial asset for the purposes of ASX Listing Rule 10.1, and as outlined in section 5.5 below, Shareholder approval is required for an entity to dispose of a substantial asset to certain persons in a position to influence the entity.

### 5.2. Key terms of the New Secured Loan Agreement

A summary of the key terms of the New Secured Loan Agreement with Chrysalis is set out in Schedule 1.

It is noted that the New Secured Loan Agreement entered into with Chrysalis is considered to be on arm's length terms, such terms having been negotiated to reflect standard commercial practices and are consistent with terms that would be agreed between unrelated parties in similar circumstances. Additionally, the terms of the New Secured Loan Agreement are identical for each lender which entered into the New Secured Loan Agreement ensuring fairness and consistency across all participating lenders.

### 5.3. Key terms of the Security Documents

A summary of the key terms of the Security Documents is set out in Schedule 1.

The security interest being approved under Resolution 5 is being granted under the Security Documents in consideration for Chrysalis entering into a New Secured Loan Agreement with Australian Tungsten.

As with the New Secured Loan Agreement, the Security Documents under which Chrysalis will have the benefit of the security interest are considered to be on arm's length terms and the terms are identical for each participating lender.

### 5.4. Independent Expert's Report

An Independent Expert's Report is included in Annexure A which comments on the fairness and reasonableness of the transaction the subject of Resolution 5 to the non-associated Shareholders of the Company.

The Independent Expert has concluded in the Independent Expert's Report that fair and reasonable to shareholders not associated with the Ellis Entities. It is recommended that Shareholders read the Independent Expert's Report in full.

### 5.5. ASX Listing Rule 10.1

ASX Listing Rule 10.1 deals with transactions between a listed entity (or any of its subsidiaries) and persons in a position of influence with the listed entity.

Relevantly, ASX Listing Rule 10.1 provides that a listed entity (or any of its subsidiaries) must not acquire a "substantial asset" from, or dispose of a substantial asset to, any of the following persons without the approval of the listed entity's security holders:

- a related party (ASX Listing Rule 10.1.1);
- a subsidiary (ASX Listing Rule 10.1.2);
- a "substantial holder", if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities (ASX Listing Rule 10.1.3);
- an associate of a person referred to in ASX Listing Rule 10.1.1 to 10.1.3 (ASX Listing Rule 10.1.4); or

- a person whose relationship to the entity is such that, in ASX's opinion, the transaction should be approved by security holders (ASX Listing Rule 10.1.5).

The Ellis Entities are both:

- related parties of the Company because Chris Ellis is a director of the Company; and
- "substantial holders" with a relevant interest in 10% or more of the Shares, being Shareholders with a combined relevant interest in 26.2% of the Shares on issue at the time of entry into the New Secured Loan Agreement with Chrysalis and revised Security Documents.

**What is a substantial asset?**

Under ASX Listing Rule 10.2, an asset is "substantial" if its value, or the value of the consideration for it is, or in ASX's opinion, 5% or more of the equity interest of the listed entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The ASX considers, for the purpose of ASX Listing Rule 10.1 that the grant of security over the Company's subsidiary's assets is a 'disposal' of its assets. Based on the assets in respect of which security has been granted to the lenders under the New Secured Loan Agreements under the Security Documents and the amount available under the New Secured Loan Agreement with Chrysalis which is to be secured by the Security Documents, Shareholder approval is required under ASX Listing Rule 10.1 for Chrysalis to receive the benefit of the security under the Security Documents.

If Resolution 5 is passed, then provided the Recapitalisation proceeds and the other conditions (summarised in Schedule 1) in respect of the New Secured Loan Agreement with Chrysalis and the Security Documents are satisfied, the amounts advanced under the New Secured Loan Agreement with Chrysalis will be secured by the security interest under the Security Documents.

## 6. RESOLUTION 6 – Approval for security to be granted to Abex Limited

### 6.1. Background

Australian Tungsten has also entered into a New Secured Loan Agreement with Abex Limited under which, subject to satisfaction of the applicable conditions (summarised in Schedule 1) Abex Limited has agreed to loan Australian Tungsten up to $4,687,500, $4,687,500 of which has already been advanced.

The amounts advanced under the New Secured Loan Agreement will be used to facilitate the payment of creditors of Australian Tungsten and for the provision of working capital to facilitate necessary capital works. A timetable for completion of the New Secured Loan Agreement is set out in section (b) of Schedule 1.

Subject to Shareholder approval and satisfaction of the other conditions summarised in Schedule 1, Australian Tungsten has agreed to the amounts advanced under the New Secured Loan Agreement with Abex Limited having the benefit of a general security over all of the assets of Australian Tungsten, the Company and Scheelite Management Pty Ltd under the Security Documents as security for performance of its obligations under the New Secured Loan Agreement.

ASX deems the granting of a security interest over the assets and undertakings of an entity to be a "disposal" of a substantial asset for the purposes of ASX Listing Rule 10.1, and as outlined in section 5.5 above, Shareholder approval is required for an entity to dispose of a substantial asset to certain persons in a position to influence the entity.

### 6.2. Key terms of the New Secured Loan Agreement

A summary of the key terms of the New Secured Loan Agreement with Abex Limited is set out in Schedule 1.

It is noted that the New Secured Loan Agreement entered into with Abex Limited is considered to be on arm's length terms, such terms to have been negotiated to reflect standard commercial practices and are consistent with terms that would be agreed between unrelated parties in similar circumstances. Additionally, the terms of the New Secured Loan Agreement are identical for each lender which entered into the New Secured Loan Agreement ensuring fairness and consistency across all participating lenders.

### 6.3. Key terms of the Security Documents

A summary of the key terms of the Security Documents is set out in Schedule 1.

The security interest being approved under Resolution 6 is being granted under the Security Documents in consideration for Abex Limited entering into a New Secured Loan Agreement with Australian Tungsten.

As with the New Secured Loan Agreement, the Security Documents under which Abex Limited will have the benefit of the security interest are considered to be on arm's length terms and the terms are identical for each participating lender.

### 6.4. Independent Expert's Report

An Independent Expert's Report is included in Annexure A which comments on the fairness and reasonableness of the transaction the subject of Resolution 6 to the non-associated Shareholders of the Company.

The Independent Expert has concluded in the Independent Expert's Report that fair and reasonable to shareholders not associated with Abex. It is recommended that Shareholders read the Independent Expert's Report in full.

### 6.5. ASX Listing Rule 10.1

Relevant Information in relation to the scope and operation of ASX Listing Rule 10.1 is set out in section 5.5 above.

ASX Listing Rule 10.1 applies to Abex Limited because it is a "substantial holder" with a relevant interest in 24.1% of the Shares on issue at the time of entry into the New Secured Loan Agreement and revised Security Documents with Australian Tungsten.

Based on the assets in respect of which security has been granted to the lenders under the New Secured Loan Agreements under the Security Documents and the amount available under the New Secured Loan Agreement with Abex Limited which is to be secured by the Security Documents, Shareholder approval is required under ASX Listing Rule 10.1 for Abex Limited to receive the benefit of the security under the Security Documents.

If Resolution 6 is passed, then provided the Recapitalisation proceeds and the other conditions (summarised in Schedule 1) in respect of the New Secured Loan Agreement with Abex Limited and the Security Documents are satisfied, the amounts advanced under the New Secured Loan Agreement with Abex Limited will be secured by the security interest under the Security Documents.

## 7. RESOLUTION 7

### 7.1 ASX Listing Rule 7.1 approvals

As part of the Recapitalisation, the Company has agreed to issue the following Shares and Warrants (subject to satisfaction or waiver of a number of conditions):

| | Shares | Warrants |
|---|---|---|
| Abex Limited | nil[1] | 1,339,285,714 |
| Elphinstone | nil[2] | 2,035,714,286 |
| Pure Asset Management | 2,220,310,568 | 803,571,429 |
| DACHS | 1,200,263,444 | nil |
| State of Tasmania | 2,623,044,770 | 2,142,857,143 |
| Gekko | 594,831,200 | nil |
| Billing Cranes Pty Ltd | 44,000,000 | nil |
| Maxfield Drilling Pty Ltd | 100,000,000 | nil |
| **Total** | **6,782,449,982** | **6,321,428,571** |

1 Subject to Resolution 3.

2 Subject to Resolution 4.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid shares it had on issue at the start of that period.

The above issues do not fall within any of these exceptions and the Company therefore seeks the approval of Shareholders under ASX Listing Rule 7.1, in respect of them.

If Resolution 7 is passed and the other conditions are satisfied (or waived) the issues of Shares and Warrants mentioned will be able to proceed. In addition, the issue of those Shares and Warrants will be excluded from the calculation of the number of equity securities which the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

The Shares and Warrants the subject of Resolution 7 and the Shares will be issued no later than 3 months after the date of the Meeting.

The consideration and issue price of the securities the subject of Resolution 7 is as follows:

- If the Investor Subscription Agreements with Pure Asset Management, DACHS and the State of Tasmania complete, existing secured debt owing to them by Australian Tungsten (a wholly owned subsidiary of the Company) will be converted into Shares at an issue price of 0.4 cents per Share, in the case of Pure Asset Management and the State of Tasmania, and 0.5 cents per Share in the case of DACHS, as follows:

| Entity | Amount of reduction of secured debt |
|---|---|
| Pure Asset Management | $7,809,814 |
| DACHS | $6,001,317 |
| State of Tasmania | $10,492,179 |
| **Total** | $24,303,310 |

- Additionally, if:
  - o the Investor Subscription Agreement with Pure Asset Management completes, Pure Asset Management will subscribe for 267,857,143 Shares at an issue price of 0.35 cents per Share payable in cash, for a total cash amount of $937,500;
  - o the Abex Warrant Subscription Deed completes, Abex Limited will subscribe for 446,428,571 Shares at an issue price of 0.35 cents per Share payable in cash, for a total cash amount of $1,562,500; and
  - o the Elphinstone Warrant Subscription Deed completes, Elphinstone will subscribe for 678,571,429 Shares at an issue price of 0.35 cents per Share payable in cash, for a total cash amount of $2,375,000.
- If Creditor Conversion Agreements with Gekko, Billing Cranes Pty Ltd and Maxfield Drilling Pty Ltd complete, existing unsecured debt owing to them by Australian Tungsten (a wholly owned subsidiary of the Company) will be converted into Shares at an issue price of $0.005, as follows:

| Entity | Amount of reduction of secured debt |
|---|---|
| Gekko | $2,974,156 |
| Billing Cranes Pty Ltd | $220,000 |
| Maxfield Drilling Pty Ltd | $500,000 |
| **Total** | $3,694,156 |



- The Warrants, the subject of Resolution 7, will be issued for no cash consideration.

The purpose of the issue of Shares and Warrants the subject of Resolution 7 is to assist the Company to implement the Recapitalisation. The cash proceeds from the funds raised under the Recapitalisation will be used for the purposes described in Section 1.2.

A summary of the terms of the Investor Subscription Agreements under which Shares the subject of Resolution 7 have been agreed to be issued to Pure Asset Management, DACHS and the State of Tasmania is set out in Schedule 1. Summaries of the Creditor Conversion Agreement entered into with Gekko and the Warrant Subscription Deed entered into with Pure Asset Management, Abex Limited and Elphinstone are also set out in Schedule 1. Schedule 2 includes a summary of the terms of the Warrants which may be issued to Pure Asset Management, Abex Limited and Elphinstone.

## 8. RESOLUTION 8

### 8.1. Approval of issue of Options to Director Mr Kevin Pallas

Resolution 8 seeks approval for the purposes of ASX Listing Rule 10.14 to issue 76 million Options to Mr Kevin Pallas, a Director and Executive Chair of the Company pursuant to an employee long term incentive scheme. The Options will be issued for no cash consideration.

ASX Listing Rule 10.14 requires Shareholder approval for an ASX listed entity to issue securities to a related party under an employee incentive scheme. Mr Pallas, who was appointed a Director and Executive Chair of the Company on 4 December 2024, is a related party of the Company.

Under the long term incentive scheme the Company has agreed to issue 76 million Options to Mr Pallas in two equal tranches of 38 million Options each.

Tranche 1 of 38 million Options will have an exercise price of 0.52 cents and will expire on the date 2 years after the date of issue. The Tranche 1 Options will be issued within 6 months after the commencement of Mr Pallas' employment.

Tranche 2 of 38 million Options will have an exercise price of 1.04 cents and will expire on the date 3 years after the date of issue. The Tranche 2 Options will be issued within 18 months after the commencement of Mr Pallas' employment.

A holder of Options is not entitled (in its capacity as Option holder) to participate in new issues of capital that may be offered to Shareholders. An Option does not carry a right to vote at a general meeting of the Company, unless provided for by the Corporations Act.

In the event of a reconstruction the Options will be reorganised in accordance with ASX Listing Rule 7.22.

Mr Pallas' total fixed remuneration (**TFR**) is $450,000 per annum. He is also entitled to a performance incentive of 50% of TFR upon achievement of performance indicators to be approved by the Board.

No securities have previously been issued under the long term incentive scheme.

The Company values the Tranche 1 Options at $38,000 on the basis of a black scholes model which values each instrument at $0.001. The key estimates in the valuation model include: Annual risk-free interest rate – 3%, Annualised volatility – 75%, fair value of the company's share price - $0.004.

The Company values the Tranche 2 Options at $38,000 on the basis of a black scholes model which values each instrument at $0.001. The key estimates in the valuation model include:

- Annual risk-free interest rate – 3%;
- Annualised volatility – 75%; and
- fair value of the company's share price - $0.004.

The Board considers the grant of the Options to Mr Pallas to be a cost effective and efficient reward for the Company to appropriately incentivise Mr Pallas's continued performance, having regard to Mr Pallas's role, responsibilities, and contribution to the Company as well as market practices for executives in similar positions.

If Resolution 8 is passed, then the Company will be able to issue the Options to Mr Pallas.

If Resolution 8 is not passed, then the Company will not be able to proceed with the issue of the Options to Mr Pallas. The Company may have to consider alternative methods of providing remuneration to Mr Pallas.

Details of any securities issued under the long term incentive scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the long term incentive scheme after Resolution 8 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

Voting exclusions apply in respect of Resolution 8 which are set out in the Notice above.

### 8.2. Section 208 of the Corporations Act

Section 208(1) of the Corporations Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party unless an exception to the prohibition as set out in sections 210 to 216 of the Corporations Act applies to that issue.

As a director of the Company, Mr Pallas is a related party of the Company for the purposes of section 228(2) of the Corporations Act. The issue of the Options will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.

The Board considers that the grant of the Options to Mr Pallas constitutes reasonable remuneration within the meaning of section 211(1) of the Corporations Act as:

- the Company wishes to maximise the use of its cash resources towards the Company's development and equity-based incentives, such as options, are used to supplement cash-based remuneration; and
- the granting of the options package proposed is commensurate with market practice.

Accordingly, Shareholder approval is not required under section 208(1) of the Corporations Act.

### 8.3. Recommendation

Having regard to the points raised in section 8.1 above, Messrs Ellis and Elphinstone unanimously recommend that Shareholders **vote in favour** of Resolution 8.

# GLOSSARY

**Abex Limited** means Abex Limited, an entity incorporated in Guernsey with company number 51583.

**Abex Subscription Agreement** means the Investor Subscription Agreement dated 29 November 2024 between the Company, Australian Tungsten and Abex Limited.

**Abex Warrant Subscription Deed** means the Warrant Subscription Deed dated 29 November 2024 between the Company, Australian Tungsten and Abex Limited.

**Abex Warrants** means 1,339,285,714 Warrants proposed to be issued to Abex Limited under the Abex Warrant Subscription Deed.

**AEST** means Australian Eastern Standard Time, which is the time zone used in Eastern Australia and is 10 hours ahead of Greenwich Mean Time.

**associate** has the meaning given in section 12 of the Corporations Act.

**Associate** has the meaning given in the ASX Listing Rules.

**ASX Listing Rules** means the official listing rules of ASX.

**Australian Tungsten** means Australian Tungsten Pty Ltd ACN 097 562 653.

**Board** means the Board of Directors.

**Borrower** means Australian Tungsten.

**Chairman or Chair** means the chairman of the Meeting.

**Chrysalis** means Chrysalis Investments Pty Ltd ACN 064 046 224 as trustee for the Ellis Family Trust.

**Chrysalis Subscription Agreement** means the Investor Subscription Agreement dated 4 December 2024 between the Company, Australian Tungsten and Chrysalis.

**Chrysalis Warrants** means 910,714,286 Warrants proposed to be issued to Chrysalis under the Chrysalis Warrant Subscription Deed.

**Chrysalis Warrant Subscription Deed** means the Warrant Subscription Deed dated 29 November 2024 between the Company, Australian Tungsten and Chrysalis.

**CJRE Maritime** means CJRE Maritime Pty Ltd ACN 125 716 761.

**CJRE Subscription Agreement** means the Investor Subscription Agreement dated 29 November 2024 between the Company, Australian Tungsten and CJRE Maritime.

**Closely Related Party** has the meaning given in the Corporations Act.

**Company** means Group 6 Metals Limited ACN 004 681 734.

**Constitution** means the constitution of the company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Creditor Conversion Agreements** means a subscription agreement under which the Company has agreed to issue Shares with the issue price to be discharged through the conversion of amounts owed by Australian Tungsten, on the terms summarised in Schedule 1.

**DACHS** means D.A.CH.S. Capital AG company number CHE-369.018.684.

**Director** means a director of the Company.

**Ellis Entities** means Chrysalis and CJRE Maritime.

**Elphinstone** means Elphinstone Holdings Pty Ltd ACN 009 508 105.

**Elphinstone Subscription Agreement** means the Investor Subscription Agreement dated 3 December 2024 between the Company, Australian Tungsten and Elphinstone.

**Elphinstone Warrant Subscription Deed** means the Warrant Subscription Deed dated 3 December 2024 between the Company, Australian Tungsten and Elphinstone.

**Elphinstone Warrants** means 2,035,714,286 Warrants proposed to be issued to Elphinstone under the Elphinstone Warrant Subscription Deed.

**Equity Issue** means the issue of up to 1.7 billion Shares to raise $5.94 million of new equity under the Recapitalisation.

**Explanatory Statement** means the explanatory statement accompanying (and forming part of) this Notice of Meeting.

**Gekko** means Gekko Systems Pty Ltd ACN 064 618 293.

**General Meeting or Meeting** means the annual general meeting of the Shareholders of the Company convened by this Notice of Meeting.

**Group** means the Company and its subsidiaries.

**Investor Subscription Agreement** means a subscription agreement under which the Company has agreed to issue Shares on terms summarised in Schedule 1.

**Meeting or General Meeting** means the general meeting of the Shareholders of the Company, the subject of this Notice of Meeting.

**New Secured Loan Agreement** means a secured loan agreement entered into by Australian Tungsten on terms summarised in Schedule 1.

**Notice of Meeting** means this notice of the Meeting and, where the context requires, includes the Explanatory Statement.

**Option** means an option to subscribe for one Share, subject to adjustments.

**Outgoing Independent Directors** means the directors who resigned from office on 4 December 2024 and who were independent of the Company's lenders, being Gregory Hancock, Tony Carruso and Johann Jacobs.

**Performance Right** means a conditional right issued to a participant under the Plan to receive a Share, subject to the terms of the offer and the Plan.

**Plan** means the employee equity incentive scheme established in accordance with the rules set out in the Group 6 Metals Limited Equity Incentive Plan dated 23 November 2023, as amended from time to time.

**Project** means the Dolphin Tungsten Mine on King Island, Tasmania.

**PURE or Pure Asset Management Pty Ltd** means Pure Asset Management Pty Ltd ACN 616 178 771 as trustee for The Pure Resources Fund.

**relevant interest** has the meaning given in the Corporations Act.

**Recapitalisation** means the transactions described in section 1.1 in accordance with the documents described in Schedule 1.

**Resolution** means a resolution set out in the Notice.

**Security Documents** means each of:

a) the Security Trust Deed dated 15 September 2021 entered into, among others, the Company and Global Loan Agency Services Australia Nominees Pty Ltd as security trustee, as amended by first deed of amendment and restatement dated 3 December 2024; and

b) document entitled "General Security Deed" between the Company, Australian Tungsten and Scheelite Management Pty Ltd (as grantors) and Global Loan Agency Services Australia Nominees Pty Ltd as security trustee (as secured party) dated 9 November 2021.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of one or more Shares.

**voting power** has the meaning given in the Corporations Act.

**Warrant** means a warrant issued by the Company on the terms set out in the Warrant Deed Poll, which are summarised in Schedule 2.

**Warrant Deed Poll** means the Warrant Deed Poll executed by the Company on 29 November 2024, the terms of which are summarised in Schedule 1.

**Warrant Subscription Deed** means a subscription deed under which the Company has agreed to issue Warrants, the terms of which are summarised in Schedule 1.

## SCHEDULE 1 – TERMS AND CONDITIONS OF RECAPITALISATION AGREEMENTS

The Company has entered into the following agreements in connection with the Recapitalisation:

**(a) Investor Subscription Agreements as varied or amended**

On or about 4 December 2024, Pure Asset Management Pty Ltd, Chrysalis, CJRE Maritime, Elphinstone, DACHS, Abex Limited and on 28 February 2025, the State of Tasmania (each an **Existing Lender**) have each entered into a separate Investor Subscription Agreement with the Company.

If all of the conditions to the Investor Subscription Agreements are satisfied (or to the extent permitted, waived) and the Investor Subscription Agreements complete, the following shares are issued:

- 1,696,428,572 Shares for cash consideration of 0.35 cents per Share;
- 16,135,595,939 Shares for 0.4 cents (or 0.5 cents in the case of DACHS) per Share, with the subscription price satisfied by the extinguishment of $65,742,647 of secured debt; and
- 2,338,390,285 Shares for 0.5 cents per Share, with the subscription price satisfied by the extinguishment of $11,691,951 of unsecured debt.

Completion of the Investor Subscription Agreements will extinguish all of the existing unsecured and secured debt owed by Australian Tungsten to the existing lenders other than $6.5 million of secured debt which will remain owing to Pure Asset Management Pty Ltd, interest accruing on the existing unsecured and secured debt from 1 April 2025, and $17,812,500 which has already been advanced to the Company under the New Secured Loan Agreements (summarised below) as at the date of this Notice of Meeting.

Each Investor Subscription Agreement is conditional on:

- no party (other than the Existing Lender) being in breach of any of the Investor Subscription Agreements, the Secured Loan Agreements, the Warrant Deed Poll and Warrant Subscription Agreements, the Deed of Variation to the Security Trust Deed and the Creditor Conversion Agreement], and each of those agreements having become unconditional and none of those agreements having been terminated;
- completion of the Creditor Conversion Agreements occurring;
- approval of all of the Resolutions the subject of this Notice of Meeting;
- ASX confirming that the terms of the Warrants are, in ASX's opinion, appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- the warranties provided by the Company under the Investor Subscription Agreement being true, accurate and not misleading; and
- the Company's engagement of Moelis & Company being amended on terms confirmed in writing by the Existing Lender as acceptable, this condition has already been satisfied.

The Investor Subscription Agreement with Abex Limited is also conditional on Australian foreign investment approval being obtained.

If the conditions to the Investor Subscription Agreements are not satisfied or waived (or become incapable of being satisfied) by 30 April 2025, unless the parties otherwise agree, the Recapitalisation (including the transactions the subject Investor Subscription Agreements) will not proceed.

The Investor Subscription Agreement with Elphinstone grants to Elphinstone the right to nominate up to 2 people to be directors of the Company and requires that the Company not terminate the appointment of its Managing Director without Elphinstone's consent. These rights terminate if, following completion of the Elphinstone Investor Subscription Agreement, Elphinstone has voting power of less than 10% in the Company and it (or a related body corporate) is not the lender of $3 million or more to the Company (or a related body corporate) for more than 90 consecutive trading days.

None of the other Investor Subscription Agreements contain board appointment rights.

**(b) New Secured Loan Agreements**

Pure Asset Management Pty Ltd, Chrysalis, CJRE Maritime, Elphinstone and Abex Limited have each entered into a separate new secured debt facility with Australian Tungsten (each a **New Secured Loan Agreement**).

If all of the conditions of the New Secured Loan Agreements are satisfied (or to the extent permitted, waived) a total of $17,812,500, will be available (in aggregate) under the New Secured Loan Agreements ($17,812,500 of which has already been advanced at the date of this Notice of Meeting), comprising:

| Party | Fund Committed | Proportion of total facility |
|---|---|---|
| Abex Limited | $4,687,500 | 26.32% |
| Chrysalis Investments Pty Ltd ATF the Ellis Family Trust | $3,187,500 | 17.89% |
| Pure Asset Management Pty Ltd | $2,812,593 | 15.79% |
| Elphinstone Holdings Pty Ltd | $7,125,000 | 40% |

Each of the New Secured Loan Agreements is conditional on:

- no party (other than the Existing Lender) being in breach of any of the Investor Subscription Agreements, the Investor Subscription Agreements, the Warrant Deed Poll and Warrant Subscription Agreements, the Deed of Variation to the Security Trust Deed and the Creditor Conversion Agreements, and each of those agreements having become unconditional and none of those agreements having been terminated;
- completion of the Creditor Conversion Agreements occurring;
- approval of all of the Resolutions the subject of this Notice of Meeting;
- ASX confirming that the terms of the Warrants are, in ASX's opinion, appropriate and equitable for the purposes of ASX Listing Rule 6.1, this condition has already been satisfied;
- the warranties provided by the Company under the Investor Subscription Agreement being true, accurate and not misleading; and
- the Company's engagement of Moellis & Company being amended on terms confirmed in writing by the Existing Lender as acceptable, this condition has already been satisfied.

A timetable for completion of the New Secured Loan Agreements is as follows:

| Event | Date / Timing | Notes |
|---|---|---|
| Execution of New Secured Loan Agreements | 3 December 2024 | Agreement signed between the parties. |
| Utilisation Date | Utilisation under the New Secured Loan Agreements was effected on 18 February 2025 | - |
| Security Registration | On or about 18 February 2025 | The security is shared across all lenders and consists of a general security agreement given by the Company, Australian Tungsten and Scheelite Management Pty Ltd over all assets of each entity. The general security agreement is registered on the Personal Property Securities Register. |
| Satisfaction of Conditions Precedent | It is expected that the Conditions Precedent will be satisfied on or before 30 April 2025 | - |
| Repayment by Issue of Warrants (if elected) | 31 October 2025 | The loans may be repaid under the New Secured Loan Agreements (in whole or part) by issuing warrants. |
| Final Maturity Date (if not repaid earlier) | 30 April 2027 | Date on which any outstanding loan amounts under the New Secured Loan Agreements must be repaid in full. |

A summary of the other material terms of the New Secured Loan Agreements is as follows:

- The Lenders have committed to loan an aggregate total of $17,812,500 to the Company to facilitate the payment of creditors and for the provision of working capital to facilitate necessary capital works.
- Each lender will be required to advance funds to the Company in line with their proportion of the total debt facility the amount.
- All drawn down amounts paid to the Company will be subject to an interest rate of 12%

**(c) Security Documents**

As announced to ASX on 4 December 2024, Pure Asset Management Pty Ltd, Chrysalis, CJRE Maritime, Elphinstone and Abex Limited have each entered into the Security Documents.

A summary of the material terms and conditions of the Security Documents is as follows:

The security is shared across all lenders and consists of a general security agreement (**GSA**), given by the Company, Australian Tungsten and Scheelite Management Pty Ltd over all assets of each entity. The GSA is registered on the Personal Property and Securities Register in respect of each entity.

The GSA is granted in favour of an independent third-party security trustee, Global Loan Agency Services Australia Nominees Pty Ltd (**Security Trustee**), who holds the GSA security on behalf of each of the secured lenders governed by the terms of the Security Trust Deed.

In respect of the proceeds from any enforcement of the GSA security, the loans advanced by secured lenders under the Security Trust Deed rank depending on their classification as either 'Super Senior Facility Agreements' or 'Second Debt Facility Agreements', with the former ranking ahead of the latter. The facility agreements entered into on 4 December 2024 between Australian Tungsten and Pure Asset Management Pty Ltd, and Australian Tungsten and Elphinstone, are both classified as Super Senior Facility Agreements, with all remaining facility agreements being Second Debt Facility Agreements.

**(d) Warrant Subscription Deeds and Warrant Deed Poll**

Pure Asset Management Pty Ltd, Chrysalis, CJRE Maritime, Elphinstone, Abex Limited, and the State of Tasmania have each entered into separate Warrant Subscription Deeds with the Company.

If all of the conditions to the Warrant Subscription Deeds are satisfied (or waived) a total of 7,232,142,857 Warrants will be issued by the Company on the terms set out in the Warrant Deed Poll, comprising:

| Entity | Warrants |
|---|---:|
| Chrysalis | 910,714,286 |
| Abex Limited | 1,339,285,714 |
| Elphinstone | 2,035,714,286 |
| Pure Asset Management | 803,571,429 |
| State of Tasmania | 2,142,857,143 |
| **Total** | **7,232,142,857** |

No issue price is payable in respect of the issue of the Warrants.

The issue of the Warrants under each Warrant Subscription Deed is conditional on the Company obtaining:

- confirmation from ASX under ASX Listing Rule 6.1 that the terms of the Warrants are in ASX's opinion appropriate and equitable; and
- shareholder approval of the issue of the Warrants under ASX Listing Rule 7.1 or in the case of the Warrants proposed to be issued to the Ellis Entities and Abex Limited, ASX Listing Rule 10.11.

If the Warrant Subscription Deeds do not become unconditional (or any of the conditions are not satisfied and are not waived) by 30 April 2025, the Warrants will not be issued and unless the parties otherwise agree, the Recapitalisation will not proceed.

Pursuant to the terms of the Warrant Subscription Deeds, Shares issued on conversion of the Warrants are subject to escrow such that:

- none of the Shares can be sold on the ASX on or before 30 November 2025;
- after 30 November 2025 up to the number of Shares equal to 25% of the number of Warrants issued to the holder on completion of the Warrant Subscription Deed can be sold on ASX;

- after 28 February 2026 up to the number of Shares equal to 50% of the number of Warrants issued to the holder on completion of the Warrant Subscription Deed can be sold on ASX;
- after 31 May 2026 up to the number of Shares equal to 75% of the number of Warrants issued to the holder on completion of the Warrant Subscription Deed can be sold on ASX;
- after 31 August 2026, all of the Warrants issued to the holder on completion of the Warrant Subscription Deed can be sold on ASX.

The terms and conditions of the Warrants are set out in the Warrant Deed Poll which was executed by the Company.

A summary of the terms of the Warrants is set out in Schedule 2.

**(e) Creditor Conversion Agreements**

The Company has also entered into Creditor Conversion Agreements with Gekko and Maxfield Drilling Pty Ltd.

If all of the conditions to the Creditor Conversion Agreements are satisfied (or to the extent permitted, waived) and the Creditor Conversion Agreement completes existing amounts owed to the Creditors by Australian Tungsten will be converted into Shares at an issue price of $0.005.

Completion of the Creditor Conversion Agreements is conditional on Shareholder approval for the purpose of ASX Listing Rule 7.1, and all other purposes.

If the Creditor Conversion Agreement does not become unconditional (or any of the conditions are not satisfied and are not waived) by 30 April 2025 the Creditor Conversion Agreement will not complete and unless the parties otherwise agree, the Recapitalisation will not proceed.

If the Creditor Conversion Agreement completes, the Shares issued under it will be subject to escrow for a period of 12 months from the date of completion.

If a takeover bid is made for Shares, the Creditor can accept the offer, if holders of at least 50% of the Shares that are not subject to escrow have accepted the takeover bid, or if the person making the takeover bid has or acquires voting power in 50% or more of the Shares, taking into account the escrowed Shares which the Creditor wishes to accept the takeover bid in respect of, but otherwise excluding Shares which are subject to escrow unless the person making the takeover bid has voting power in those Shares. If the takeover bid does not become unconditional, the escrow restrictions are reapplied.

The Company must release the escrow restrictions if the escrowed shares are proposed to be transferred or cancelled as part of a scheme of arrangement. If the scheme of arrangement does not proceed the escrow restrictions are reapplied.

## SCHEDULE 2 – TERMS AND CONDITIONS OF THE WARRANTS

As summary of the terms and conditions of the Warrants is as follows:

**Warrant Holders**

Only an eligible person may be a Warrant Holder. For person to be eligible to be a Warrant Holder there must be an unpaid sum owing the person under a New Secured Loan Agreement that is equal to, or more than, the aggregate exercise Price of the Warrants held by that person.

**Entitlement**

Each Warrant is convertible into one Share, subject to the terms of the Warrant.

The warrants are:

- direct and unsecured obligations of the Company; and
- rank equally and without any preference or priority among themselves, notwithstanding that they may be issued at different times.

**Exercise Price**

The exercise price in respect of a Warrant is the lower of:

- \$0.35 cents; and
- If the Company commences a pro rata issue to the holders of Shares during the Exercise Period, the exercise price calculated in accordance with the formula set out in ASX Listing Rule 6.22.

The minimum number of Warrants that a Warrant Holder may exercise on each occasion a Warrant Holder exercises Warrants is that number of Warrants as will result in the number of Shares being issued being equal to at least \$500,000 divided by the aggregate Exercise Price in respect of the number of Warrants exercised, or if the Warrant Holder holds less than that number of Warrants, all of the Warrants held by the Warrant Holder.

The obligation of the Warrant Holder to pay the Exercise Price for each Warrant being converted is satisfied by the amount payable by the Borrower under the New Secured Loan Agreement being reduced by the amount of the Exercise Price.

**Exercise Period**

The exercise period in respect of a Warrant is from its date of issue until the earlier of 31 October 2025 and the time when the Warrant Holder ceases to be owed an unpaid sum under its New Secured Loan Agreement.

**Transfer**

The Warrants are not transferable without the prior written consent of the Company and provided that the person is eligible to be a Warrant Holder in respect of those Warrants.

**Other**

A Warrant Holder is not entitled (in its capacity as Warrant Holder) to participate in new issues of capital that may be offered to Shareholders.

A Warrant does not carry a right to vote at a general meeting of the Company, unless provided for by the Corporations Act.

In the event of a reconstruction the Warrants will be reorganised in accordance with ASX Listing Rule 7.22.

## SCHEDULE 3 – PRO FORMA STATEMENT OF FINANCIAL POSITION

Figures are in thousands of Australian dollars.

| | 28 February 2025 (unaudited) | Pro Forma Transactions | Notes | Pro Forma Balance |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash and cash equivalents | 950 | 13,438 | (i) | 14,388 |
| Trade and other receivables | 2,946 | | | 2,946 |
| Term deposits | 130 | | | 130 |
| Inventories | 4,538 | | | 4,538 |
| **Total current assets** | **8,564** | | | **22,002** |
| | | | | |
| **Non-current assets** | | | | |
| Deposits | 2,902 | | | 2,902 |
| Property, plant and equipment and mine properties | 47,269 | | | 47,269 |
| **Total non-current assets** | **50,171** | | | **50,171** |
| | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 5,213 | (3,694) | (ii) | 1,519 |
| Provisions | 587 | | | 587 |
| Lease liabilities | 1,146 | | | 1,146 |
| Loans payable | 67,742 | (66,942) | (iii) | 800 |
| Other current liabilities | 31 | | | 31 |
| **Total current liabilities** | **74,719** | | | **4,083** |
| | | | | |
| **Non-current liabilities** | | | | |
| Lease liabilities | 2,042 | | | 2,042 |
| Loans payable | 35,471 | (2,991) | (iv) | 32,479 |
| Provisions | 6,889 | | | 6,889 |
| Other non-current liabilities | 181 | | | 181 |
| **Total non-current liabilities** | 44,583 | | | 41,590 |
| | | | | |
| **Net assets** | **(60,567)** | **87,067** | | **26,500** |
| | | | | |
| **Equity** | | | | |
| Issued capital | 157,148 | | | 244,214 |
| Reserves | | | (v) | |

| | | | | |
|---|---|---|---|---|
| | 22,077 | 87,066 | | 22,077 |
| Accumulated losses | (239,792) | | | - 239,792 |
| **Total equity** | **(60,567)** | 87,066 | | **26,499** |

Notes:

(i) Cash subscription shares of $5,938,000 plus loan facility from the Government of Tasmania of $7,500,000, which (amongst other matters) form part of the broader equity issuances covered in Resolution 1, Resolution 3, Resolution 4 and Resolution 7. In addition, a bridging loan agreement has been arranged with each of Chrysalis, Abex, PURE and Elphistone whereby $4,000,000 is to be advanced to the Company as a prepayment for the receipt of the relative subscription shares. If the proposed resolution to issue the subscription shares, as set out in this Notice of Meeting, is passed, the relevant senior lenders under the bridging loan agreements will have the option to either:

(A) receive the corresponding subscription shares in full satisfaction of the loan/prepayment, resulting in extinguishing the debt; or

(B) pay the subscription proceeds in cash while retaining the bridging loan, which will mature 12 months from the original funding date.

(ii) Conversion of creditor balances under the Creditor Conversion agreements described in Schedule 1, which (amongst other matters) form part of the broader equity issuances covered in Resolution 1, Resolution 3, Resolution 4 and Resolution 7.

(iii) Conversion of loans and accrued interest balances for those currently due within 1-year from the general meeting, which (amongst other matters) form part of the broader equity issuances covered in Resolution 1, Resolution 3, Resolution 4 and Resolution 7, plus the $4,000,000 bridging loan as described in note (i) above.

(iv) Conversion of loans and accrued interest balances for those loans currently due beyond 1-year from the general meeting, less receipt of the $7,500,000 loan facility from the Government of Tasmania which (amongst other matters) form part of the broader equity issuances covered in Resolution 1, Resolution 3, Resolution 4 and Resolution 7.

(v) Cash subscription shares of $5,938,000 plus conversion of loans and accrued interest as described in (iii) and (iv) above which (amongst other matters) form part of the broader equity issuances covered in Resolution 1, Resolution 3, Resolution 4 and Resolution 7.

(vi) For ease of reference, the below table consolidates the notes above, the relevant resolutions, and the resulting shares and warrants to be issued as part of the pro forma transactions:

| Note # | Resolution | Shares | Warrants |
|---|---|---|---|
| (i) | #1 | 303,571,429 | |
| | #3 | 446,428,571 | |
| | #4 | 678,571,429 | |
| | #7 | 267,857,143 | |
| (ii) | #1, #3, #4 and #7 | 738,831,200 | |
| (iii) | #1 | 5,252,299,207 | |
| | #2 | | 910,714,286 |
| | #3 | 4,651,390,144 | |
| | #4 | 2,794,535,235 | |
| | #7 | 3,152,716,869 | 4,178,571,429 |
| (iv) | #7 | 2,623,044,770 | 2,142,857,143 |
| **TOTAL:** | | **20,909,245,996** | **7,232,142,857** |

IDEAS | PEOPLE | TRUST

# Group 6 Metals Limited

## Independent Expert's Report

Opinion:
The Proposed Transaction is Fair and Reasonable
The Security Transaction is Fair and Reasonable

4 March 2025

# FINANCIAL SERVICES GUIDE

Dated: 4 March 2025

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities and interests in managed investment schemes excluding investor directed portfolio services;

b) Arranging to deal in financial products in relation to securities; and

c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes, excluding investor directed portfolio services, and securities.

### *General Financial Product Advice*

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

### *The Assignment*

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of Group 6 Metals Limited ('G6M' or 'the Company') in relation to a recapitalisation plan ('the Recapitalisation Plan') that will result in certain shareholders acquiring a relevant interest in G6M in excess of 20% ('the Proposed Transaction') and security being provided to a related party ('the Security Transaction').

Further details of the Proposed Transaction and the Security Transaction are set out in Section 5. The scope of this Report is set out in detail in Section 4.3. This Report provides an opinion on whether or not each of the Proposed Transaction and Security Transaction are 'fair and reasonable' to the non-associated G6M shareholders ('the Non-Associated Shareholders') and has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Transaction and the Security Transaction. Other important information relating to this Report is set out in more detail in Section 4.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction and Security Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

### *Fees, Commissions and Other Benefits we may Receive*

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately $145k plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Australia Limited, a parent entity of BDOCF. All directors and employees of BDO Australia Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Australia Limited, the person is entitled to share in the profits of BDO Australia Limited.

### *Associations and relationships*

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. Neither BDOCF nor its related parties have provided any professional services to G6M in the last two years.

The signatories to this Report do not hold any shares in G6M and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

*Complaints Resolution*

*Internal Complaints Resolution Process*

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the BDO Complaints Policy available on our website.

*Referral to External Dispute Resolution Scheme*

BDO Corporate Finance is a member of the Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited
Mail: GPO Box 3, Melbourne VIC 3001
Online Address: http://www.afca.org.au
Email: info@afca.org
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter Service: 131 450

*Compensation Arrangements*

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

*Contact Details*

BDO Corporate Finance Ltd

| Location address: | Postal address: |
|---|---|
| Level 10<br>12 Creek Street<br>BRISBANE QLD 4000 | GPO Box 457<br>BRISBANE QLD 4001 |
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| Fax: (07) 3221 9227 | |

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# PART I: ASSESSMENT OF THE PROPOSED TRANSACTION AND THE SECURITY TRANSACTION

The Non-Associated Shareholders
C/- The Non-Associated Directors
Group 6 Metals Limited
Suite 7C, Level 7, 157 Ann Street
Brisbane, QLD, Australia, 4000

4 March 2025



Dear Non-Associated Shareholders,

## 1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Non-Associated Shareholders') of Group 6 Metals Limited ('G6M' or 'the Company') in relation to aspects of the recapitalisation plan ('the Recapitalisation Plan') proposed by the Company.

The Recapitalisation Plan is a transaction where the Company's secured lenders and certain other major creditors Pure Asset Management Pty Ltd ('Pure Asset Management'), Chrysalis Investments Pty Ltd ATF The Ellis Family Trust ('Chrysalis') and CJRE Maritime Pty Ltd ('CJRE') collectively ('the Ellis Entities'), Elphinstone Holdings Pty Ltd ('Elphinstone'), D.A.CH.S AG (D.A.CH.S), Abex Limited ('Abex') , the Tasmanian Government, Gekko Systems Pty Ltd ('Gekko'), Billing Cranes Pty Ltd ('Billing Cranes') and Maxfield Drilling Pty Ltd ('Maxfield'), collectively the ('Key Parties') have agreed to convert existing debt and other trade liabilities to ordinary shares.

In addition to the above, Abex, Chrysalis, Elphinstone and Pure Asset Management and the Tasmanian government ('the Facility Lenders') have provided a $25.3 million secured debt facility ('the New Senior Secured Facility'). As part of the New Senior Secured Facility, G6M is proposing to issue 7.2 billion new warrants, which have an exercise price of $0.0035 and expiry date equal to the earlier of 30 April 2027 or the time when the Facility Lenders have been repaid in full under the New Senior Secured Facility ('the New Warrants').

Part of the Recapitalisation Plan involves certain shareholders acquiring relevant interests greater than 20% which requires approval of the Non-Associated Shareholders ('the Proposed Transaction'). Part of the Recapitalisation Plan includes providing security over G6M assets to those parties which ASX Listing Rule 10.1 applies ('the Security Transaction').

In this Report we provide our opinion on whether the Proposed Transaction is fair and reasonable, and whether the Security Transaction is fair and reasonable to G6M shareholders.

A more detailed description of the Proposed Transaction and Security Transaction is set out in Section 5.

This Report has been prepared solely for use by the Non-Associated Shareholders to provide them with information relating to the Proposed Transaction and the Security Transaction. The scope and purpose of this Report are detailed in Sections 4.3 and 4.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders including the Notice of Meeting and Explanatory Memorandum dated on or around 15 March 2025 prepared by G6M ('the Notice of Meeting') in relation to the general meeting to be held on or around 15 April 2025 ('the Meeting').

## 2.0 Assessment of the Proposed Transaction

This section is set out as follows:

- Section 2.1 sets out the methodology for our assessment of the Proposed Transaction;
- Section 2.2 sets out our assessment of the fairness of the Proposed Transaction;
- Section 2.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- Section 2.4 provides our assessment of whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders.

### 2.1 Basis of evaluation

The Australian Securities and Investments Commission ('ASIC') have issued Regulatory Guide 111: *Content of Expert Reports* ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

The Proposed Transaction involves approval for Abex, the Ellis entities and Elphinstone to acquire a relevant interest in the Company in excess of 20% as a result of the Recapitalisation Plan. RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. RG 111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. In our opinion the Proposed Transaction is a control transaction, as defined by RG 111, and we have assessed the Proposed Transaction by considering whether, in our opinion, it is fair and reasonable to the Non-Associated Shareholders.

Under RG 111, a transaction will be considered 'fair' if the value of the consideration to be received by the shareholders is equal to or greater than the value of the shares that are the subject of the transaction. To assess whether an offer is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the transaction. This includes comparing the likely advantages and disadvantages if the transaction is approved with the position of the shareholders if the transaction is not approved.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to vote in favour of the proposal in the absence of an alternative transaction. Our assessment concludes by providing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we will assess the fairness and reasonableness issues separately for clarity.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 2.2 and 2.3 below and concluded on whether the Proposed Transaction is 'fair and reasonable' to the Non-Associated Shareholders in Section 2.4 below.

### 2.2 Assessment of fairness

#### 2.2.1 Basis of assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject to an offer in a control transaction the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

In our view, it is appropriate to assess the fairness of the Proposed Transaction to the Non-Associated Shareholders as follows:

a) Determine the value of a G6M share on a controlling interest basis prior to the Proposed Transaction;

b) Determine the value of a G6M share on a minority interest basis after the Proposed Transaction; and

c) Compare the value determined in a) above with the value of b) to determine if the Proposed Transaction is fair.

In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Non-Associated Shareholders if the value determined in b) above is equal to or greater than the value determined in a) above.

#### 2.2.2 Value of a G6M Share prior to the Proposed Transaction on a controlling interest Basis

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value of nil per G6M share on a controlling interest basis. In forming this view, we considered a summation methodology and a market based methodology based on share transactions in G6M.

In completing our summation valuation, we have relied on the work of Xenith Consulting Pty Ltd ('Xenith) who we engaged to assess the reasonableness of each of the assumptions used in the cash flow model provided by G6M for the Dolphin Tungsten Mine, including:

- Resources and reserves incorporated into the cash flow model, and the treatment of any residual resource post the assumed mine life;
- Mining physicals (including tonnes of ore mined, quality, waste material, and mine life);
- Processing physicals (including ore processed and produced);
- Production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies);
- Capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency); and
- Any other relevant technical assumptions not specified above.

The Xenith Independent Technical Specialists Report dated 14 January 2025 ('the Xenith Report') is attached as Appendix B to this Report. While Xenith has provided us with information which indicates they have the requisite experience to assess the inputs into the cash flow model provided by G6M, and complete a valuation of G6M's other tenements, we are not responsible for the Xenith Report.

We have also considered share transactions in G6M shares including equity raises and ASX share trading data, however we formed the view that these data points were less relevant in the circumstances of the Proposed Transaction.

For the purposes of this Report, we have adopted the summation approach as the more appropriate valuation methodology for G6M in the current circumstances. Our valuation of G6M is set out in Section 9.

### 2.2.3 Value of a G6M Share after the Proposed Transaction on a minority interest basis

Our summation valuation following the Proposed Transaction, on a minority interest basis, is in the range of $0.0005 to $0.0013 per share.

The primary factors driving the change in the valuation range, pre and post the Proposed Transaction, are:

- Additional equity instruments and less debt: If shareholders approve the Proposed Transaction (and other dependent resolutions), a material portion of G6M's debt will be converted into equity instruments. Therefore, G6M will have less debt and significantly more shares and warrants on issue; and
- Minority interest: We have calculated the value of G6M on a minority interest basis following the approval of the Proposed Transaction.

We have not considered share transaction data following the Proposed Transaction and note there is a limited amount of market-based information that can be observed on the price at which shares in G6M will trade at following the Recapitalisation Plan.

Our valuation of G6M following the Proposed Transaction is set out in Section 10 of this Report.

### 2.2.4 Assessment of the fairness of the Proposed Transaction

In order to assess the fairness of the Proposed Transaction, it is appropriate to compare the value of a G6M share on a controlling interest basis prior to the Proposed Transaction with the value of a share in G6M on a minority basis assuming the Proposed Transaction is implemented. Pursuant to RG 111, the Proposed Transaction is considered to be fair if the value of G6M post the Proposed Transaction on a minority interest basis is equal to or greater than the value of G6M on a controlling interest basis prior to the Proposed Transaction.

Table 2.1 below summarises our assessment of the fairness of the Proposed Transaction.

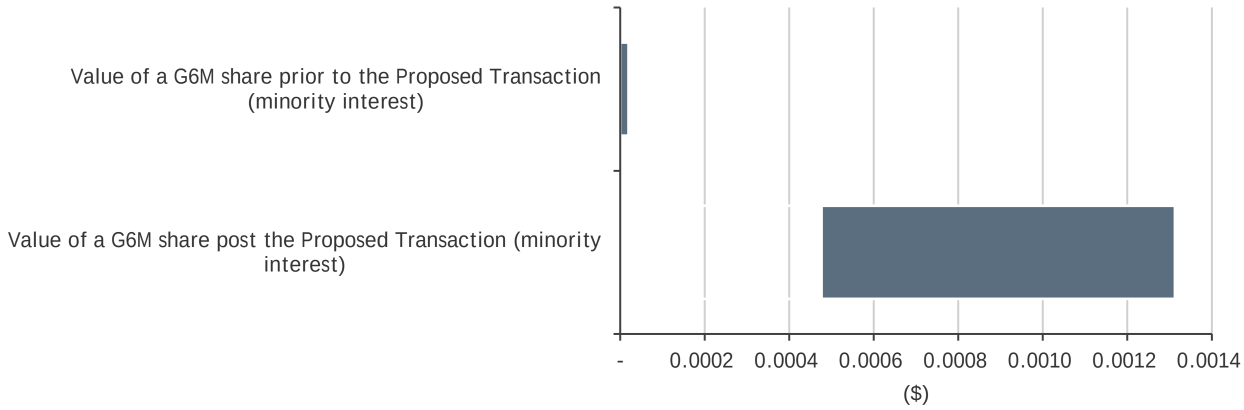
Table 2.1: Assessment of the fairness of the Proposed Transaction

| ($) | Low | High |
|---|---|---|
| Value of a G6M share prior to the Proposed Transaction (controlling interest) | nil | nil |
| Value of a G6M share post the Proposed Transaction (minority interest) | 0.0005 | 0.0013 |

*Source: BDOCF Analysis*

Figure 2.1 summarises our assessment of the fairness of the Proposed Transaction, setting out a graphical comparison of our valuation of a G6M share prior to the Proposed Transaction on a controlling interest basis and our valuation of a share in G6M on a minority basis.

Figure 2.1: Fairness of the Proposed Transaction




*Source: BDOCF analysis*

In considering the values set out in Table 2.1 above, we note that the Proposed Transaction facilitates a reduction in G6M's debt to a level that results in a positive net asset value. While there is significant dilution as a result of the issue of the new shares and warrants, post the Proposed Transaction there is some positive value which can be attributed to the ordinary shareholders.

Having regard to the above assessment of the Proposed Transaction and after considering the information set out in the balance of this Report, it is our view that in the absence of any other information or a superior offer, the Proposed Transaction is Fair to the Non-Associated Shareholders as at the date of this Report.

The Non-Associated Shareholders should refer to Section 2.3 of this Report which sets out additional matters that they should consider when deciding whether to vote in favour of or against the Proposed Transaction.

## 2.3 Assessment of reasonableness

### 2.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Proposed Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages of approving the Proposed Transaction with the position of a Non-Associated Shareholder if the Proposed Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- Section 2.3.2 sets out the advantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 2.3.3 sets out the disadvantages of the Proposed Transaction to the Non-Associated Shareholders;
- Section 2.3.4 sets out the position of the Non-Associated Shareholders if the Proposed Transaction is not approved; and
- Section 2.3.5 provides our opinion on the reasonableness of the Proposed Transaction to the Non-Associated Shareholders.

### 2.3.2 Advantages of the Proposed Transaction

Table 2.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.2: Potential advantages of the Proposed Transaction

| Advantage | Explanation |
|---|---|
| The Proposed Transaction is fair | In our view, the Proposed Transaction is fair to G6M Non-Associated Shareholders as at the date of this Report. In accordance with RG 111, a transaction is considered reasonable if it is fair. |
| Mitigates the immediate risk of insolvency | If the Proposed Transaction is not approved, the Company may default on its debt obligations and face insolvency proceedings, including the potential appointment of a receiver and manager to recover debts or appointment of a voluntary administrator or liquidator. Approval will enable G6M to restructure its debt and avoid such risks.<br>Should the Company not be able to undertake the Proposed Transaction and restructure its debt, it is possible that there will be no economic interest remaining for existing shareholders. |

| Advantage | Explanation |
| --- | --- |
| Preserves some shareholder value | Without the Proposed Transaction, secured creditors may enforce their rights over the Company's assets, including the Dolphin Tungsten Mine, leaving less value for existing shareholders than what is being offered under the Proposed Transaction. |
| Provides a more sustainable debt position | The restructuring will reduce G6M's total debt by approximately $81.1 million, significantly decreasing its leverage and interest burden. This debt reduction will be accompanied by the issuance of equity and a new secured facility with a repayment maturity date of 30 April 2027, allowing the Company to manage its obligations over a longer horizon.<br>By shifting from short-term repayment obligations to a longer-term, equity-supported financial structure, the Company will have greater flexibility to allocate resources toward operational improvements, ultimately improving its ability to achieve sustainable profitability. |
| Offers additional funding | The $25.3 million secured facility will provide G6M with the liquidity required to fund upgrades to the processing plant, normalise creditor terms, and provide working capital for operational needs at the Dolphin Tungsten Mine. |
| Supports operational recovery | The additional liquidity and restructured debt will enable G6M to implement a revised mine plan, improve plant performance, and target cost reductions, all aimed at returning to profitability. |
| The Proposed Transaction is the best option available to G6M at the current time | The Directors are of the view that the funding required to meet the Company's debt obligations and advance the Dolphin Tungsten Mine cannot be obtained on terms superior to those offered under the Recapitalisation Plan at the current time. |

*Source: BDOCF analysis*

### 2.3.3 Disadvantages of the Proposed Transaction

Table 2.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.3: Potential disadvantages of the Proposed Transaction

| Disadvantage | Explanation |
| --- | --- |
| Significant dilution of existing shareholders | As shown in the ownership table set out in Section 5.4 below, existing shareholders' collective ownership will reduce from 100% to 3.41%[1] of the Company's fully diluted post-recapitalisation issued shares. This dilution reduces their exposure to any potential upside in the Company's value.<br>We note however that unless significant funds were sourced from existing shareholders, it is likely that any additional capital raised through the equity markets would require a controlling number of shares to be issued to new shareholders. The issuance of new shares would also reduce the control of the Company's existing shareholders. |
| If the Proposed Transaction proceeds, it will be possible for a smaller number of shareholders to pass an ordinary resolution or block a special resolution | In order to pass an ordinary resolution a company is required to obtain votes from 50% or more of its shareholders. This threshold increases to 75% for a special resolution.<br>Prior to the Proposed Transaction and as set out in Table 5.4 below, G6M's largest shareholder had an interest below 20% (the level often regarded as providing a shareholder with significant influence). If the Proposed Transaction is approved, five shareholders will have a relevant interest in excess of 10% and between one and three (depending on whether the New Warrants are exercised) in excess of 20%.<br>With shareholdings of this level, it will be possible for a smaller number of shareholders to pass any ordinary resolutions if they all vote in favour. It will also be possible for a smaller number of shareholders to block a special resolution. |
| Restrictions on operational flexibility | The new secured facilities come with standard covenants, including restrictions on capital expenditure, dividends, and issuing further debt. These restrictions could limit the Company's ability to respond flexibly to future opportunities or challenges. |
| Continued financial obligations | Despite the significant debt reduction, the Company will still owe $25.3 million under the new secured facility, which carries a 12% per annum interest rate. This represents an ongoing financial burden, especially if operations underperform or ramp-up delays occur at the Dolphin Tungsten Mine. |
| If the Proposed Transaction is approved, there is potential for a significant number of G6M shares to be sold on the open market | If the Proposed Transaction is approved, an additional 20.9 billion new shares in G6M will be issued with a further amount of up to 7.23 billion shares from the new Warrants (assuming they are all exercised).<br>If the Proposed Transaction is approved, the ordinary shareholder receiving these shares may elect to sell some of the newly issued shares on the open market. This may place downward pressure on the Company's share price if demand does not meet the increased supply.<br>For completeness, we note that the holders of the New Warrants are subject to a period of escrow which is outlined in section 5.3. |
| Reduced likelihood of future takeover offers | The ownership concentration among certain shareholders may reduce the likelihood of a future takeover offer, particularly if the larger shareholders are not amenable to such proposals. |

*Source: BDOCF analysis*

### 2.3.4 Position of the Non-Associated Shareholders if the Proposed Transaction is not approved

Table 2.6 below outlines the potential position of individual G6M shareholders if the Proposed Transaction is not approved.

[1] Total shares pre-Recapitalisation Plan / total shares, warrants and options post Recapitalisation Plan (1,004,022,852/ 29,442,919,943)

Table 2.6: Position of Non-Associated Shareholders if the Proposed Transaction is not approved

| Position of shareholders | Explanation |
|---|---|
| Additional funding will be required | In the event the Proposed Transaction is not approved, G6M will require alternative funding to be obtained. In these circumstances, additional sources of debt and/or equity funding may be on terms more or less favourable than those agreed under the Recapitalisation Plan. Given G6M's financial position, the current market climate, and the Company's lack of alternative options, the Directors of G6M are of the view that securing funding on terms comparable to the Proposed Transaction is unlikely. |
| Risk of default on debt obligations | If the Proposed Transaction is not approved, G6M may be unable to meet its repayment obligations, including $83.9 million in senior secured loans. This could result in creditors issuing a notice of default. |
| Appointment of a receiver and manager | Creditors, holding first-ranking security over G6M's key assets (including the Dolphin Tungsten Mine), could appoint a receiver and manager to recover debts. This would likely lead to the sale of secured assets. |
| Loss of shareholder value | In the event of default and asset disposal, shareholders may not recover any economic interest, as secured creditors have priority over the Company's assets. |
| Shares will no longer be traded on the ASX | The failure to proceed with the Recapitalisation Plan would result in G6M's shares remaining suspended from trading or being delisted from the ASX (unless another alternative plan became available). |
| Non-recoverable costs | G6M has incurred costs to date in relation to the Recapitalisation Plan including documentation and preparing the associated Notice of Meeting. G6M will not be able to recover these costs irrespective of whether the Proposed Transaction is approved/implemented. |

*Source: BDOCF analysis*

### 2.3.5 Assessment of the reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is Reasonable to the Non-Associated Shareholders as at the date of this Report.

## 2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information or a superior offer, the Proposed Transaction is Fair and Reasonable as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, the Non-Associated Shareholders must:

- Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 4;
- Have regard to the information set out in the Notice of Meeting; and
- Consult their own professional advisers.

## 3.0 Assessment of the Security Transaction

This section is set out as follows:

- Section 3.1 sets out the methodology for our assessment of the Security Transaction;
- Section 3.2 sets out our assessment of the fairness of the Security Transaction;
- Section 3.3 sets out our assessment of the reasonableness of the Security Transaction; and
- Section 3.4 provides our assessment of whether the Security Transaction is fair and reasonable to the Non-Associated Shareholders.

### 3.1 Basis of evaluation

This Report has been prepared for the purpose of meeting certain requirements of the ASX Listing Rules (refer Section 4.4 below).

The ASX Listing Rules do not provide guidance in relation to the definition of 'fair and reasonable'. In determining whether the Security Transaction is considered fair and reasonable we have had regard to the guidance provided by RG 111. RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make an informed decision about transactions.

RG 111 suggests that where an expert is to assess whether a related party transaction is 'fair and reasonable' for the purpose of complying with ASX LR 10.1, the assessment should not be applied as a composite test. That is, the expert should assess separately whether the transaction is 'fair' and 'reasonable'. The expert's report should explain how the particulars of the transaction were evaluated as well as the results of the examination and evaluation.

We have assessed the fairness and reasonableness of the Security Transaction in Sections 3.2 and 3.3 below and concluded on our opinion of the Security Transaction in Section 2.4 below.

### 3.2 Assessment of fairness

#### 3.2.1 Basis of assessment

RG 111 states that a related party offer is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made:

- Assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- If the transaction is considered to be a control transaction, assuming 100% ownership of the target irrespective of whether the consideration is scrip or cash.

The purpose of this Report is summarised in Section 4.4.2 and notes that using an asset as collateral in a related party transaction is considered a disposal under the ASX Listing Rules. Our fairness assessment considers the circumstance where there is a default and the security for the New Senior Secured Facility is enforced by the Global Loan Agency Services Australia Nominees Pty Ltd ('the Security Trustee'), through the appointment of a receiver and manager to the assets over which security is granted ('the Secured Property').

Under RG 111, in the case of the Security Transaction, the proceeds flowing from the sale of the Secured Property in the event of default pursuant to the terms of the New Senior Secured Facility constitutes the financial benefit to be provided to the Security Trustee. The consideration provided by the Security Trustee to G6M is the outstanding amount on the New Senior Secured Facility in addition to default interest, which is accrued on any overdue amount between the due date and actual payment at the rate that applies in the New Senior Secured Facility agreements. This will be reduced/satisfied from the sale of the Secured Property in the event of a default in relation to the New Senior Secured Facility.

Having regard to the above, the Security Transaction is 'fair' if the value of the security provided to the Security Trustee (i.e. the value of the proceeds flowing to the Security Trustee from the sale of the Secured Property) is equal to or less than the value of the amounts due pursuant to the security in the event of a default on the New Senior Secured Facility.

There are two ways the secured property could be sold in the event of a default, (a) voluntary by the Company/borrower or (b) via the appointment of a controller, typically a receiver & manager, by the Security Trustee (or the Security Trustee) who would sell the secured property in order to repay the secured liabilities.

Under the terms of the New Senior Secured Facility, as set out in the relevant documents, the Security Trustee entitlement in the event of default is limited to the outstanding amount under the terms of the New Senior Secured Facility, including principal, interest, fees, costs, charges, duties, indemnities and guarantee obligations ('the Secured Liabilities').

Assuming a voluntary sale of the secured property, if proceeds received from the sale of the Secured Property are greater than the Secured Liabilities and any amounts that have priority at law, then the Security Trustee will only receive the amount necessary to satisfy the Secured Liabilities at the time the Secured Property is sold. Any surplus proceeds are remitted to the entity that owned the Secured Property at the time it was sold and to which the surplus pertains.

We note that in Australia, in the event of a default under the terms of the New Senior Secured Facility, the Security Trustee can exercise their powers of enforcement and appoint a controller (i.e. receiver & manager) to recover the Secured Liabilities, which can involve a sale of the relevant Secured Property (either to an unrelated third party or to the Security Trustee). We note that if appointed, a controller has an obligation under section 420A of the Corporations Act 2001 ('the Corporations Act') to take all reasonable care to sell the Secured Property at:

- Not less than that market value (if it has a market value at the time of sale); or
- Otherwise, the best price that is reasonably obtainable having regard to the circumstances existing when the Secured Property is sold.

Given the above, a controller will usually take a number of steps to ensure they have complied with the relevant legislation. These steps can include the following:

- Advertising the property for sale to the market so that the eventual price is determined in accordance with market demand and has regard to the existing circumstances of the property and the market when sold;
- Obtaining a market valuation from a valuer with the relevant expertise and credentials; and
- Choosing a method of sale which is suited to the type of property.

Having regard to the above, in our view, it is appropriate to assume for the purposes of our analysis in this Report that, in the event of a default in relation to the New Senior Secured Facility which results in the appointment of a controller (i.e. receiver & manager) to the Secured Property, any sales process pursued to divest the Secured Property is legally required to be conducted in a manner to realise market value (or otherwise, the best price that is reasonably obtainable) as at the time of sale, having regard to the existing state of the assets and the market.

For completeness, we note that in the event where a controller is unable to sell the Secured Property (either to a third party or to Security Trustee), the Security Trustee may be able to acquire the Secured Property via foreclosure by an application to the relevant Court or Registrar General in the applicable jurisdiction. We note any foreclosure process is subject to specific legal and procedural requirements, which vary depending on the jurisdiction and nature of the property.

Given the difficulty and extent of these requirements, we do not envisage that the Security Trustee would seek to foreclose over the Secured Property but would rather seek to obtain the assets through the sale process conducted by the controller (e.g. purchase the Secured Property at public auction or other relevant market process). Notwithstanding this, we have considered this outcome in our opinion of fairness below.

### 3.2.2 Opinion of Fairness

To assess whether the Security Transaction is fair, we have compared the value of the proceeds flowing to the Security Trustee from the sale of the Secured Property to the value of the Secured Liabilities owing to the Security Trustee in the event of a default of the New Senior Secured Facility under several scenarios. In considering the various possible scenarios, we note the following:

- In the scenario where the value of the proceeds from the sale of the Secured Property (after payment of amounts that have priority at law) is greater than the value of the Secured Liabilities, the Security Trustee is only entitled to receive the proceeds equal to the balance of the Secured Liabilities. As mentioned previously, in the event that the Security Trustee purchases the Secured Property, the proceeds received following the sale (the effective reimbursement) will not exceed the outstanding balance of the Secured Liabilities;
- In the scenario where the value of the proceeds from the sale of the Secured Property (after payment of amounts that have priority at law) is equal to the Secured Liabilities, the Security Trustee is entitled to receive all of the sale proceeds;
- In the scenario where the value of the proceeds from the sale of the Secured Property (after payment of amounts that have priority at law) is less than the Secured Liabilities, the Security Trustee is entitled to receive all of the sale proceeds. To the extent the Secured Liabilities exceed the value of the proceeds received from the sale of the Secured Property, the Security Trustee may suffer a loss equal to the shortfall; and
- In the scenario where the Security Trustee seeks to foreclose over the Secured Property, a prerequisite for an application for foreclosure is that the value that could be realised (at the time a public auction was conducted by a controller) was not sufficient to satisfy the obligations under the Secured Liabilities. As a result, we would expect that the value of the Secured Property at the time of foreclosure would be less than the Secured Liabilities.

Table 3.1 below summarises the potential outcomes from the settlement of the New Senior Secured Facility under a default scenario where the Secured Property is sold/disposed by an enforcement action.

Table 3.1: Potential Settlement Scenarios for the Secured Liabilities in the Event of a Sale by Enforcement Action

| Scenario | Consequence | Fairness |
|---|---|---|
| Value of Secured Property > Secured Liabilities[1] | Security provided = liabilities settled | Fair |
| Value of Secured Property = Secured Liabilities[1] | Security provided = liabilities settled | Fair |
| Value of Secured Property < Secured Liabilities[1] | Security provided < liabilities owing | Fair |

*Source: BDOCF Analysis*

1 After payment of amounts that have priority at law.

Having regard to the potential settlement scenarios summarised above, in all circumstances the Security Trustee are entitled to receive a maximum amount equal to the Secured Liabilities, in circumstances where the Secured Property is sold in an enforcement action.

After considering the information above, it is our view that in the absence of any further information, the Security Transaction is Fair to the Non-Associated Shareholders as at the date of this Report.

## 3.3 Assessment of reasonableness

### 3.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 3.2 above, to assess whether the Security Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Security Transaction. This includes comparing the likely advantages and disadvantages of approving the Security Transaction with the position of a Non-Associated Shareholder if the Security Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Security Transaction is set out as follows:

- Section 3.3.2 sets out the advantages of the Security Transaction to the Non-Associated Shareholders;
- Section 3.3.3 sets out the disadvantages of the Security Transaction to the Non-Associated Shareholders;
- Section 3.3.4 sets out the position of the Non-Associated Shareholders if the Security Transaction is not approved; and
- Section 3.3.5 provides our opinion on the reasonableness of Security Transaction to the Non-Associated Shareholders.

### 3.3.2 Advantages of the Security Transaction

Table 3.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Security Transaction.

Table 3.2: Potential advantages of the Security Transaction

| Advantage | Explanation |
|---|---|
| The Security Transaction is Fair | In our view, the Security Transaction is fair to the Non-Associated Shareholders as at the date of this Report. In accordance with RG111, a transaction is considered reasonable if it is fair. Refer to Section 2.2 of this Report for our assessment of fairness of the Security Transaction. |
| Assuming all other conditions precedent are satisfied or waived, G6M will be able to draw down on the New Senior Secured Facility | If all of the conditions precedent to the initial drawdown of the New Senior Secured Facility are satisfied, G6M will gain access to the debt funding required to repay the existing debt, meet working capital requirements and fund improvements to the plant. |
| It is common for companies to grant security over their assets across the life of the loan when raising debt finance | It is common for companies to grant security over their assets across the life of the loan when raising debt finance. In many cases, the granting of security assists a company to obtain the funding on terms that are more favourable than they otherwise would have acquired (if at all) if no security was granted. This is because the granting of security assists to reduce the risk to the financier of the borrower defaulting on their obligations. |

*Source: BDOCF analysis*

### 3.3.3 Disadvantages of the Security Transaction

Table 3.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Security Transaction.

Table 3.3: Potential disadvantages of the Security Transaction

| Disadvantage | Explanation |
|---|---|
| G6M can lose control over its assets | In the event of default, the security providers (i.e. G6M) may have controllers (i.e. receivers & managers) appointed to those assets, which they have provided as security, in order to settle the Secured Liabilities via a sale of the secured property.<br>In this circumstance, G6M would lose the potential future profits that may otherwise accrue to them from having ownership of the assets it has secured in favour of the Secured Parties, other than as realised in the sale proceeds from the enforcement of the security.<br>For completeness, we note that where a borrower defaults on a facility which is unsecured, a liquidator is likely to be appointed and they may still sell the assets of the borrower to repay priority creditors and then unsecured creditors. |
| G6M's ability to raise additional debt funding may be reduced | Granting of security under the Security Transaction may reduce G6M's ability to raise any additional debt financing in the future as any security G6M is able to give would likely only be permitted by the Secured Parties if it ranks below the security provided for the New Senior Secured Facility.<br>For completeness, we note the capital to be provided from the New Senior Secured Facility may not be available if G6M were not willing to secure the New Senior Secured Facility. By securing the New Senior Secured Facility, G6M is able to access a portion of the funding it requires for ongoing operations. |

*Source: BDOCF analysis*

### 3.3.4 Position of the Shareholders if the Security Transaction is not approved

The Security Transaction is a condition precedent to the Recapitalisation Plan, including the New Senior Secured Facility. The Non-Associated Shareholders should refer to Section 2.3.4 for further discussion on their position in circumstances that the Recapitalisation Plan is not implemented.

### 3.3.5 Assessment of the reasonableness of the Security Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that the Security Transaction is Reasonable to the Non-Associated Shareholders as at the date of this Report.

## 3.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, the Security Transaction is Fair and Reasonable as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Security Transaction, Non-Associated Shareholders must:

- Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 4;
- Consult their own professional advisers; and
- Consider their specific circumstances.

## 4.0 Important information

### 4.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Non-Associated Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting.

### 4.2 Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Non-Associated Shareholders as a whole. BDOCF has not considered the impact of the Proposed Transaction and/or the Security Transaction on the particular circumstances of individual Non-Associated Shareholders. Individual Non-Associated Shareholders may place a different emphasis on certain elements of the Proposed Transaction and/or the Security Transaction relative to the emphasis placed in this Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions as to whether or not the Proposed Transaction and/or the Security Transaction is fair and reasonable in their individual circumstances.

The decision of an individual Non-Associated Shareholder to vote in favour of or against the Proposed Transaction and/or the Security Transaction is likely to be influenced by their particular circumstances and accordingly, the Non-Associated Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Proposed Transaction and/or the Security Transaction is a matter for individual Non-Associated Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Non-Associated Shareholders should carefully consider the Notice of Meeting. Non-Associated Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction and/or the Security Transaction should consult their professional adviser.

With respect to the taxation implications of the Proposed Transaction and/or the Security Transaction, it is strongly recommended that the Non-Associated Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

### 4.3 Scope

In this Report we provide our opinion on whether the Proposed Transaction and/or the Security Transaction is fair and reasonable to the Non-Associated Shareholders.

This Report has been prepared at the request of the Non-Associated Directors for the sole benefit of the Non-Associated Shareholders entitled to vote, to assist them in their decision to vote in favour of or against the Proposed Transaction and/or the Security Transaction. This Report is to accompany the Notice of Meeting to be sent to the Non-Associated Shareholders to consider the Proposed Transaction and/or the Security Transaction and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Non-Associated Directors and the Non-Associated Shareholders without our written consent. We accept no responsibility to any person other than the Non-Associated Directors and the Non-Associated Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting or any other document associated with the Proposed Transaction and/or the Security Transaction. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Non-Associated Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinions. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act, the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by ASIC, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- We have performed our analysis on the basis that the conditions precedent to the Proposed Transaction and/or the Security Transaction are satisfied;
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;

- All information which is material to the Non-Associated Shareholders' decision on the Proposed Transaction and/or the Security Transaction has been provided and is complete, accurate and fairly presented in all material respects;
- ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;
- If the Proposed Transaction is approved, that it will be implemented in accordance with the stated terms outlined in the Notice of Meeting;
- The legal mechanism to implement the Proposed Transaction and/or the Security Transaction is correct and effective;
- There are no undue changes to the terms and conditions of the Proposed Transaction and/or the Security Transaction or complex issues unknown to us; and
- A range of other assumptions as outlined in this Report have also been adopted in forming our opinion.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Proposed Transaction and/or the Security Transaction. G6M has engaged other advisors in relation to those matters.

G6M has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and management of all the entities.

## 4.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 4.4.1 and 4.4.2 below.

### 4.4.1 Requirements of the Corporations Act

Section 606 of the Corporations Act states that, subject to the exceptions set out in section 611, a 'relevant interest' in issued voting shares in a listed company cannot be increased from 20% or below to more than 20%, or increasing from a starting point that is above 20% and below 90%. A 'relevant interest' is broadly defined as an interest giving the holder the power to control the right to vote or dispose of shares.

If the Proposed Transaction is approved, the Key Parties will be issued approximately 14,126,796,014 fully paid ordinary G6M shares. Following the Proposed Transaction, the Key Parties and their relevant interests in G6M will increase from approximately:

- Ellis Entities: 13.97% up to a maximum of 28.95%;
- Elphinstone: 6.16% up to a maximum of 23.26%; and
- Abex: 15.07% up to a maximum of 28.33%.

In these circumstances, an exemption from section 606 must be sought under item 7 of section 611 of the Corporations Act.

Item 7 of section 611 allows a party to gain a relevant interest in shares of a public company that would otherwise be prohibited under subsection 606(2) of the Corporations Act if the Proposed Transaction is approved in advance by a resolution passed at a general meeting of the company, and:

- No votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares; and
- There was full disclosure of all information known by both the party proposing to make the acquisition, their associates and the company in relation to the transaction which was material to a decision on how to vote on the resolution.

ASIC RG 74: *Acquisitions Approved by Members* states that the obligation to supply shareholders with all material information can be satisfied by the non-associated directors of G6M by either:

- Undertaking a detailed examination of the proposed transaction themselves, if they consider that they have sufficient expertise; or
- Commissioning an independent expert's report.

We have been requested to prepare this independent expert's report to provide additional information to the Non-Associated Shareholders to assist them to form a view on whether to vote in favour of or against the Proposed Transaction.

#### 4.4.2 Listing requirements

*Chapter 10 of ASX Listing Rules*

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, a substantial holder or a related party without the approval of non-associated shareholders.

ASX Listing Rule 10.2 defines an asset as substantial if its value or the consideration for it is, or in ASX's opinion is, 5% or more of the value of the equity interests of the entity, as set out in the latest accounts given to the ASX in accordance with the ASX Listing Rules ('Substantial Asset'). Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company ('Substantial Holder').

According to ASX Listing Rule 19, the definition of 'dispose' includes using an asset as collateral and disposing of part of an asset. To secure a liability against a company's assets creates an obligation to dispose of the company's assets in the event the company default on the liability.

Pursuant to ASX Listing Rule 10.1, the Security Transaction requires the approval of the Non-Associated Shareholders. The Security Transaction involves granting of security over G6M's assets for all monies and obligations that may become due to Elphinstone and the Ellis Entities (among others) under the New Senior Secured Facility as per terms set out in New Senior Secured Facility Agreement and the Security Agreement. Since the Security Transaction involves using a Substantial Asset (i.e. the assets of G6M) as collateral for the New Senior Secured Facility for a Substantial Holder (i.e. Elphinstone and the Ellis Entities), it requires approval from the Non-Associated Shareholders to proceed.

*ASX Listing Rule 10.5*

Under ASX Listing Rule 10.5.2, where shareholder approval is sought for the purpose of complying with Listing Rule 10.1, the notice of meeting distributed to shareholders in relation to the transaction must include a report prepared by an independent expert, which states the expert's opinion as to whether the transaction is fair and reasonable to the non-associated shareholders.

This Report has been prepared to comply with the requirements of ASX Listing Rules 10.1, 10.2 and 10.5.2, having regard to the Security Transaction.

### 4.5 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the Meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to G6M. BDOCF is not responsible for updating this Report following the Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

### 4.6 Reliance on information

G6M recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by G6M, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Proposed Transaction and/or the Security Transaction is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Non-Associated Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by G6M (either by management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Non-Associated Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, G6M has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

### 4.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix A.

All dollar ('$') references in this Report are in Australian dollars unless otherwise stated.

### 4.8 Sources of information

This Report has been prepared using information obtained from sources including the following:

- G6M annual report for the year ended 30 June 2022, 2023 & 2024;
- G6M management accounts as at 30 September 2024;
- G6M ASX announcements;
- The life-of-mine ('LOM') impairment models dated for the months of September 2024 and November 2024, provided by G6M and reviewed by Xenith;
- The revised LOM impairment model, dated January 2025, provided by G6M and reviewed by Xenith;
- Recapitalisation agreement documentation including, facility agreements, investor subscription agreements, warrant subscriptions and other prerequisite information furnished to us by Management ('the Recapitalisation Documents');
- The Notice of Meeting;
- Capital IQ;
- IBISWorld;
- Consensus Economics;
- The Xenith Report;
- MergerMarket;
- Other research publications and publicly available data as sourced throughout this Report;
- Various transaction documents provided by the Management of G6M and their advisors; and
- Discussions and other correspondence with G6M, management and their advisers.

### 4.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

### 4.10 Forecast information

Any forecast financial information referred to in this Report has originated from the Company's management and is adopted by the Directors in order to provide us with a guide to the potential financial performance of G6M. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecasts may be material.

The directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of G6M. Evidence may be available to support the directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management, that all material information concerning the prospects and proposed operations of G6M has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

### 4.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), FCA, CFA, and Mr Birkett, BBusMan/BCom, CFA, are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd

Mark Whittaker
Director

Scott Birkett
Director

# PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION AND THE SECURITY TRANSACTION

## 5.0 Description of the Proposed Transaction and the Security Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- Section 5.1 provides a brief description of the Proposed Transaction;
- Section 5.2 describes the Key Parties involved in the Proposed Transaction;
- Section 5.3 summarises the Proposed Transaction;
- Section 5.4 summarises the Security Transaction; and
- Section 5.5 details the rationale for the Proposed Transaction.

This section is a summary only and should not be treated as a complete description of the Proposed Transaction nor the Security Transaction. The Non-Associated Shareholders should refer to the Notice of Meeting and any subsequent disclosures for additional information relating to the Proposed Transaction, the Security Transaction and the Key Parties involved.

### 5.1 Background to the Recapitalisation Plan

On 22 November 2024, G6M was due to repay approximately $70.7 million in senior loans. These loans formed part of an overall debt package of approximately $81.0 million before interest, which included both secured and unsecured facilities provided by the Company's senior lenders, subordinated lenders, and trade creditors. In light of the Company's unsustainable leverage and operational challenges, the repayment deadlines were extended to 30 April 2025, allowing time to negotiate a restructuring plan. We note that, by 31 March 2025, the repayment obligations of the Company are forecast to total $103.2 million.

On 4 December 2024, the Company announced that it had reached an agreement with its senior lenders and key unsecured creditors to implement the Recapitalisation Plan. Key components of the Recapitalisation Plan include:

- Conversion of $77.4 million of secured and unsecured loans into equity at a conversion price of $0.004 to $0.005 per share;
- Conversion of approximately $3.7 million in unsecured overdue trade creditors debt into equity at $0.005 per share;
- Raising $5.9 million of new capital through the issuance of 1.70 billion shares to the Pure Asset Management, the Ellis Entities, Elphinstone, D.A.CH.S and Abex ('the Investors');
- Issuance of up to 7.3 billion warrants to the New Senior Secured Facility lenders, exercisable at $0.0035 per share; and
- A new $25.3 million (of which $17.9 million has already been advanced) New Senior Secured Facility with a 12% per annum interest rate, repayable by 30 April 2027.

The Recapitalisation Plan will provide the Company with a significantly reduced debt burden and along with funds to support upgrades to the processing plant, normalise creditor terms, and provide working capital for the ramp-up of operations at the Dolphin Tungsten Mine, the Company's flagship asset located on King Island, Tasmania.

The Recapitalisation Plan represents the culmination of extensive negotiations and reviews conducted with the Company's financial advisors and key stakeholders. The Tasmanian Government has expressed strong support for the Recapitalisation Plan, recognising the strategic importance of the Dolphin Tungsten Mine as a supplier of critical minerals and its role in supporting the local economy.

The proposed restructuring will significantly dilute existing shareholders, whose collective ownership will reduce to 3.41%[2] of fully diluted post-recapitalisation issued shares.

The Recapitalisation Plan also includes changes to the Board and Management.

The Recapitalisation Plan is subject to both shareholder and regulatory approvals, with implementation expected in early 2025. Should the Recapitalisation Plan not proceed, the Company may face insolvency and the potential appointment of a receiver and manager and/or voluntary administrator or liquidator to either recover debts owed, recapitalise or sell the Company (or its assets) and/or wind up the Company (including sale of its assets), potentially resulting in minimal to no return for existing shareholders.

[2] Total shares pre-Recapitalisation Plan /total shares, warrants and options post Recapitalisation Plan (1,004,022,852/ 29,442,919,943)

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## 5.2 Summary of Key Parties to the Recapitalisation Agreements

The transaction agreements have been entered into with several key stakeholders, including senior lenders, unsecured creditors, and other entities critical to the implementation of the Recapitalisation Plan. A summary of these parties is provided in Table 5.1 and 5.2 below.

Table 5.1: Summary of the Investors who are party to the Transaction Agreements

| Party | Description |
|---|---|
| Pure Asset Management | A specialist hybrid credit fund manager that has previously provided both equity and debt funding to G6M. |
| Chrysalis & CJRE | Entities related to Chris Ellis, a director of G6M. CJRE operates businesses related to charter fishing and luxury vessels in Queensland. |
| Abex Limited | Abex Limited is a business and project management consultancy firm. Abex Limited holds a material amount of the Company's secured and unsecured debt prior to the Proposed Transaction. |
| Elphinstone Holdings | Is the investment entity of Dale Elphinstone, who also serves as a Non-Executive Director of G6M. |
| D.A.CH.S | An existing shareholder and debtor of G6M, holding a material percentage of total equity prior to the Recapitalisation Plan. |

*Source: G6M ASX announcements, BDOCF analysis*

Table 5.2: Summary of the other Key Parties to the Transaction Agreements[1]

| Party | Description |
|---|---|
| Tasmanian Government | A previous funding provider, recognising the Dolphin Tungsten Mine's strategic importance to Tasmania's economy and its critical mineral supply. |
| Gekko | A supplier of gold processing and low-energy mining solutions, responsible for constructing the mill used at the Dolphin Tungsten Mine. Gekko are the proposed recipients of the Trade Creditors Conversions. |

*Source: G6M ASX announcements, BDOCF analysis*

1 The other Key Parties are excluded from the subscription to new equity included in the Recapitalisation Plan.

## 5.3 The Proposed Transaction

As part of the Recapitalisation Plan, G6M will issue a range of new equity instruments. These instruments include the conversion of secured and unsecured debt into ordinary shares, the issuance of additional equity to raise capital, and the issue of warrants ('the New Warrants') to the Secured Facility Lenders. The details of these new equity instruments, including the amounts converted, conversion or exercise prices, and the number of shares or warrants to be issued, are summarised in Table 5.3 below.

Table 5.3: The Proposed Transaction Overview

| Category | Principal amount | Conversion/Exercise/Issue Price | Number of Shares/Warrants Issued |
|---|---|---|---|
| New Warrants | N/A | $0.0035 | Up to 7,232,142,858 warrants |
| Equity Issue | $5.9 million | $0.0035 | 1,696,428,572 ordinary shares |
| Unsecured Lender Subscription Agreements | $11.6 million | $0.0050 | 2,338,390,285 ordinary shares |
| Unsecured Lender Subscription Agreements | $13.2 million | $0.0040 | 3,304,371,158 ordinary shares |
| Secured Lender Subscription Agreements | $5.9 million | $0.0050 | 1,200,263,444 ordinary shares |
| Secured Lender Subscription Agreements | $46.5 million | $0.0040 | 11,630,961,338 ordinary shares |
| Trade Creditors Conversions | $3.7 million | $0.0050 | 738,831,200 ordinary shares |
| Total (**000's** excluding warrants) | | | 20,909,245,996 |
| Total (**000's** including warrants) | | | 28,141,388,853 |

*Source: The Recapitalisation Documents, BDOCF analysis, G6M ASX announcements*

For completeness, we note that any shares issued on conversion of the New Warrants ('New Warrant Conversion Shares') are subject to a period of escrow before they can be sold on the ASX. Table 5.4 below outlines the terms of the escrow period.

Table 5.4: New Warrant Conversion Shares Escrow Schedule

| Date | % of New Warrant Conversion Shares available for sale |
|---|---|
| Prior to 30 November 2025 | 0% |
| 30 November 2025 | 25% |
| 28 February 2026 | 50% |
| 31 May 2026 | 75% |
| 31 August 2026 | 100% |

*Source: The Recapitalisation Documents*

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The Recapitalisation Plan will significantly alter the ownership structure of G6M, reflecting the conversion of debt into equity and the issuance of New Warrants. Table 5.5 below provides a breakdown of the equity position before and after the Proposed Transaction, including the proportion of new shares and New Warrants issued to each stakeholder. It highlights the substantial changes in equity holdings, with creditors and key stakeholders receiving significant equity allocations, while existing shareholders experience dilution. Table 5.6 also includes the impact of warrants, demonstrating the fully diluted ownership structure post-recapitalisation.

Table 5.5: Ownership Structure - Pre and post-the Recapitalisation Plan

| Key Party | Existing equity | % ownership | New shares issued | Total | % ownership |
|---|---|---|---|---|---|
| Pure Asset Management Pty Ltd | 1,364,706 | 0.14% | 2,220,310,568 | 2,221,675,274 | 10.14% |
| Chrysalis Investments Pty Ltd ATF The Ellis Family Trust[1] | 140,298,596 | 13.97% | 3,200,285,475 | 3,340,584,071 | 15.24% |
| CJRE Maritime Pty Ltd[1] | - | 0.00% | 2,355,585,160 | 2,355,585,160 | 10.75% |
| Elphinstone Holdings Pty Ltd | 61,880,406 | 6.16% | 3,473,106,664 | 3,534,987,070 | 16.13% |
| D.A.CH.S AG | 91,693,710 | 9.13% | 1,200,263,444 | 1,291,957,154 | 5.90% |
| Abex Limited | 151,304,877 | 15.07% | 5,097,818,715 | 5,249,123,592 | 23.95% |
| Tasmanian Government | - | 0.00% | 2,623,044,770 | 2,623,044,770 | 11.97% |
| Gekko | 6,401,210 | 0.64% | 594,831,200 | 601,232,410 | 2.74% |
| Other | 551,079,347 | 54.89% | 144,000,000 | 695,079,347 | 3.17% |
| Total | 1,004,022,852 | 100.00% | 20,909,245,996 | 21,913,268,848 | 100.00% |

*Source: The Recapitalisation Documents*

*[1] Referred to in the Notice of Meeting together as the 'Ellis Entities'*

Table 5.6: Ownership Structure - Post Recapitalisation Plan fully diluted

| Key Party | Total | Existing options | Existing warrants | New Warrants | Total | % ownership |
|---|---|---|---|---|---|---|
| Pure Asset Management Pty Ltd | 2,221,675,274 | - | 46,428,571 | 803,571,429 | 3,071,675,273 | 10.43% |
| Chrysalis Investments Pty Ltd ATF The Ellis Family Trust[1] | 3,340,584,071 | 23,809,527 | 24,107,143 | 910,714,286 | 4,299,215,027 | 14.60% |
| CJRE Maritime Pty Ltd[1] | 2,355,585,160 | - | - | - | 2,355,585,160 | 8.00% |
| Elphinstone Holdings Pty Ltd | 3,534,987,070 | 23,809,527 | 26,785,714 | 2,035,714,286 | 5,621,296,597 | 19.09% |
| D.A.CH.S AG | 1,291,957,154 | 13,333,333 | 16,071,429 | - | 1,321,361,916 | 4.49% |
| Abex Limited | 5,249,123,592 | 23,809,527 | 34,821,429 | 1,339,285,714 | 6,647,040,262 | 22.58% |
| Tasmanian Government | 2,623,044,770 | - | - | 2,142,857,143 | 4,765,901,913 | 16.19% |
| Gekko | 601,232,410 | 2,380,954 | - | - | 603,613,364 | 2.05% |
| Other | 695,079,347 | 62,151,084 | - | - | 757,230,431 | 2.57% |
| Total | 21,913,268,848 | 149,293,952 | 148,214,286 | 7,232,142,857 | 29,442,919,943 | 100.00% |

*Source: The Recapitalisation Documents*

[1] Referred to in the Notice of Meeting together as the 'Ellis Entities'

If the Proposed Transaction is approved, the portion of shares held by Non-associated Shareholders will decrease from 54.89% to 3.17%.

The Proposed Transaction relates specifically to the approval of any party that may increase their voting power above 20% as a result of the Recapitalisation Plan and includes the following resolutions from the Notice of Meeting:

- Resolution 1: Approval of the issue of shares to Ellis Entities, which would take the ownership of the Ellis Entities up to a maximum of 28.95%;
- Resolution 3: Approval of the issue of shares to Abex, which would take the ownership of Abex up to a maximum of 29.33%; and
- Resolution 4: Approval of the issue of shares to Elphinstone, which would take the ownership of Elphinstone up to a maximum of 23.26%.

The Non-Associated Shareholders should refer to the Notice of Meeting for further details regarding the resolutions and the implications of the proposed increases in voting power.

For completeness, we note that the resolutions referred to above are conditional upon the passing of one another (in addition to additional resolutions set out in the Notice of Meeting), so that each will not have effect unless and until all others are passed.

## 5.4 The Security Transaction

The Recapitalisation Plan involves the granting of new security arrangements to the Facility Lenders to support the issuance of secured debt facilities of approximately $25.3 million (of which $17.9 million has already been advanced). We note:

- Facility Lenders: The secured facilities are provided by Abex Limited, Chrysalis Investments Pty Ltd ATF The Ellis Family Trust, Elphinstone Holdings Pty Ltd, the Tasmanian Government and Pure Asset Management Pty Ltd ATF The PURE Resources Fund;
- Security Scope: The security granted to the Facility Lenders via the Security Trustee is comprehensive, covering key assets of the Company; and
- Repayment Terms: The secured facilities carry an interest rate of 12% per annum and are repayable by 30 April 2027. Interest accruing on the loan up to an including 30 November 2025 is payable on 30 November 2025, after which time interest is payable quarterly.

We note management have advised us that the facilities included in the Security Transaction have been drawn on to fund the operational needs of G6M before the Proposed Transaction is voted on by Non-associated Shareholders. Approval under ASX Listing Rule 10.1 is required because the granting of security involves the use of a Substantial Asset as collateral in favour of parties who are Substantial Holders or related parties, as defined under the Listing Rules (refer Section 4.4.2 above for additional discussion).

## 5.5 Strategic rationale

The Proposed Transaction is intended to significantly reduce the Company's debt burden while providing additional funding to support critical operational improvements and position G6M for long-term sustainability. By restructuring existing secured and unsecured debt into equity and obtaining a new $25.3 million secured facility, the Company aims to stabilise its financial position, enhance liquidity, and align stakeholder interests with the Company's success.

The restructured financial arrangements will allow G6M to deploy capital towards operational initiatives designed to improve the performance and profitability of the Dolphin Tungsten Mine. Specifically, the Company intends to use the additional funding to:

- Upgrade the processing plant to improve recovery rates, throughput, and operational stability;
- Fund working capital needs to support day-to-day operations during the ramp-up phase; and
- Implement a revised mine plan to target higher-grade ore and optimise cost structures.

The Directors believe that the structure of the Proposed Transaction aligns the interests of key stakeholders, including major creditors and shareholders, with the Company's long-term objectives.

Failure to implement the Proposed Transaction would place the Company in significant financial distress. Without the Recapitalisation Plan:

- G6M may not be able to meet its debt repayment obligations, which are forecast to total approximately $103.2 million as at 31 March 2024;
- If the Company defaults on its obligations, secured creditors would be entitled to enforce their security rights, which could lead to the appointment of a receiver and manager and the forced disposal of the Company's key assets, including the Dolphin Tungsten Mine;
- Any such default would also result in the Company being insolvent and in addition to the potential for the appointment of a receiver and manager the Company could also be subject to a voluntary administration or liquidation; and
- Under such circumstances, there is likely to be no economic interest remaining for existing shareholders, given the Company's current debt levels and limited alternative funding options.

The Directors view the Proposed Transaction as essential for preserving shareholder value and securing the Company's future. It provides G6M with a pathway to stabilise operations, improve financial health, and ultimately deliver long-term value to its stakeholders.

## 6.0 Background of G6M

This section is set out as follows:

- Section 6.1 provides background information on G6M;
- Section 6.2 provides an overview of the Dolphin Tungsten Mine;
- Section 6.3 summarises the corporate structure of G6M;
- Section 6.4 summarises the equity structure of G6M;
- Section 6.5 summarises the share market trading in G6M shares; and
- Section 6.6 summarises the historical financial information of G6M.

### 6.1 Background

G6M is an Australian based resource exploration and development company. The Company is focused on the redevelopment and operation of its 100%-owned Dolphin Tungsten Mine located on King Island in Tasmania. The Company has reported that the Dolphin Tungsten Mine is the highest-grade tungsten deposit of significant size in the western world.

The Company acquired an option to acquire the Dolphin Tungsten Mine on 4 August 2004. This option was exercised during May 2005 and the Company was renamed from GTN Resources Limited to King Island Scheelite Limited. In November 2021, the Company changed names from King Island Scheelite Limited to Group 6 Metals Limited.

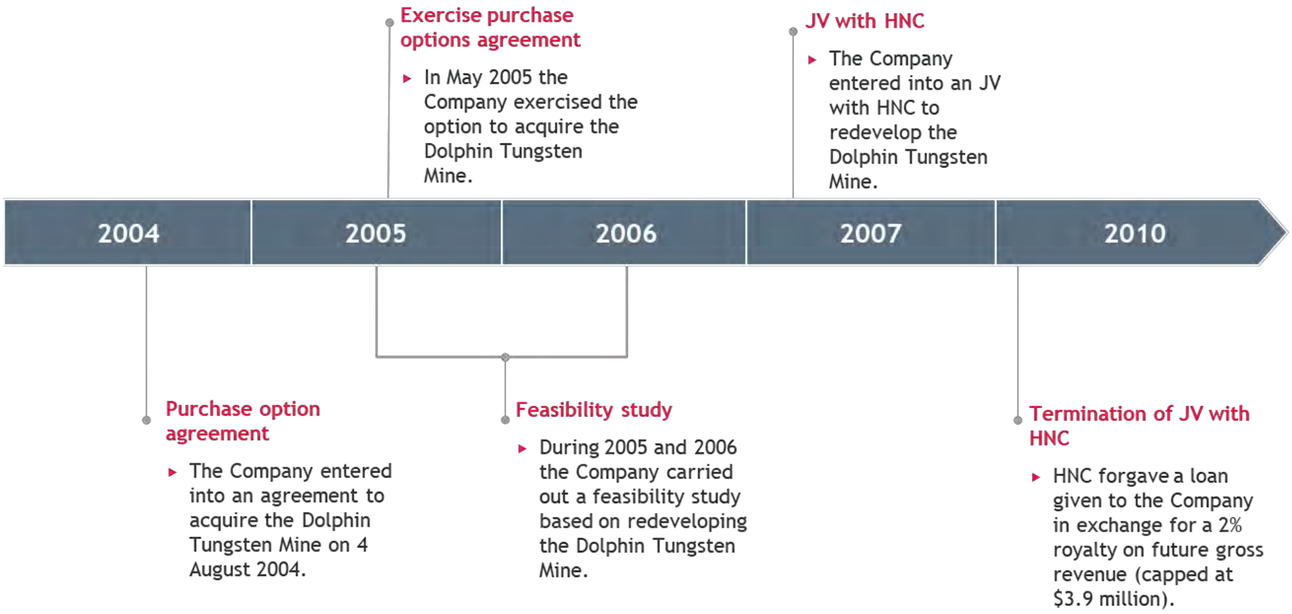
### 6.2 Dolphin Tungsten Mine

The Dolphin Tungsten Mine is a Tungsten mining project located on King Island in Tasmania ('the Dolphin Tungsten Mine').

This section sets out a summary of the Dolphin Tungsten Mine. For further detail in relation to the Dolphin Tungsten Mine, refer to the Xenith Report, dated 14 January 2025, attached as Appendix B

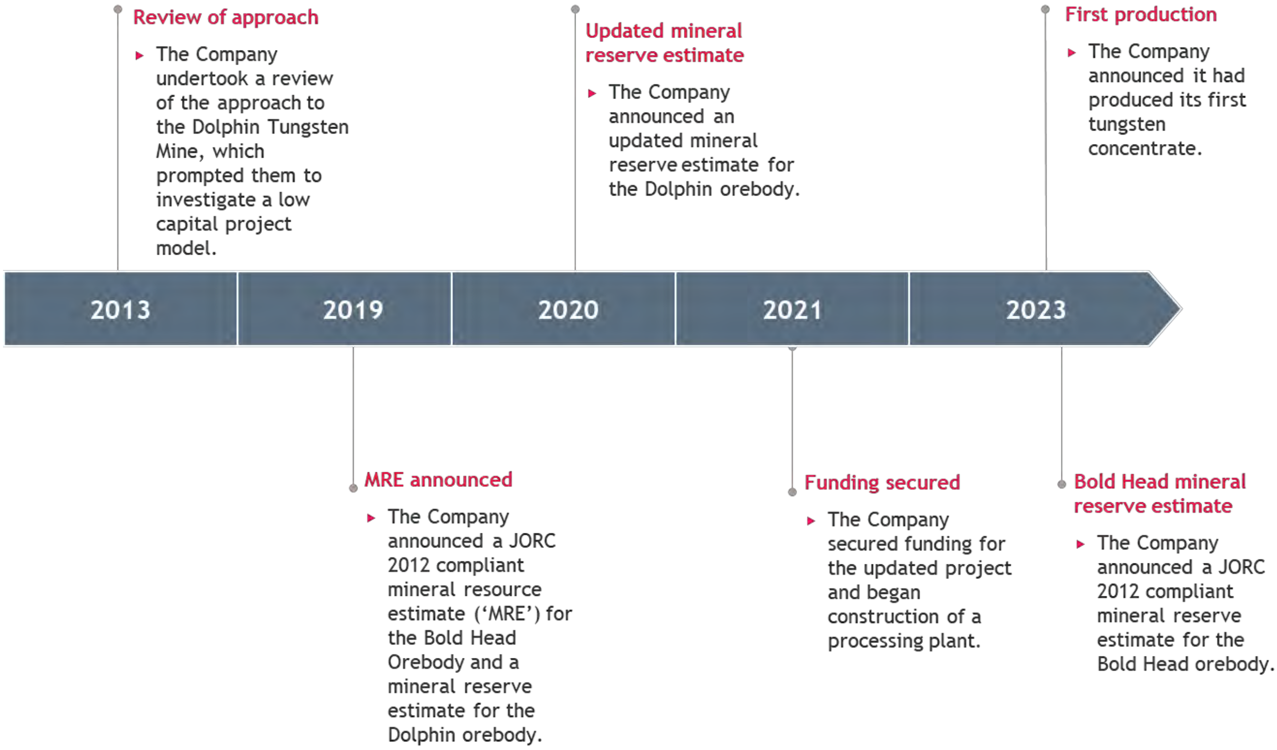
It was originally operated between 1917 and 1992 before being closed due to low tungsten prices. The Company acquired the project in May 2005. Figure 5.1 below summarises key corporate actions undertaken by G6M since acquiring the Dolphin Tungsten Mine. The period 2004 to 2007 is summarised directly below and the period from 2013 to 2023 continues on the next page.

Figure 6.1: Timeline **of the Company's Ownership of the** Dolphin Tungsten Mine (2004 to 2010)




*Source: G6M website, G6M ASX announcements*

Figure 6.1 (continued): Timeline of **the Company's Ownership of the** Dolphin Tungsten Mine (2013 to 2023)




*Source: G6M website, G6M ASX announcements*

The 2019 MRE and mineral reserve estimate announcement considered two orebodies being:

- The Dolphin orebody, which is the major deposit of the Dolphin Tungsten Mine, is an open-cut orebody with an indicated resource of 9.60 Megatonnes ('Mt') at a grade of 0.90% for 86,400 tonnes ('t') of contained tungsten trioxide ('$WO_3$')[3]; and
- The Bold Head orebody, which is a satellite deposit of the existing Dolphin deposit. It was operated as a decline accessed room and pillar underground mine between 1974 and 1986. The deposit is a direct analogue of the Dolphin orebody. It hosts an indicated and inferred resource of 1.76Mt at a grade of 0.91% for 16,080t of contained $WO_3$[4].

G6M announced an updated mineral reserve estimate for the Dolphin orebody on 16 December 2020 and a maiden reserve estimate for the Bold Head orebody on 26 June 2023. The total probable reserves are as follows:

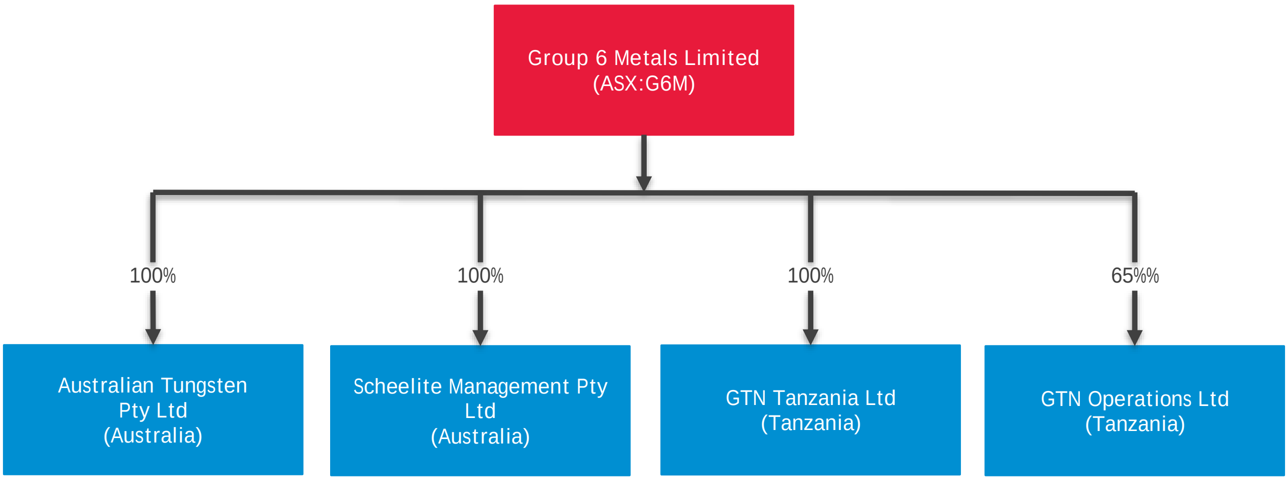
- Dolphin orebody: 4.43Mt at a 0.92% grade[5]; and
- Bold Head orebody: 0.45Mt at a 0.9% grade[6].

[3] G6M ASX Announcements:18% increase in tungsten resources
[4] G6M ASX Announcements: Redevelopment of Dolphin Open-cut project - completion of feasibility study and development timeline
[5] G6M ASX Announcements: Dolphin Tungsten Mine revised feasibility study provides significant increase in PV and mine life.
[6] G6M ASX Announcements: Bold Head maiden mineral reserve estimate

## 6.3 Corporate structure of G6M

Figure 6.1 below outlines the corporate structure of G6M.

Figure 6.1: Corporate Structure of G6M




*Source: G6M 2023 annual report*

With regard to Figure 6.1 we note the following:

- Management have advised that Australian Tungsten Pty Ltd operates the Dolphin Tungsten Mine and hold the mining license and title to the Dolphin Tungsten Mine; and
- Management have advised that other entities have no current operations.

## 6.4 Equity structure of G6M

### 6.4.1 Ordinary shares

As at 27 September 2024, being the Company's most recent trading date as at the date of this Report, G6M had approximately 1.0 billion ordinary shares on issue. The substantial shareholders are set out in Table 5.1. Table 5.1 does not consider any potential changes in shareholding as a result of the Proposed Transaction.

Table 6.1: Substantial shareholders

| | Shareholders | Number of shares | Percentage Holding |
|---|---|---|---|
| 1 | Abex Limited | 151,304,877 | 15.07% |
| 2 | Chrysalis Investments Pty Ltd ATF The Ellis Family Trust | 140,078,093 | 13.95% |
| 3 | D.A.CH.S. Capital | 99,162,509 | 9.88% |
| 4 | Elphinstone Holdings Pty Ltd | 61,880,406 | 6.16% |
| | Other shareholders | 551,596,967 | 54.94% |
| | Total | 1,004,022,852 | 100.00% |

*Source: G6M share register*

Having regard to the information set out in Table 6.1 above, we note:

- As at 27 September 2024 G6M has approximately 1.0 billion fully paid ordinary shares outstanding, of which the top four shareholders hold 45.06%;
- Christopher Ellis is a director of Chrysalis Investments Pty Ltd ATF The Ellis Family Trust and the Company; and
- Dale Elphinstone is a director of Elphinstone Holdings Pty Ltd and the Company.

In addition to the above analysis, we have set out in Table 6.2 below a summary of the share distribution.

Table 6.2: Share distribution

| Range of shares held | No. of Shareholders | No. of ordinary shares | Percentage of issued shares (%) |
|---|---|---|---|
| 1 - 10,000 | 2,647 | 13,011,686 | 1.30% |
| 10,001 - 50,000 | 1,891 | 47,829,326 | 4.76% |
| 50,001 - 250,000 | 1,020 | 120,446,316 | 12.00% |
| 250,001 - 750,000 | 275 | 118,484,966 | 11.80% |
| 750,001 - 3,000,000 | 94 | 118,713,402 | 11.82% |
| 3,000,001 - and over | 23 | 585,537,156 | 58.32% |
| Total | 5,950 | 1,004,022,852 | 100.00% |

*Source: G6M share register, BDOCF analysis*

Having regard to the information set out in Table 6.2 above, we note:

- G6M has relatively concentrated share ownership, with 58.32% of the shares being held by a small group of shareholders (23); and
- Shareholders with interests between 1 - 50,000 shares represent the majority of shareholders by number but only own 6.1% of the Company.

### 6.4.2 Options on issue

G6M have various options on issue as at 27 September 2024, which are outlined in Table 6.3 below.

Table 6.3: G6M's outstanding options

| Source | Number outstanding | Expiry date | Exercise price |
|---|---|---|---|
| Unlisted performance options | 9,000,000 | 30/09/2026 | - |
| Unlisted performance options | 12,000,000 | 19/07/2028 | - |
| Unlisted options | 50,892,858 | 28/02/2025 | $0.20 |
| Unlisted options | 16,964,286 | 10/12/2025 | $0.20 |
| Unlisted options | 16,964,286 | 10/06/2026 | $0.20 |
| Unlisted options | 16,964,286 | 10/12/2026 | $0.20 |
| Unlisted options | 46,428,571 | 31/12/2025 | $0.21 |
| Unlisted options | 71,980,992 | 31/01/2025 | $0.28 |
| Unlisted options | 29,411,765 | 31/01/2026 | $0.28 |
| Unlisted options | 149,293,952 | 31/06/2025 | $0.21 |
| Unlisted options | 3,500,000 | 14/07/2026 | $0.18 |
| Unlisted options | 3,500,000 | 14/07/2027 | $0.20 |
| Unlisted options | 3,500,000 | 14/07/2028 | $0.22 |
| Total | 430,400,995 | | |

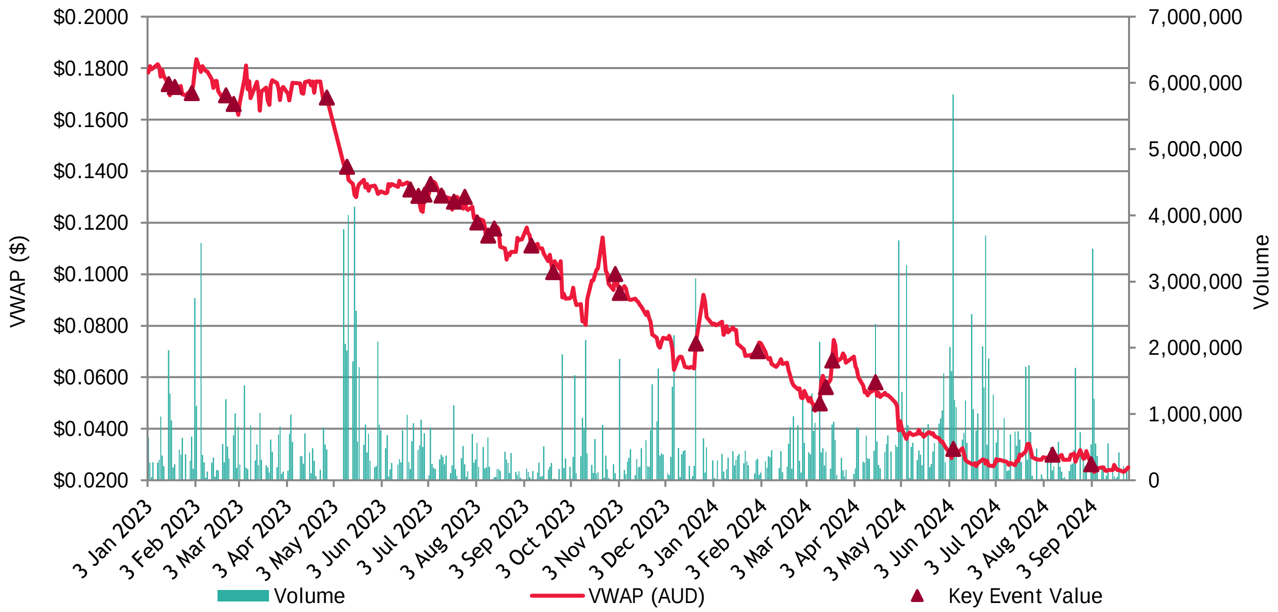
*Source: G6M options register, BDOCF analysis*

## 6.5 Share trading data of G6M

### 6.5.1 Share trading data

Figure 6.2 displays the daily volume weighted average price ('VWAP') and daily volume of G6M shares traded on the ASX over the period between 1 January 2023 and 27 September 2024 (when share trading was suspended).

Figure 6.2: Daily VWAP and Volume of G6M Shares Traded from 1 January 2023 to 27 September 2024




*Source: Capital IQ as at 27 September 2024 sourced 2 December 2024*

Over the period graphed in Figure 6.2 above, G6M's daily VWAP displays a period low of $0.0232 on 4 September 2024 and a period high of $0.1835 on 3 February 2023.

In addition to the share price and volume data of G6M shown above, we have also provided additional information in Table 6.4 below to assist readers to understand the possible reasons for the movement in G6M's share price over the period analysed. The selected ASX announcement references in Table 6.4 below correspond to those displayed in Figure 6.2 above.

Table 6.4: Selected G6M ASX Announcements from 4 July 2023 to 27 September 2024

| Date | Key Event |
|---|---|
| 16/01/2023 | G6M provided an update on the Dolphin Tungsten Mine, advising that construction had resulted in an 8% increase in the expected costs, raising the total project capital budget. |
| 20/01/2023 | G6M announced that the November 2022 Share Purchase Plan ('SPP') had received applications exceeding $4.0 million and issued a supplementary prospectus. |
| 31/01/2023 | G6M released their quarterly activities and cash flow report for the period ending 31 December 2022. They announced that construction activities at the Dolphin Tungsten Mine were progressing, with the Company on track to achieve first concentrate production in Q1 2023. Additionally, the net present value of the project increased by 24%, rising from $241 million to $300 million. The Company also reported an increase in administration and corporate outflows compared to the previous quarter. |
| 22/02/2023 | G6M provided an update on their $4.5 million SPP originally announced on 28 November 2022, confirming that the full amount had been allocated to investors and that the maximum amount raised had increased to $4.5 million. |
| 27/02/2023 | G6M announced the initial results of on the first exploration drilling at the Investigator 24 site, where a full mine sequence and skarn-hosted scheelite mineralisation were identified. |
| 23/04/2023 | G6M announced that $1.6 million of the grant provided to Hydro Tasmania for the implementation of a dedicated interim diesel power station at the Dolphin Tungsten Mine had been drawn down for. |
| 28/04/2023 | G6M released their quarterly activities and cash flow report for the period ending 31 March 2023. They announced that the Dolphin Tungsten Mine's processing plant was nearing completion, significant ore stockpiles were ready for processing, and they had received a $1.6 million power supply grant from the Tasmanian State Government. |
| 01/05/2023 | G6M entered a trading halt pending an announcement. |
| 03/05/2023 | G6M extended their trading halt issuing notice of a material capital raise. |
| 08/05/2023 | G6M announced a $27.0 million placement and a $3.0 million SPP at an issue price of $0.14, representing a 16.6% discount to the 5-day VWAP. Investors who subscribed to either the placement or SPP were also entitled to receive 2 free options for every 3 new shares, with an exercise price of $0.21. |
| 11/05/2023 | G6M released a prospectus for the SPP announced on 7 May 2023, providing an update on the Dolphin Tungsten Mine's production. They highlighted increased capital costs, driven by the high inflationary environment impacting construction projects, as a key factor behind the SPP offer. |
| 21/06/2023 | G6M released a supplementary prospectus for the SPP, which included an operational update on the Dolphin Tungsten Mine. The update reflected the revised operating cost profile and resulted in a $48 million adjustment to the project's net present value. |
| 26/06/2023 | G6M released a mineral resource estimate for the Bold Head orebody, identifying a probable reserve of 0.45 Mt at 0.9% WO3, and increased the Dolphin Tungsten Mine's overall probable reserve by 10%. |
| 30/06/2023 | G6M provided an updating on their current SPP. Announcing strong support for their current SPP, with commitments totalling $2.9 million at a price of $0.14 per share. |
| 04/07/2023 | G6M announced commercial production of concentrate has begun at the Dolphin Tungsten Mine, with the processing plant achieving 70% uptime and processing over 10,000t of ore at an average grade of 0.3% $WO_3$. |
| 11/07/2023 | G6M announced they had raised $3.7 million from existing shareholders via a SPP of 26.6 million shares at $0.14, which was originally announced on 8 May 2024 and represented a 17.65% discount to the closing price on this day. The Company issued these shares on the same day. |
| 19/07/2023 | G6M announced the first shipment of tungsten concentrate. The shipment was approximately 13t of tungsten concentrate, with an average grade of 69% $WO_3$. |
| 26/07/2023 | G6M issued an additional 3.5 million shares to sophisticated and professional investors via the SPP at $0.14, a 17.65% discount to the closing price on 5 May 2023 when the share purchase plan was announced. |
| 03/08/2033 | G6M issued an additional 714,000 shares to sophisticated and professional investors via the SPP at $0.14, which represents a 17.65% discount to the closing price on 5 May 2024 when the share purchase plan was announced. |
| 10/08/2023 | G6M provided a production update for the Dolphin Project. They announced that the plant processed 12,500t of low-grade ore at 0.28% $WO_3$. |
| 14/08/2023 | G6M released the results of first pass exploration drilling programs at the Investigator 22 and Investigator 24 sites. Identifying skarn hosted scheelite mineralisation in all three holes. |

| Date | Key Event |
|---|---|
| 07/09/2023 | G6M released the financial result for the year ended 30 June 2023. |
| 21/09/2023 | G6M provided an update on the Dolphin Project, reporting that the plant processed 20% more ore than the previous month following recent optimisations. |
| 31/10/2023 | G6M released their quarterly activities and cash flow report to 30 September 2023. They announced quarterly saleable tungsten production of 86.7t, provided a further update on ammonium paratungstate prices and advised that average monthly production was lower than forecast due to mechanical breakdowns at the plant. |
| 1/11/2023 | G6M requested a trading halt pending the announcement in relation to the Company's debt financing facilities. |
| 3/11/2023 | G6M announced that they had received an additional $8.0 million in bridge finance from Abex, CJRE, Elphinstone and D.A.CH.S to progress the operations at the Dolphin Tungsten Mine. This facility has a minimum interest rate of 12.50% and is repayable at the earlier of 72 hours following receipt of the R&D refund or 31 March 2024. |
| 22/12/2023 | G6M announced the lodgement of R&D tax incentives totalling $14.3m with the ATO in relation to the Dolphin Tungsten Mine. Along with a new daily ore processing record, with more than 1,000t of high-grade ore being processed over a 24-hour period. Their Chief Executive Officer announced that the mining team had identified opportunities to accelerate the extraction of ultra-high-grade open-cut ore, which would lower operating unit costs and mitigate any potential risks to the production forecast over the next 12 months. |
| 31/01/2024 | G6M announced their quarterly activities and cash flow report to 31 December 2023. They announced that Q2 has seen lower average grade and total ore mined when compared to Q1FY24. |
| 11/03/2024 | G6M provided an operational update where they advised that their average mining grades had seen a sharp increase and were exceeding grade forecasts for January and February 2024. They noted the average mining grade for February was 0.63%. |
| 15/03/2024 | G6M released their half year financial statements, wherein management advised that it had received revenue from customers for the first time and provided a funding and operational update. |
| 19/03/2024 | G6M released a company presentation titled Tungsten Production Accelerating, included in this presentation was a revised approach to maximise cashflows, provided an update on the project net present value and the tungsten market. |
| 16/04/2024 | G6M announced that they are achieved an operational milestone, by extracting a record 49,609t of ore, with an average grade of 0.48%. |
| 05/06/2024 | G6M announced that their mining at the Dolphin Tungsten Mine has exceeded forecast volumes for ore tonnes and metric tonne units of $WO_3$. |
| 8/08/2024 | G6M announced ore sorting trials at their Dolphin Tungsten Mine, highlighting their potential to increase tungsten head grade, reduce milling and processing costs, improve metal recovery, and lower environmental impact. |
| 2/09/2024 | G6M announced that additional capital had been secured to support strategic and operational review. They advised they had appointed MA Moelis Australia to conduct a strategic review to determine the Company's optimal capital structure and consider potential M&A activities to reposition the business. |
| 27/09/2024 | G6M requested the voluntary suspension of their shares while pending an announcement regarding the Proposed Transaction. G6M also noted that their financial statements would not be lodged until the negotiations relating to the Proposed Transaction where finalised. |

*Source: G6M ASX announcements*

In Table 6.5 below we have set out G6M's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 29 September 24, being the date that G6M entered a trading hold.

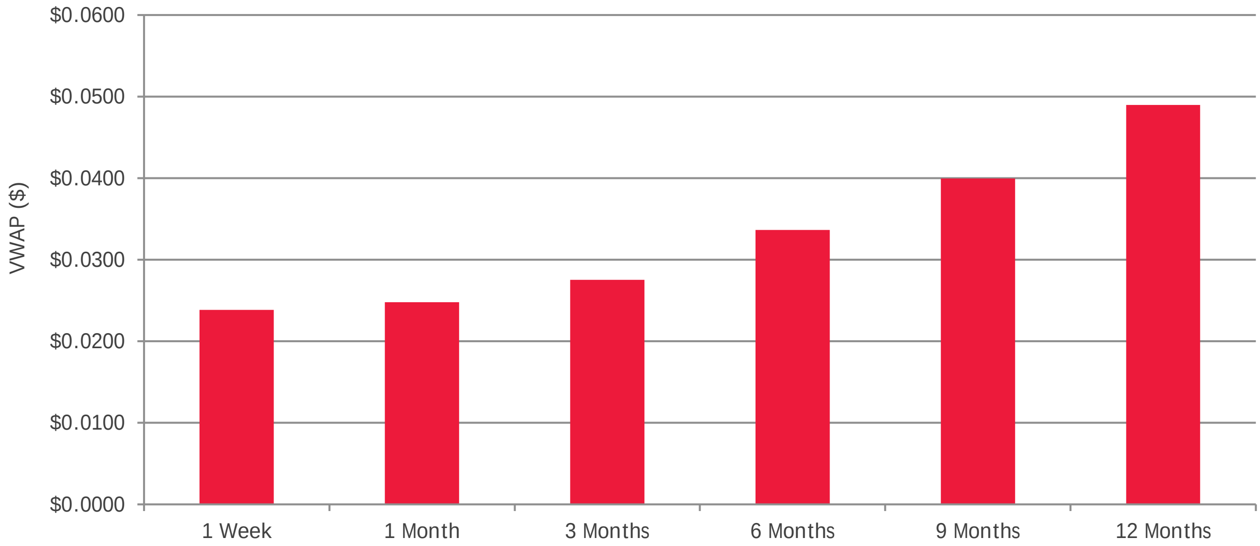
Table 6.5: **G6M's** VWAP for specified periods prior up to 27 September 2024

| Length of Relevant VWAP Period | VWAP up to 27 September 2024 |
|---|---|
| 1 Week | $0.0239 |
| 1 Month | $0.0248 |
| 3 Months | $0.0275 |
| 6 Months | $0.0336 |
| 9 Months | $0.0400 |
| 12 Months | $0.0490 |

*Source: Capital IQ as at 27 September 2024 sourced 2 December 2024*

The information presented in Table 6.5 is shown graphically in Figure 6.3 below.

Figure 6.3: G6M's VWAP for specified periods prior to 27 September 2024




*Source: Capital IQ as at 27 September 2024 sourced 02 December 2024*

G6M's share price and VWAP have consistently decreased over the last 12 months for reasons including continued operational issues impacting G6M, the significant fundraising required to continue operations and the ongoing operating losses.

### 6.5.2 Liquidity of G6M shares on the ASX

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 6.6 summarises the monthly liquidity of G6M between 1 September 2023 and 27 September 2024. Liquidity has been summarised by considering the following:

- Volume of G6M share trades per month;
- Value of total trades in G6M shares per month;
- Number of G6M shares traded per month as a percentage of total G6M shares outstanding at the end of the month;
- The monthly low daily VWAP and high daily VWAP of the Company; and
- Volume weighted average price per month.

Table 6.6: Liquidity of G6M shares on the ASX

| Month | Volume | Shares outstanding | Volume / shares outstanding | Monthly low share price | Monthly VWAP | Monthly high share price |
|---|---|---|---|---|---|---|
| September 2024 (to the 27th) | 8,372,100 | 1,004,022,850 | 0.83% | $0.0230 | $0.0244 | $0.0270 |
| August 2024 | 6,553,660 | 1,004,022,850 | 0.65% | $0.0250 | $0.0289 | $0.0330 |
| July 2024 | 13,003,710 | 1,004,022,850 | 1.30% | $0.0250 | $0.0291 | $0.0340 |
| June 2024 | 30,021,580 | 1,004,022,850 | 2.99% | $0.0240 | $0.0286 | $0.0330 |
| May 2024 | 20,158,540 | 1,004,022,850 | 2.01% | $0.0330 | $0.0375 | $0.0420 |
| April 2024 | 10,648,880 | 1,004,022,850 | 1.06% | $0.0470 | $0.0557 | $0.0670 |
| March 2024 | 11,243,720 | 1,003,992,950 | 1.12% | $0.0470 | $0.0569 | $0.0730 |
| February 2024 | 7,876,720 | 1,003,424,720 | 0.78% | $0.0520 | $0.0603 | $0.0740 |
| January 2024 | 5,390,340 | 1,003,424,720 | 0.54% | $0.0660 | $0.0748 | $0.0820 |
| December 2023 | 11,158,430 | 1,003,424,720 | 1.11% | $0.0630 | $0.0711 | $0.0890 |
| November 2023 | 11,031,510 | 1,003,424,720 | 1.10% | $0.0710 | $0.0825 | $0.0960 |
| October 2023 | 9,862,960 | 1,003,424,720 | 0.98% | $0.0800 | $0.0908 | $0.1100 |
| September 2023 | 4,772,430 | 1,003,424,720 | 0.48% | $0.0900 | $0.0998 | $0.1200 |
| | 5,549,890 | 1,003,362,550 | 14.95% | $0.0230 | $0.0505 | $0.1200 |

*Source: Capital IQ as at 27 September 2024 sourced 2 December 2024*

Assuming a weighted average number of 1,003,362,550 G6M shares on issue over the period, approximately 14.95% of the total shares on issue were traded over the period between 1 September 2023 and 27 September 2024.

## 6.6 Historical financial information of G6M

This section sets out the historical financial information of G6M. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in G6M's annual reports, including the full statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows.

G6M's financial statements for FY22 and FY23 have been audited by KPMG. BDOCF has not performed any audit or review of any type on the historical financial information of G6M and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

The audit of G6M's financial statements for FY24 remains outstanding as at the date of this Report with finalisation pending completion of the Proposed Transaction.

### 6.6.1 Statements of profit or loss and other comprehensive income

Table 6.7 summarises the consolidated statement of profit or loss and other comprehensive income of G6M for the 12-month periods ended 30 June 2022, 2023 and 2024.

Table 6.7: G6M consolidated statement of profit or loss and other comprehensive income

| ($'000) | | 12 Months ended 30-Jun-22 Audited | 12 Months ended 30-Jun-23 Audited | 12 Months ended 30-Jun-24 Unaudited |
|---|---|---|---|---|
| Income | | | | |
| Sales income | A | - | - | 12,383 |
| Grant income | B | - | 1,642 | - |
| R&D refund income | C | 241 | 72 | 14,350 |
| Rental income | | 3 | - | - |
| Other income | | - | 91 | 153 |
| Total income | | 244 | 1,805 | 26,886 |
| Expenses | | | | |
| Mining expenses | D | (127) | (3,299) | (9,428) |
| Processing expenses | D | - | (577) | (13,588) |
| Support service expenses | D | - | (8,535) | (5,352) |
| Selling and distribution expenses | E | - | - | (930) |
| Maintenance expenses | | - | (172) | - |
| Exploration expenses | F | (1,284) | (297) | - |
| Administrative expenses | G | (4,822) | (6,903) | (6,207) |
| Warrant expenses | H | (4,946) | - | - |
| Total other expenses | C | (11,179) | (19,784) | (35,505) |
| Earnings before interest, tax and depreciation (EBITDA) | | (10,935) | (17,979) | (8,619) |

| ($'000) | | 12 Months ended 30-Jun-22 Audited | 12 Months ended 30-Jun-23 Audited | 12 Months ended 30-Jun-24 Unaudited |
|---|---|---|---|---|
| Depreciation and amortisation expenses | I | (417) | (3,421) | (12,875) |
| Impairment expense | J | - | - | (17,351) |
| Earnings before interest and tax (EBIT) | | (11,352) | (21,401) | (38,845) |
| Financing income | K | (2,279) | 78 | 199 |
| Financing expense | L | (17) | (544) | (6,745) |
| Net profit (loss) before tax | | (13,648) | (21,866) | (45,391) |
| Income tax expense | | - | - | - |
| Net profit (loss) after tax | | (13,648) | (21,866) | (45,391) |

Source: *G6M FY2022, FY2023 and FY2024 Annual Reports*

Notes to Table 6.7

| | |
|---|---|
| A | ▸ G6M recognised sales revenue for the first time in FY24 following production commencement on 4 July 2023.<br>▸ FY24 sales represent $12.4 million in tungsten concentrate on the first 30 shipments to offtake partners and $0.1 million in gravel sales to King Island council. |
| B | ▸ Grant income was recognised in FY23 due to income received from Tasmania Development and Resources during FY23. |
| C | ▸ In FY24 a $14.1 million tax refund was received which represents 43.5% of eligible relevant expenditure in prior financial years. |
| D | ▸ Support services, mining, processing and maintenance expenses were recognised in FY23 as the Dolphin Tungsten Mine prepared to commence production.<br>▸ In FY24 these costs increased as the Company was undertaking operational activities for the full year. |
| E | ▸ Selling and distribution expenses were recognised in FY24, these include $0.6 million of royalties and $0.3 million of shipping costs. |
| F | ▸ Exploration expenses decreased between FY22 and FY24, this is due to the beginning of production at the Dolphin Tungsten Mine by G6M. |
| G | ▸ Administration expenses have increased in line with the increase in operations of the Dolphin Tungsten Mine. |
| H | ▸ In FY22 an expense was recognised for the fair value of warrants issued to Pure Asset Management. |
| I | ▸ Depreciation expenses increased between FY22 and FY24 due to the completion of construction at the Dolphin Tungsten Mine. |
| J | ▸ An impairment expense of $17.4 million was recognised in FY24, recognised against the processing plant assets. |
| K | ▸ In FY22, financing income was negative as a result of revaluation of warrants issued by the Company. |
| L | ▸ Financing expenses have increased between FY22 and FY24 in line with the increase in debt funding provided to the Company. |

### 6.6.2 Statements of financial position

Table 6.8 summarises G6M statements of financial position as at 30 June 2022, 2023 and 2024.

Table 6.8: G6M's summarised consolidated statements of financial position

| ($'000) | | 12 Months ended 30-Jun-22 Audited | 12 Months ended 30-Jun-23 Audited | 12 Months ended 30-Jun-24 Unaudited |
|---|---|---|---|---|
| Current assets | | | | |
| Cash and cash equivalents | A | 4,529 | 9,032 | 809 |
| Prepayments | | 680 | 166 | 2,004 |
| Inventories | B | - | 2,710 | 4,856 |
| Deposits (current) | | 195 | 50 | 127 |
| Trade receivables | | - | - | 452 |
| Other assets (current) | | 1,171 | 422 | 424 |
| Total current assets | | 6,576 | 12,380 | 8,672 |

| ($'000) | | 12 Months ended 30-Jun-22 Audited | 12 Months ended 30-Jun-23 Audited | 12 Months ended 30-Jun-24 Unaudited |
|---|---|---|---|---|
| Non-current assets | | | | |
| Property, plant and equipment | C | 43,012 | 99,904 | 92,332 |
| Right-of-use assets | D | 2,531 | 11,168 | 7,393 |
| Mine development assets | E | 296 | 12,803 | - |
| Mine properties | E | - | - | 12,663 |
| Deposits (non-current) | F | 2,865 | 3,378 | 2,901 |
| Total non-current assets | | 48,704 | 127,252 | 115,289 |
| Total assets | | 55,280 | 139,632 | 123,961 |
| Current liabilities | | | | |
| Trade and other payables | G | 6,813 | 12,755 | 13,697 |
| Provisions (current) | H | 94 | 385 | 751 |
| Lease liabilities (current) | D | 464 | 5,236 | 2,160 |
| Loans (current) | I | 118 | 5,002 | 49,144 |
| Other liabilities (current) | | 40 | 80 | 78 |
| Total current liabilities | | 7,529 | 23,459 | 65,830 |
| Non-current liabilities | | | | |
| Loans (non-current) | I | 10,635 | 35,425 | 18,362 |
| Derivative liabilities | J | 11,859 | - | - |
| Lease liabilities (non-current) | E | 1,230 | 3,349 | 2,042 |
| Provisions (non-current) | H | - | 6,187 | 6,757 |
| Other liabilities (non-current) | | 153 | 245 | 181 |
| Total non-current liabilities | | 23,877 | 45,205 | 27,342 |
| Total liabilities | | 31,406 | 68,664 | 93,172 |
| Net assets | | 23,874 | 70,968 | 30,789 |
| Equity | | | | |
| Issued capital | K | 103,100 | 152,901 | 157,148 |
| Reserves | J | 1,964 | 21,123 | 22,077 |
| Accumulated losses | | (81,190) | (103,056) | (148,446) |
| Total equity | | 23,874 | 70,968 | 30,779 |

*Source: G6M FY2022, FY2023 and FY2024 Annual Reports*

## Notes to Table 6.8

| | |
|---|---|
| A | ▸ Cash and cash equivalents increased between FY22 and FY23 due to an increase in loans and the issue of capital. However, In FY24 cash and cash equivalents decreased due to operational funding requirements. |
| B | ▸ Inventories (including stores and spares, and stockpiled ore) were recognised in FY23 and increased in FY24 as production increased. |
| C | ▸ Property plant and equipment increased between FY22 and FY23 due to development of the Dolphin Tungsten Mine.<br>▸ In FY24 property, plant and equipment decreased as a result of impairment and depreciation. The decrease was reduced as aa result of the addition of approximately $13.7 million of overburden in advance and approximately $2.4 million of assets under construction. |
| D | ▸ A lease liability and associated right of use asset were recognised in FY22 and increased in FY23 before decreasing in FY24, these items relate to mining equipment and the Brisbane office lease. |
| E | ▸ Mine development assets were recognised in FY23 and reclassified as mine properties assets in FY24. |
| F | ▸ Deposits largely comprise a $2.8 million security deposit paid to the Department of State Growth Mineral Resources Tasmania in relation to G6M's mining license 2080 P/M. This deposit is a requirement of the license to mine. |
| G | ▸ Trade and other payables increased between FY22 and FY24 with the development of the Dolphin Tungsten Mine and commencement of production. |

H
- Current provisions increased between FY22 and FY23, this was due to an increase in employee benefits incurred.
- Non-current provisions were recognised in FY23 and are inclusive of plant dismantlement, mining restoration and site rehabilitation, and employee benefits.

I
- Both current and non-current loans increased between FY22 and FY24 to fund mine operations and construction.

J
- Derivative liabilities were recognized in FY22 for warrants issued under a convertible debt facility on 6 September 2021. Initially, the terms of the facility restricted the exercise of the warrants to loan repayment. In FY23, this restriction was lifted, and as the loans were fully drawn by 30 June 2023, the derivative liabilities were derecognized through equity.

K
- Issued capital increased between FY22 and FY24 as a result of share placements and the exercise of options.

### 6.6.3 Statements of cash flows

Table 6.9 summarises G6M's statement of cash flows for the 12-month periods ended 30 June 2022, 2023 and 2024.

Table 6.9: G6M's summarised consolidated statements of cash flows

| ($'000) | | 12 Months ended 30-Jun-22 Audited | 12 Months ended 30-Jun-23 Audited | 12 Months ended 30-Jun-24 Unaudited |
|---|---|---|---|---|
| Cash flow from operating activities | | | | |
| Receipts from customers | | - | - | 11,852 |
| Other income received | | 241 | 1,805 | 14,494 |
| Security deposit paid | | (50) | - | - |
| Payments to suppliers and employees | | (4,300) | (18,416) | (51,937) |
| Interest paid | | (17) | (1,432) | (2,360) |
| Interest received | | 4 | 78 | 199 |
| Net cash (outflow)/inflow from operating activities | A | (4,122) | (17,965) | (27,752) |
| Cash flow from investing activities | | | | |
| Payments for property, plant and equipment | B | (33,839) | (45,929) | (3,898) |
| Proceeds from disposal of property, plant and equipment | | - | - | 2,176 |
| Payment for capitalised mine development costs | C | (296) | (10,321) | (586) |
| Proceeds from security deposits | | - | 145 | - |
| Payments for security deposits | | (2,840) | (93) | - |
| Net cash (outflow)/inflow from investing activities | | (36,976) | (56,198) | (2,308) |
| Cash flow from financing activities | | | | |
| Proceeds from issue of shares | D | 34,235 | 48,884 | 4,312 |
| Payments for capital raising costs | | (1,039) | (2,153) | (126) |
| Repayment of lease liabilities | | (168) | (3,815) | (4,903) |
| Proceeds from borrowings | D | 9,835 | 36,000 | 26,777 |
| Repayment of borrowings | | - | - | (1,954) |
| Interest paid on borrowings | | (425) | (250) | (2,269) |
| Net cash (outflow)/inflow from financing activities | | 42,437 | 78,666 | 21,837 |
| Net increase/(decrease) in cash held | | 1,339 | 4,503 | (8,223) |
| Cash and cash equivalents at the beginning of the financial year | | 3,190 | 4,529 | 9,032 |
| Cash and cash equivalents at the end of the financial year | | 4,529 | 9,032 | 809 |

*Source: G6M FY2022, FY2023 and FY2024 Annual Reports*

Notes to Table 6.9

A
- Net cash outflows from operating activities have increased between FY22 and FY24 as the Dolphin Tungsten Mine was developed and commenced operations.
- Receipts from customers has not been able to offset outflows from operating activities due to production delays at the processing plant affecting production volumes.

B
- Payments for property, plant and equipment were higher in FY22 and FY23 when compared to FY24, noting that construction on the Dolphin Tungsten Mine was undertaken during this time.

C
- Mine development outflows increased between FY22 and FY23 due to the increase in construction and development activities at the Dolphin Tungsten Mine. Subsequently these outflows decreased in FY24 as the Dolphin Tungsten Mine transferred to production.

D
- The significant cash out flows have been funded with a mixture of debt and equity.

## 7.0 Tungsten Industry Overview

G6M operates in the metals and mining industry, which is a subset of the Global Industry Classification Standard ('GICS') materials sector. G6M specifically focus on tungsten.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

### 7.1 Properties

Tungsten and its alloys are among the hardest of all metals. In addition to its hardness, tungsten possesses the highest melting point of all pure metals. Tungsten occurs naturally as wolframite, which is an iron manganese tungstate mineral ('[Fe,Mn]WO4') and scheelite ('CaWO4')[7]. Tungsten is considered a critical mineral by the European Union, United Kingdom, the United States of America ('US') and Australia due to its strategic importance[8].

### 7.2 Global Supply

According to the U.S Geological Survey's ('USGS') mineral commodity summaries report published in January 2024, China accounted for 81% of total mine production in FY23, with Russia and Vietnam being the next two largest primary producers.

USGS also reported total mineral reserves by country, they note China accounted for the majority of global reserves, totalling 2.3 Mt of the total 4.4 Mt of global reserves[9].

Figure 7.1: Global mine production 2023

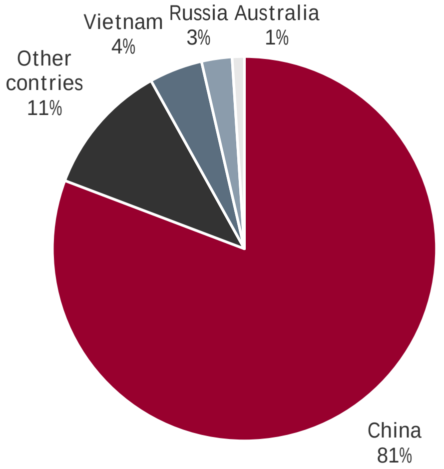
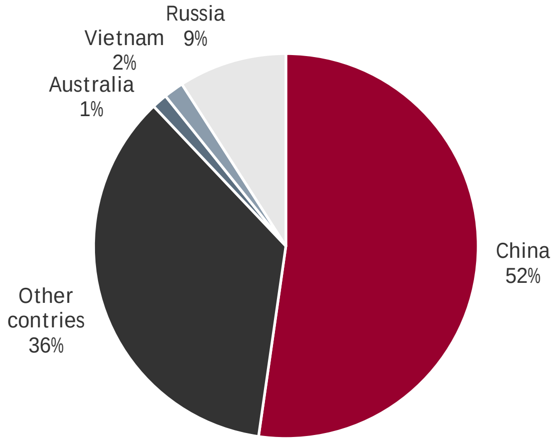



Figure 7.2: Global Reserves 2023




*Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2024*

Table 7.1 is a summary of the USGS's reports between 2021 and 2023. We note they have reported that total mine production has decreased by 7.44% over this period, notably China's total production decreased 12.70% and Vietnam's production decreased 37.14% over this period. Total production has decreased at a compound average growth rate ('CAGR') of 2.36% between FY21 and FY23.

Table 7.1: Global mine production 2022 & 2023 (t)

| Country | 2021 | 2022 | 2023 | CAGR % | Total Change % |
|---|---|---|---|---|---|
| China | 71,000 | 66,000 | 63,000 | -3.91% | -12.70% |
| Other countries | 5,700 | 7,600 | 8,700 | 15.14% | 34.48% |
| Vietnam | 4,800 | 4,000 | 3,500 | -9.99% | -37.14% |
| Russia | 2,300 | 2,000 | 2,000 | -4.55% | -15.00% |
| Australia | - | 200 | 800 | n/a | 100.00% |
| Total | 83,800 | 79,800 | 78,000 | -2.36% | -7.44% |

*Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2024 & 2023*

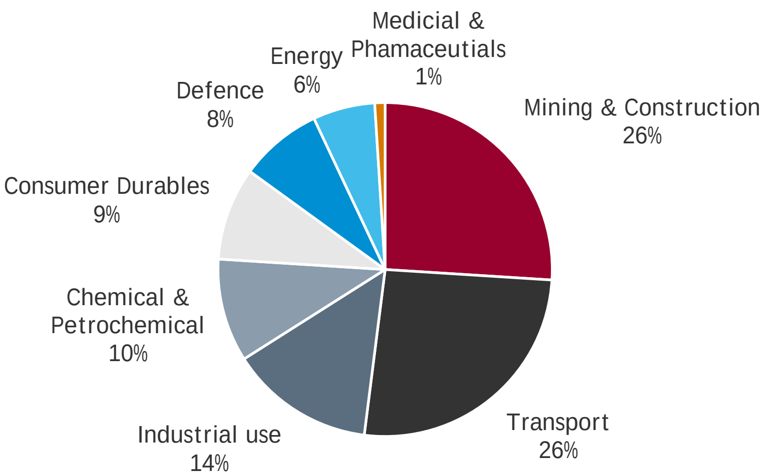
[7] Australian Government Geoscience Australia: Tungsten
[8] Australian Government Geoscience Australia: Tungsten
[9] USGA mineral commodity Summary 2024

## 7.3 Global Tungsten Consumption and Imports

Tungsten is used in cemented carbides for applications in metalworking, mining, oil drilling, welding, lightbulbs and to manufacture components in the electrical and aeronautical industries[10].

The International Tungsten Industry Association ('ITIA') provide an overview of the end use of tungsten by industry which is visualised in Figure 7.3 below. Mining & construction and transport account for 52% of total end use. According to the ITIA, 62% of use within mining and construction sector is attributed to mining, with the majority being used in underground mining. In the construction industry, tungsten is mainly used for tunnelling and road milling. Further, the ITIA reported that approximately 75% of tungsten used in the transport sector is consumed by the automotive industry specifically, which is the single biggest tungsten consumer worldwide[11].

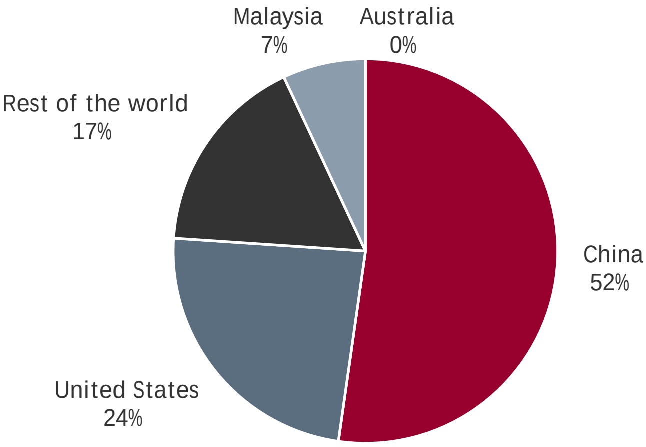
Figure 7.3: Tungsten End-Use by Industry




*Source: ITIA 2021*

According to the World Bank's World Integrated Trade Solution ('WITS') tungsten imports totalled 11,097t in 2023. China accounts for 5,799t or 52% of the total import[12] which is displayed in Figure 7.4. Noting that as per Section 7.2, China also accounts for 63,000t or 81% of total tungsten supply.

Figure 7.4: Global Tungsten imports by Country in 2023




*Source: WITS Tungsten ores and concentrates imports by country in 2023*

Table 7.2 shows the trends in global tungsten imports over the last three years. China and the US' import consumption is broadly consistent in 2021 and 2023, with an increase in FY22[1]. Malaysia's consumption increased at a CAGR of 160.78% while the rest of the world's imports have decreased. We note 2023 is the first year that Australia's tungsten production has been reported by the WITS.

[10] Australian Government Geoscience Australia: Tungsten
[11] ITIA End-Use applications - the industry view
[12] WITS Tungsten ores and concentrates imports by country in 2021, 2022 & 2023

Table 7.2: Total Imports by country (t)

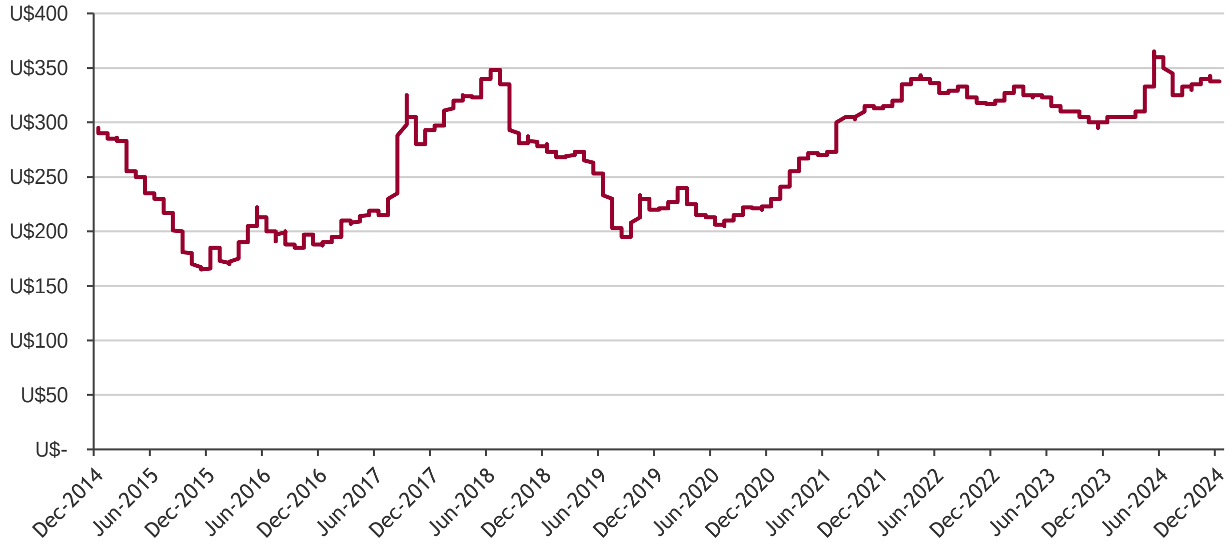
| Country | 2021 | 2022 | 2023 | CAGR% | Total change |
|---|---|---|---|---|---|
| China | 5,802.71 | 5,900.96 | 5,798.56 | -0.04% | -0.07% |
| US | 2,652.12 | 3,470.89 | 2,642.30 | -0.12% | -0.37% |
| Rest of the world | 6,433.90 | 3,495.51 | 1,881.63 | -33.62% | -70.75% |
| Malaysia | 43.67 | 77.01 | 774.52 | 160.78% | 1673.54% |
| Australia | - | - | 0.02 | | |
| Total | 14,932.40 | 12,944.36 | 11,097.03 | -9.42% | -34.56% |

Source: *WITS Tungsten ores and concentrates imports by country in 2021, 2022 & 2023*

## 7.4 Tungsten Price

The historical price for free on-board tungsten Ammonium Paratungstate ('APT') contain 88.5% tungsten over the last 10 years is outlined in Figure 7.5 below. We note that tungsten pricing is not standardised. Unlike commodities such as gold or copper, tungsten is not traded on major exchanges. Prices are largely determined through private contracts and bilateral negotiations[13] which can vary widely depending on market conditions and location.

Figure 7.5: Tungsten APT 88.5% Historical spot price US dollar per tonne ('US$/t')




Source: *Bloomberg as at 10 December 2024 and BDOCF analysis.*

Table 7.3 below outlines key events which impacted the tungsten market.

Table 7.3: Key events

| Period | Key Event |
|---|---|
| 2014 & 2015 | In 2014 and 2015, tungsten prices decreased. This was driven by declining demand in both the Chinese market and other markets which caused price instability[14]. |
| 2016 & 2017 | In 2017 the price increased. This was due to an increased global tungsten mine production, supply and consumption when compared to 2016[12]. In addition to this, the Chinese market faced production shutdowns as a result of environmental inspections[15]. |
| 2018 | During 2018, the market faced concerns regarding the sale of the tungsten stockpile held by the defunct Fanya Metal Exchange[16] which caused the price to decrease. |
| 2019 | In 2019 prices decreased. Notably in November 2019, the Fanya Metal Exchange stockpile, totalling 431.95t, was sold for US$95.47 million which was a discount to the then current market price[17]. |
| 2020 | During 2020 prices increased, driven by then US president Donald Trump issuing an executive order to reduce the US's vulnerability to disruptions in the supply of critical minerals[18], along with the Chinese Government increasing regulations on its tungsten industry by limiting the number of mining and export licenses, imposing quotas on production and placing constraints on mining and processing[19]. |

13 Minor Metals Trade Association
14 Chongyi Zhangyuan Tungsten Co Ltd Chinese market update 2016
15 USGS 2017 Minerals Yearbook
16 USGS 2018 Minerals Yearbook
17 Reuters: China court sells Fanya bismuth, tungsten inventory for $95 mln
18 Executive Order on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries
19 USGS 2021 Mineral Commodity Summary

| Period | Key Event |
|---|---|
| 2021 | Prices increased due to supply constraints from reduced production in China alongside strong demand. We understand that production reduced due to further environmental and safety inspections at Chinese operations[20]. |
| 2022 | During 2022 prices remained broadly consistent after an increase at the start of the year. Due to tungsten consumption from China's vehicle and other manufacturing industries being affected by lockdowns to control COVID-19 outbreaks. This was offset by increased oil and gas drilling coupled with a recovery of the aerospace industry within the US[21]. |
| 2023 | During 2023, prices continued to increase at the start of the year as the Russia-Ukraine conflict continued. Russian tungsten was less available to the wider market[22], noting that Russia was the 3rd largest producer during the year[23]. However as per Table 7.2, total imports were lower than 2022, which lead to a decrease in price. |
| 2024 | The beginning of 2024 saw an increase in tungsten prices, this was due to reduced mining activity in 2023 and major tungsten companies preferring to sell concentrate to fill long term orders instead of the spot market. This was coupled with another round of safety and environmental checks carried out by the Chinese government on Tungsten mines.[24] The effect of these circumstances has begun to normalise which resulted in a decrease in price in the 2nd half of 2024. |

While tungsten is a critical mineral with significant industrial applications, the key events outlined in the table above emphasise that its pricing remains opaque and volatile. This volatility arises from a combination of factors:

- Unlike commodities traded on formal exchanges, tungsten pricing lacks standardisation. Prices are often determined through private negotiations or regional benchmarks, leading to an absence of a transparent, universally accepted pricing mechanism and adding uncertainty to future price projections[25];
- China, as the largest producer and consumer, exerts considerable influence on global supply, demand, and price stability through production quotas, export restrictions, and domestic policies[26];
- Environmental regulations[27], geopolitical tensions[28], and fluctuating demand from key industries such as automotive, aerospace, and mining further exacerbate pricing uncertainty[29]; and
- The release of stockpiles (e.g. the Fanya Metal Exchange) and production shutdowns have historically triggered sharp price swings, complicating future price forecasts[30].



[20] USGS 2022 Mineral Commodity Summary
[21] USGS 2023 Mineral Commodity Summary
[22] Mining Magazine Australia
[23] USGS 2024 Mineral Commodity Summary
[24] Minor Metals Trade Association
[25] Asian Metal: Monthly Tungsten Market Report Aug 2023
[26] CNBC: China plans to restrict exports of a critical metal. But the market isn't that worried
[27] USGS 2022 Mineral Commodity Summary
[28] Eurasian Times Ukraine War Depletes 'Kinetic Bombardment' Element Stocks; China & Russia Hold Control Over Supplies
[29] USGS 2023 Mineral Commodity Summary
[30] Reuters: China court sells Fanya bismuth, tungsten inventory for $95 mln

## 8.0 Common Valuation Methodologies

### 8.1 Overview

RG 111 states that an expert should use its skill and judgment to select the most appropriate methodology or methodologies in its report. The expert must have a reasonable (or tenable) basis for choosing its valuation methodologies. However, RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

For the purposes of this Report we have had regard to the International Valuation Standards published by the International Valuation Standards Council ('IVSC').

There are three overarching valuation methodologies described by the IVSC as follows:

- Income approach methods
- Market approach methods
- Cost approach methods.

### 8.2 Basis of value

The basis of valuation we have adopted is 'market value'. Market value is defined by the IVSC as:

*"…the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

The valuation work set out in this Report assumes this relationship.

### 8.3 Income approach

#### 8.3.1 Discounted cash flow (**'DCF') method**

The DCF method is widely used in cases where future cash flows, while uncertain, can be reasonably forecast based on available data, industry trends, or strategic projections. This approach is particularly applicable when an asset or business may experience initial cash outflows (e.g. during development or expansion phases) with anticipated positive cash flows in later years as it matures or achieves commercialisation. The DCF method captures these varying cash flow profiles by discounting projected future cash flows to present value, enabling a comprehensive valuation of entities with both stable and dynamic cash flow expectations.

The DCF method involves several key steps:

- Select the appropriate type of cash flow (e.g., pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal) based on the nature of the subject asset.
- Determine the explicit forecast period, if applicable, over which cash flows will be projected. For assets at a stabilised level of growth and profits at the valuation date, an explicit forecast period may not be necessary, and a terminal value alone may form the basis of value (sometimes referred to as an income capitalisation method).
- Prepare cash flow projections for the explicit forecast period, aligning them with the asset's expected economic and operational performance.
- Calculate the terminal value, if appropriate, based on the asset's residual value or long-term growth rate beyond the forecast period.
- Determine the discount rate to reflect investor expectations of return, taking into account the specific risk characteristics of future cash flows and financing costs.
- Discount the projected cash flows and terminal value to present value using the selected discount rate.
- Adjust for non-operating assets or liabilities to ensure the final valuation reflects the entity's full financial position.

### 8.4 Market approach

#### 8.4.1 Guideline comparable method

The guideline comparable method is a common market approach that values an asset by reference to market-based metrics from comparable companies or transactions. This method is particularly applicable when there is reliable data on similar businesses or transactions in the relevant market.

The guideline comparable method involves several key steps:

- Identify relevant valuation metrics or comparable evidence that reflect how participants in the market value similar assets. Common metrics in business valuation include revenue, Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'), Earnings Before Interest and Taxes ('EBIT'), net profit after tax, and book values, with the choice depending on the industry and characteristics of the business.

- Select comparable publicly traded companies and relevant transactions, calculating key valuation metrics for each. When limited comparable information exists, we may also consider prices of similar businesses listed or offered for sale.
- Conduct a comparative analysis of qualitative and quantitative similarities and differences between the selected comparable companies and the subject asset to identify relevant adjustments.
- Make necessary adjustments to valuation metrics, if required, to account for differences between the subject asset and comparable companies (e.g., size, growth prospects, or risk profile).
- Apply the adjusted valuation metrics to the subject asset to arrive at an estimated value.

Additional adjustments may be appropriate to reflect differences between actual historical cash flows and those expected by a buyer on the valuation date.

Where earnings-based metrics (e.g. EBIT or EBITDA) are used for comparison, this is often referred to as the capitalisation of maintainable earnings ('CME') method.

#### 8.4.2 Share transactions

The share transactions approach values an entity based on recent transactions of its securities, providing an indication of market value when transaction data is available. This approach is particularly relevant in the following scenarios:

- For publicly traded entities, where share prices on an exchange can indicate market value, provided there is sufficient trading volume and a consistent trading history over time; and/or
- For entities with recent share issuances, such as rights issues or private placements, which can provide insight into the entity's perceived value.

Share market prices typically reflect transactions for minority interests and may not incorporate a premium for control.

#### 8.4.3 Industry specific metrics

Industry-specific valuation metrics can be relevant when market participants commonly rely on alternative measures of value specific to the industry. For resource companies, it is common for market analysts to have regard to multiples related to resources and tenement size.

### 8.5 Cost based method

#### 8.5.1 Replacement cost method

The replacement cost method values an asset based on the economic principle that a buyer would pay no more than the cost to acquire an asset with equivalent utility, either by purchase or by construction, assuming no undue time, inconvenience, or risk factors. This method calculates value by estimating the current replacement or reproduction cost of an asset and deducting allowances for physical deterioration and any other relevant forms of obsolescence.

The key steps in the replacement cost method are:

- Calculate all costs that a typical participant would incur to create or acquire an asset with equivalent utility;
- Assess depreciation due to physical, functional, or external obsolescence associated with the subject asset; and
- Deduct total depreciation from the replacement cost to determine the asset's value.

When the replacement cost method is applied based on the book value of an entity's assets, it is often referred to as an asset-based valuation ('ABV') methodology.

#### 8.5.2 Summation method

The summation method is useful for valuing entities whose overall value primarily depends on the individual values of different assets at various stages of development, or with different risk profiles.

The key steps in the summation method are:

- Value each component asset within the entity individually, using appropriate valuation approaches and methods for each type of asset; and
- Aggregate the values of all component assets to determine the total value of the entity.

## 9.0 Valuation of G6M prior to the Proposed Transaction

This section sets out our valuation of the shares in G6M prior to the Proposed Transaction and is structured as follows:

- Section 9.1 sets out our view of the most appropriate methodology to value G6M;
- Section 9.2 sets out an overview of the Xenith Independent Technical Specialist Report;
- Section 9.3 sets out our DCF valuation of the Dolphin Tungsten Mine;
- Section 9.4 sets out our consideration of the value of G6M's remaining assets and liabilities;
- Section 9.5 sets out our valuation of G6M having regard to a summation approach;
- Section 9.6 sets out our valuation of G6M having regard to a share transaction valuation approach; and
- Section 9.7 sets out our conclusion on the value of G6M for the purposes of this Report.

### 9.1 Our valuation approach for G6M

#### 9.1.1 Overview

We have considered each of the valuation methodologies outlined in Section 8 within the context of G6M's various operating assets and, in our view, it is appropriate to value G6M with reference to the summation method. We consider this method appropriate as G6M's value is derived from assets with different risk profiles and the summation method provides the flexibility to value each asset having regard to their individual characteristics.

We have also considered a valuation approach based on share transactions. We discuss each of these approaches below.

Having regard to the summation valuation and our consideration of share transactions, we have formed a view on the most appropriate value to adopt for each G6M share, on a controlling interest basis, for the purpose of this Report (refer Section 9.7).

#### 9.1.2 Summation approach

We have applied the summation method, commonly used for entities where value is primarily derived from individual assets. Under this approach, each of G6M's assets is valued separately on a market value basis, then aggregated to determine a total entity value. From this, liabilities are deducted and other relevant adjustments made to derive an equity value.

Table 9.1 below summarises our summation valuation approach.

Table 9.1: Summary of valuation methodologies utilised in our summation valuation

| Category | Description |
|---|---|
| Operating project | Projects in the later stages of development or in production are typically valued using a DCF methodology as the projects are generally sufficiently defined technically and are supported by cash flow forecasts. The Dolphin Tungsten Mine has a detailed forecast LOM model available which we have used in undertaking our valuation.<br>To assist in our DCF analysis and consistent with the requirements of the VALMIN Code, the technical, production and cost assumptions adopted in the LOM models have been reviewed by Xenith (refer Section 9.2 below) to arrive at a 'Xenith Adjusted Existing LOM'. We have formed our own view on all other inputs, including commodity prices, foreign exchange rates, and discount rates.<br>To cross-check our DCF valuation we have considered a market-based approach based on Industry-specific valuation metrics. For resource companies, it is common for market analysts to have regard to multiples related to resources and tenement size. However, we were unable to identify any sufficiently comparable tungsten mines to benchmark against our DCF valuation of the Dolphin Tungsten Mine.<br>We have also separately valued G6M's corporate overheads utilising a DCF valuation methodology. |
| Resources outside LOM | In the opinion of Xenith, the understanding of the Dolphin Tungsten Mine is not sufficiently advanced to include all the resources in the LOM model within the DCF valuation. Xenith have separately provided us a value of these resources (refer Section 9.3 below). |
| Exploration assets | Exploration and prospecting tenements at the earlier stages of development are typically valued by a specialist technical valuer. We have adopted the technical valuations for the exploration and prospecting tenements held by G6M, as provided by the specialist technical valuer (refer Section 9.3 below). |
| Other assets / liabilities | We have valued G6M's remaining assets and liabilities utilising a cost-based valuation methodology that makes reference to the book value of each individual item. We consider it standard industry practice to adopt the book value of items like cash and debt as their market value. |

*Source: BDOCF Analysis*

Our summation method is set out in Sections 9.2 to 9.5 below.

#### 9.1.3 Share transactions approach

We have also considered a valuation approach based on underlying share transactions for G6M prior to the Proposed Transaction (refer Section 9.6 below). In relation to this approach we note:

- This approach is generally possible to complete when there is a readily observable market for the trading of the company's shares prior to the announcement of the Proposed Transaction. The shares of G6M are listed on the ASX and it is possible to observe the market price of trades in G6M shares prior to the suspension on 27 September 2024. An approach based on share transactions generally provides information relating to a valuation of G6M shares on a minority interest basis;
- G6M completed a capital raising announced in May 2023 and closing in July 2023 to raise $4.2 million (net of transaction costs) at $0.14 per share. The $0.14 issue price per share also incorporated two options for every three shares subscribed for;
- We do not consider G6M's underlying share trading to be particularly liquid, which can reduce the reliability of an approach based on share transactions; and
- The reliability of an approach based on share transactions is further reduced given the significant reduction in share price observed over the last 12 months which ultimately resulted in share trading in G6M shares being suspended on 27 September 2024. This reduction and suspension was driven by continued operational issues impacting G6M and the significant fundraising required to fund continued operating losses. We also consider the reduction in trading prices to be exacerbated by the large amount of debt in G6M's capital structure.

### 9.2 Overview of the Xenith Report

In completing our work, we have had regard to the Xenith Report dated 14 January 2025 which, broadly, sets out:

- Xenith's opinion on the reasonableness of assumptions adopted in the impairment models provided by G6M ('the Financial Model'); and
- Xenith's view of the market value of any resources and reserves not incorporated in the Financial Model, and any other exploration tenements.

Mr Andrew Knuckey of Xenith supervised Xenith's evaluation of the operational and physical inputs of the Financial Model and the technical valuation work. Mr Knuckey was assisted in completing the Xenith Report by various Xenith team members. Based on our enquiries and the information provided to us, we regard Xenith and the authors of the Xenith Report to be *Independent Specialists* as referred to in the code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Specialist Reports ('the VALMIN Code').

Regarding the Xenith Report we note Xenith have confirmed:

- Xenith has prepared the Report in accordance with:
  - The VALMIN Code;
  - The Corporations Act;
  - ASIC Regulatory Guidelines (in particular, RG 111 and RG 112); and
  - The ASX Listing Rules.
- Xenith is independent with respect to G6M and confirms that there is no conflict of interest with any party involved in the Proposed Transaction and neither Xenith nor any of its personnel involved in the preparation of the Xenith Report have any material interest in G6M; and
- The statements and opinions contained in the Xenith Report are given in good faith and in the belief that they are not false or misleading.

Based on our enquiries and the information provided to us, we regard Xenith to be an independent specialist and in our view, it is appropriate for us to consider the work of Xenith in completing this valuation work. Xenith understand the purpose of the valuation work set out in this Report.

We confirm that we have been provided with express written consent by Xenith to refer to and rely on the Xenith Report for the purposes of our valuation work in this Report. We have made reasonable enquiries of Xenith and are satisfied that the work and valuations in the Xenith Report are suitable for use in this Report. Notwithstanding this, we do not take responsibility for the work of Xenith.

Any references to Xenith's work set out in this Report are in a summary form only and does not substitute for a complete reading of the Xenith Report. Our summary does not include all of the information that may be of interest to Non-Associated Shareholders. The Xenith Report is attached to this Report as Appendix B. We recommend that Non-Associated Shareholders read the Xenith Report in full and in conjunction to this Report and related statements.

## 9.3 DCF valuation of the Dolphin Tungsten Mine

Our DCF valuation of the Dolphin Tungsten Mine is set out as follows:

- Section 9.3.1 sets out the basis of the Financial Model adopted for our DCF valuation;
- Section 9.3.2 sets out the scenarios considered by Xenith;
- Section 9.3.3 sets out the revenue assumptions of the Financial Model
- Section 9.3.4 sets out the key operational and physical assumptions within the Financial Model;
- Section 9.3.5 sets out the other cash flow assumptions in the Financial Model;
- Section 9.3.6 sets out a summary of the cash flows to be discounted;
- Section 9.3.7 sets out the discount rate assumptions of the Financial Model;
- Section 9.3.8 sets out our DCF valuation; and
- Section 9.3.9 sets out our sensitivity analysis of our DCF valuation.

### 9.3.1 Basis of the financial model adopted for the DCF

G6M have provided us with a LOM model for the Dolphin Tungsten Mine, which is the basis for our DCF valuation model (referred to in this Report as 'the Financial Model'). The Financial Model provided was based on real (rather than nominal) cash flows.

We have assessed the reasonableness of the Financial Model and the material assumptions that underpin it. We have made certain adjustments to the Financial Model where it was considered appropriate. In particular, we have:

- Adjusted the Financial Model to reflect any changes to technical assumptions as a result of Xenith's review;
- Adjusted the Financial Model for inflation, which was not previously considered (i.e. all figures provided to us by both G6M and Xenith were in 'real' terms);
- Where we considered it relevant, as a result of our research, we made changes to the economic and other input assumptions; and
- Removed items which are not specific to the valuation of the Dolphin Tungsten Mine (e.g. corporate costs, interest charges, etc).

We undertook the following analysis on the Financial Model:

- Analysed the Financial Model to confirm its integrity and mathematical accuracy (to a material level) and made any relevant changes or rectified any identified inaccuracies;
- Appointed Xenith as technical expert to review, and where required, provide changes to the technical assumptions underpinning the Financial Model;
- Conducted independent research on certain economic and other inputs such as commodity prices, exchange rates, and the discount rate applicable to the future cash flows;
- Held discussions with G6M's management and advisors regarding the preparation of the forecasts in the Financial Model and its assumptions; and
- Performed a sensitivity analysis on the value of the Dolphin Tungsten Mine as a result of varying selected key assumptions.

We have not undertaken a review of the cash flow forecasts in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Financial Model has been based have not been prepared on a reasonable basis.

### 9.3.2 Mine scenarios considered by Xenith

As detailed in the Xenith Report set out in Appendix B, Xenith consider four scenarios as follows:

- Base case – Xenith have considered the assumptions within the impairment models provided by G6M dated September and November 2024 for reasonableness. We note that the impairment models dated September and November 2024 form the basis for the Financial Model. Where necessary, Xenith have made recommended adjustments to the assumptions underlying the impairment models to reflect a Xenith base case;
- Alternative case – As set out in the Xenith Report, the base and alternative case scenarios were determined as a result of Xenith's work with G6M, including their site visit to the Dolphin Tungsten Mine and related discussions with the mine's operational team. We understand that the base and alternate case scenarios represent Xenith's view on possible outcomes to the remediation of the Dolphin Tungsten Mine's underperforming operations, including consideration of possible LOM profiles, costs and capital expenditure, at a point in time. Where Xenith

has identified potential risk with the Xenith base case assumptions, Xenith have included alternative assumptions which they believe appropriately reflect these risks in the 'alternative case';

- Revised base case - As mentioned in Section 5.1, G6M has gone through both a change in management and undergone an operational review. Following the review from G6M's renewed management team, and subsequent to Xenith completing work on the base case, G6M management have formed the view to pursue an operational plan which more closely aligns with Xenith's alternative case view, as opposed to the Xenith base case. Considering this, Xenith have adopted a 'revised base case' which more closely resembles Xenith's original alternate case. For the most part, Xenith's updated base case aligns with G6M's revised operational plan, with a few specific changes. Further details of this are included in the Xenith Report set out in Appendix B; and
- Revised alternative case – Following Xenith's review of the updated operational plan provided by G6M, Xenith have provided commentary regarding a 'revised alternate case' which explores scenarios where there is an increase in costs in areas in the 'revised base case' scenario which Xenith believe to be of higher risk.

Considering the above, we have elected to adopt Xenith's revised base and revised alternative case scenario as the scenarios for the purposes of our DCF valuation work. We believe this is reasonable as the updated base and updated alternative case scenarios most closely align with the latest information available from G6M. All references to Xenith work or assumptions are made with regard to the revised base and revised alternative case scenarios.

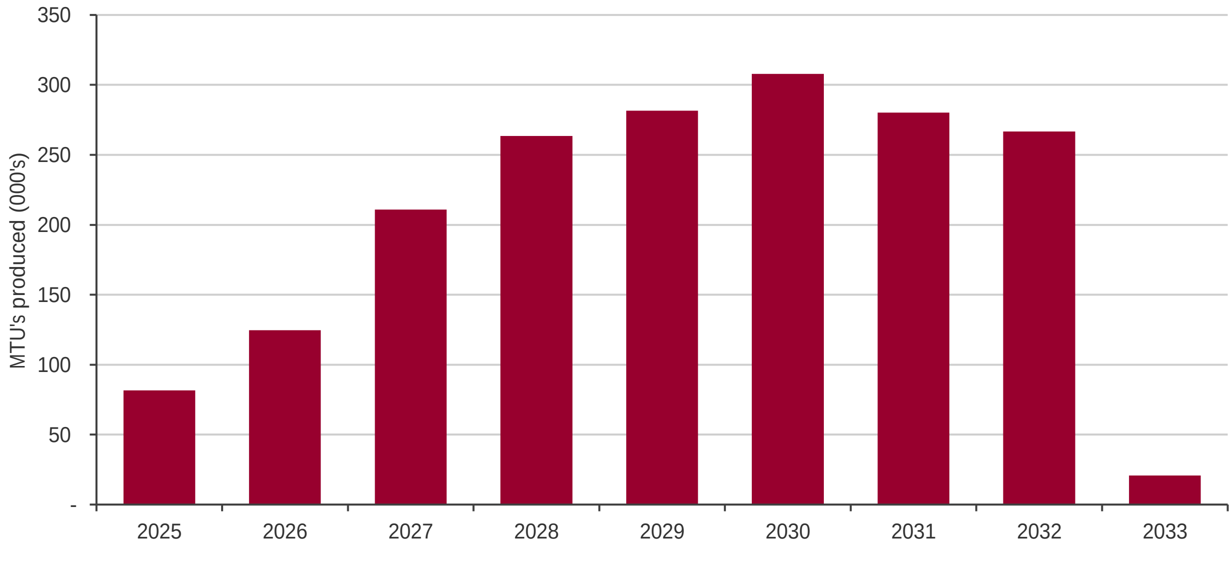
Regarding the model, we have only considered the cash flows within the Financial Model which align with the valuation date (and also the date of the Proposed Transaction) set out in this Report, being 31 March 2025. For clarity, all figures set out in the subsequent sections which reference 2025 are partial calendar years which begin as at 31 March 2025.

### 9.3.3 Revenue assumptions of the Financial Model

*Production and Development Timing*

Xenith's Report sets out Xenith's view of the LOM production plan. For clarity, Xenith's updated base and updated alternative scenarios share the same LOM production plan, in line with the revised operational plan provided by G6M. Regarding the forecast production plan, we note the Dolphin Tungsten Mine is forecast to produce approximately 1.9 million MTUs[31] of $WO_3$ concentrate from (March) 2025 until 2033. The breakdown of the production schedule is set out in Figure 9.1 below.

Figure 9.1: Forecast production schedule of $WO_3$ concentrate from the Xenith adjusted LOM plan




*Source: Xenith Report, Management, the Financial Model*

In relation to the LOM concentrate production plan set out in the figure above, we note the following:

- In line with Xenith's assessment, the Financial Model forecasts a steady increase in the productivity of the mill across time. This aligns with the steady ramp up of the production schedule set out above;
- G6M's updated mining schedule forecasts an average feedstock grade of 0.99% into the mill across the LOM. We note that the average feed grade through CY2025 is expected to be 0.70%; and
- While mining activities are forecast to conclude in May 2032 (see Figure 9.4 below), there is forecast to be approximately 256.4 thousand tonnes of ore feed stockpiles which are to be milled until their exhaustion in February 2033.

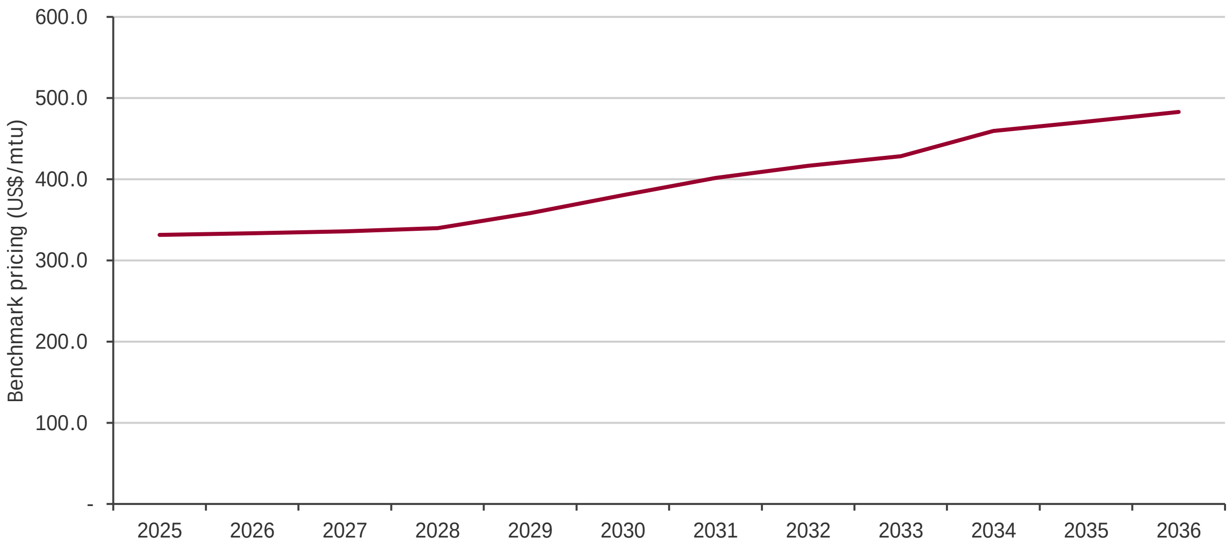
[31] Metric tonne unit (equal to 10 kilograms)

*Commodity prices and foreign exchange*

To form a view on an appropriate tungsten price to adopt for our DCF we considered multiple sources of information. As set out in Section 7.4 above, Tungsten operates within a relatively small and opaque market, with limited publicly available pricing data. As part of our analysis, we considered historical price trends, confidential price decks available to the Company, publicly available market data, and broader macroeconomic influences on the tungsten industry.

Based on this information, we formed a view on a forecast that we considered reasonable for the purposes of this Report and consistent with observable trends in the market. The resulting forecast, based on the APT 88.5% EXW China (USD/MTU) benchmark, is in real terms. Real pricing forecasts were escalated by our assumed inflation rate (outlined in Section 9.3.5) to derive nominal prices, consistent with the rest of the assumptions in the Financial Model. The resulting pricing assumptions are summarised in Figure 9.2.

Figure 9.2: Commodity benchmark price forecast, nominal




*Source: BDO CF analysis*

In determining the realised price for saleable material from the Dolphin Tungsten Mine, a payability adjustment against the benchmark pricing is made based on the grade of concentrate being sold and specific terms set out in any offtake agreements. Concentrate grades, offtake agreement terms and subsequently realised pricing has been calculated with regard to the specific offtake agreements and technical inputs provided by Xenith.

As our benchmark pricing forecast is set out in USD, we have converted the commodity pricing to AUD by adopting the average forecast exchange rate between the USD and AUD provided by Consensus Economics. Table 9.2 below summarises the forecast foreign exchange rate we have adopted.

Table 9.2: Yearly mean foreign exchange rate forecast by Consensus Economics

| Foreign exchange rate | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AUD/USD | 0.66 | 0.68 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.66 |

*Source: Consensus Economics as at 8 February 2025, being the most recent forecast by Consensus Economics available.*

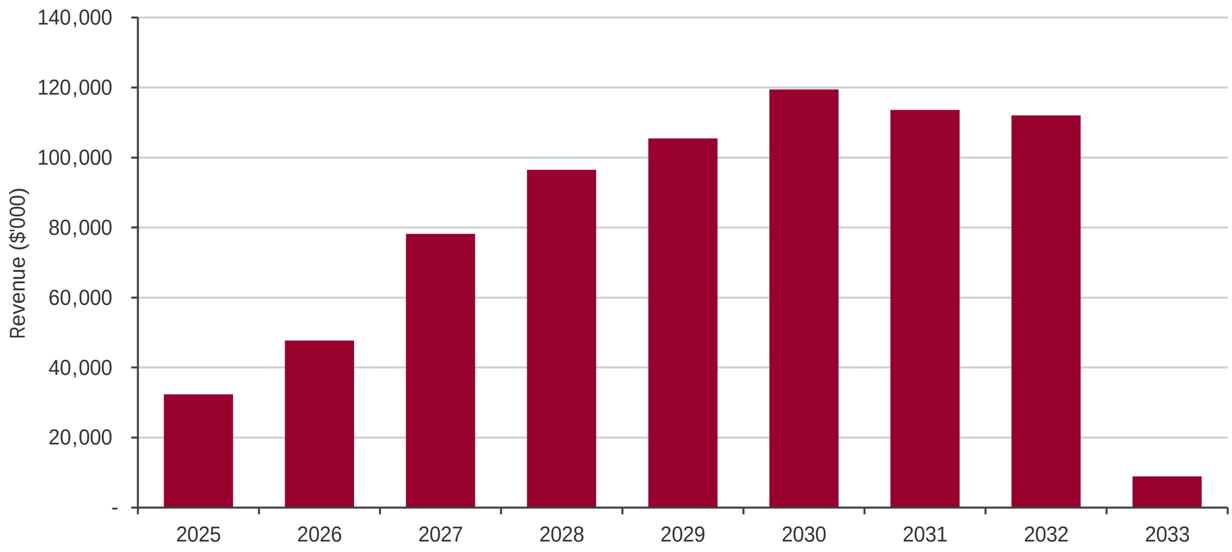
*Gross revenue over the LOM*

In the Financial Model, gross revenue has been calculated as the product of:

- Saleable $WO_3$ concentrate production; and
- Forecast benchmark metal pricing in Australian dollars, adjusted for payability.

Figure 9.3 below summarises the forecast revenue for the Dolphin Tungsten Mine.

Figure 9.3: Forecast revenue for the Dolphin Tungsten Mine



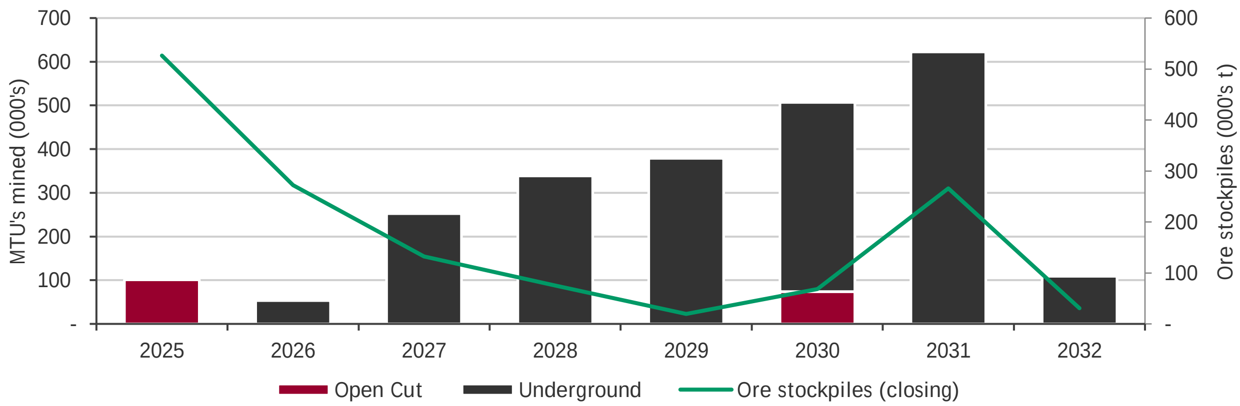

*Source: The Financial Model*

### 9.3.4 Physical, operational and capital expenditure assumptions

Xenith's Report sets out Xenith's view of the key physical and operational assumptions within the Financial Model, including the cash flows associated with restoration and rehabilitation provisions. Users of this Report must read Xenith's Report (refer to Appendix B) to understand the basis for the assumptions.

Figure 9.4 below sets out the yearly MTUs mined between open cut and underground operations.

Figure 9.4: MTUs mined



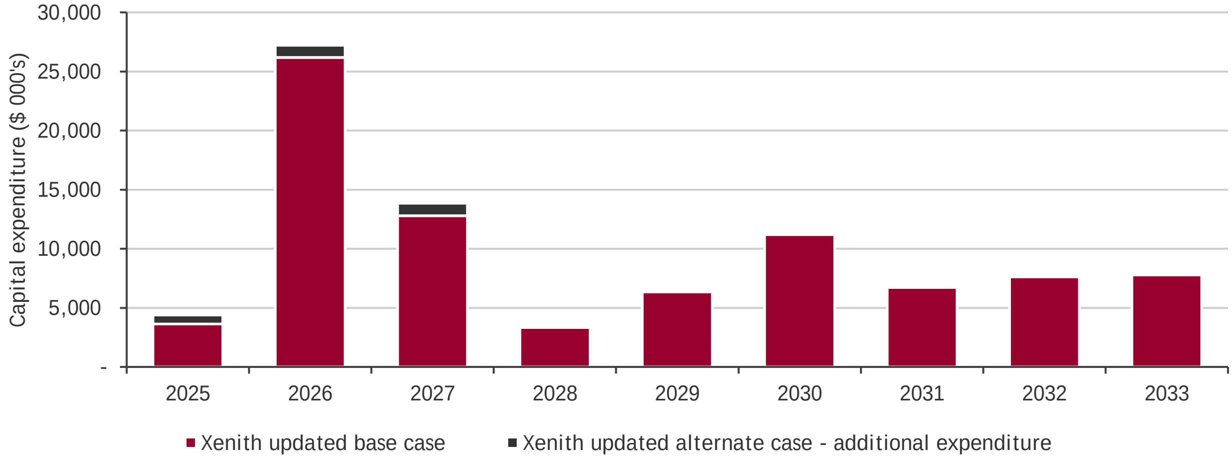

*Source: The Financial Model, The Xenith Report*

Regarding the above we note the following:

- Initially planned stages of open cut mining are to be halted from June 2025, with the processing plant to be fed from existing ore stockpiles;
- Underground development is expected to continue over this time with underground ore production expected to begin in July 2026; and
- Minimal open cut production is expected to occur during the Bold Hill stage of operations, with the focus on higher grade underground ore through the last three years of the LOM mining schedule (refer Appendix B for further details).

In line with the physical and operational assumptions set out in the figure above, we have adopted capital expenditure assumptions as detailed in the Xenith Report. Yearly nominal capital expenditure is set out in Figure 9.5 below.

Figure 9.5: Yearly nominal capital expenditure



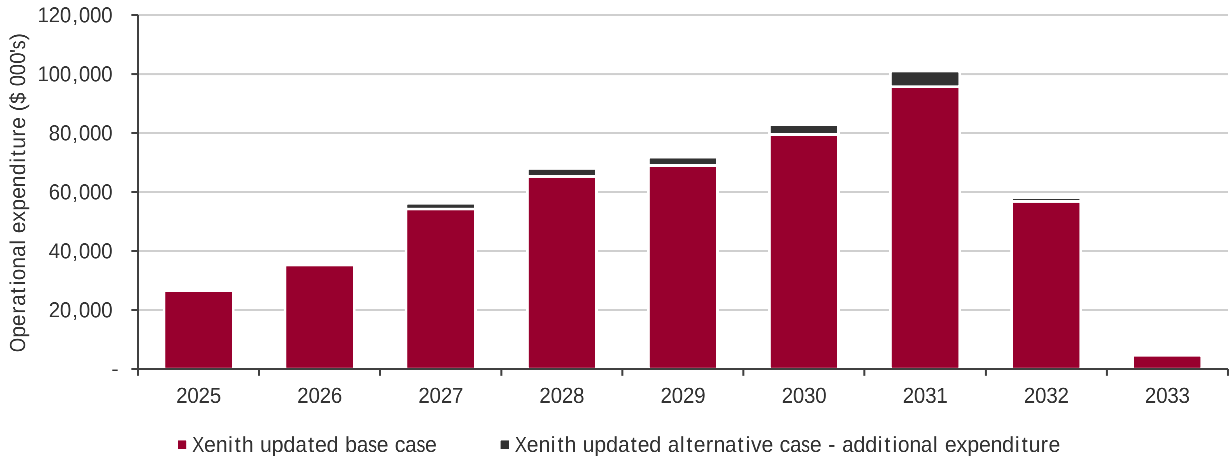

*Source: The Financial Model, The Xenith Report*

Regarding the capital expenditure profile set out above, we note the following:

- The majority of capital spend is related to the development of the underground resources with:
  - Approximately $36.0 million (real) spent between 2026 to 2028 developing the Dolphin underground resource; and
  - Approximately $20.7 million (real) spent between 2029 to 2032 developing the Bold Hill underground resource.
- Approximately $3.6 million (real) is spent across 2025 (from March) in relation to the remediation of the processing plant performance and a further $2.9 million (real) is spent during 2026. We note that, our discussions with Management have indicated that capital expenditure timing and cost is expected to be determined by the success of remediating processing plant performance in the near term. We understand that the extent to which capital is required to be spent on improving the processing plant is currently unknown and may end up being materially higher or lower than the amount allowed within the Financial Model. To allow for the unknown risks inherent in the processing plant remediation costs, Xenith's updated alternative case scenario allows for an extra $3.0 million (real) of capital costs to be incurred between 2025 and 2027;
- Approximately $9.1 million (real) is spent between 2030 and the closing of the mine for rehabilitation and remediation obligations; and
- Across the LOM, 5.0% of operating expenditure is spent as sustaining capital expenditure from 2027 onwards. Prior to this, it is assumed that sustaining capital expenditure is captured within the other capital expenditure allowances.

The Xenith Report also sets out Xenith's view on the appropriate operational expenditure to be assumed in line with the mining and capital expenditure plan set out above. We have set out the forecast LOM operational expenditure in Figure 9.6 below.

Figure 9.6: Yearly nominal operating expenditure




*Source: The Financial Model, Xenith Report*

Regarding the above operational expenditure assumptions, we note the following:

- Due to the forecast shut down of the open cut pit operations in June 2025, the operational cost forecast in G6M's updated operational model are expected to be lower during 2025 and 2026 relative to the rest of the LOM plan; and
- Operational costs related to mining within the updated operational plan provided by G6M are determined on a 'cost per tonne' basis. As set out in the Xenith Report, the variability of tonnes to be mined across the LOM plan can produce what Xenith describe as volatile operational mining costs. To allow for possible under representation of operating mining costs (driven by any reductions in the mining physicals plan), Xenith have allowed an extra 10% of operating costs related to underground mining activities within the updated alternative case scenario.

Non-Associated Shareholders should refer to the Xenith Report in Appendix B for a more detailed discussion of Xenith's work and the assumptions that have been made.

#### 9.3.5 Other cash flow assumptions

*Royalties*

Due to its geographical location and previously executed sale contacts, G6M is obligated to pay the following royalties on the Dolphin Tungsten Mine operations:

- A revenue and net profit royalty payable to the Tasmanian Government ('the Government Royalty');
- A revenue royalty payable to HNC (Australia) Resources Holding Pty Ltd ('HNC') ('the HNC Royalty'); and
- A revenue royalty payable to Osisko Gold Royalties Ltd ('Osisko') ('the Osisko Royalty').

The Government Royalty

The operations of the Dolphin Tungsten Mine are located in Tasmania, Australia. Under Tasmanian legislature, G6M is required to pay the Tasmanian government a royalty on operations according to the following formula:

$$Royalty = (0.019 \times N) + (\frac{0.4 \times P^2}{N})$$

Where:

$N$ = Yearly net sales (gross sales less freight cost); and

P = Yearly after-tax profit

Regarding the above, we note:

- The Government Royalty payable is capped at 5.35% of net sales;
- The Government Royalty payable on net sales (represented by the first half of the formula above) is payable quarterly; and
- The Government Royalty payable on after-tax profit (represented by the second half of the formula above) is payable yearly.

The HNC Royalty

As part of the termination of a JV between HNC and G6M in 2009, HNC received a 2% royalty on gross revenues on the Dolphin Tungsten Mine, capped at an aggregate amount of $3.9 million. The HNC Royalty is payable quarterly. As forecast by the Financial Model, $0.6 million of the HNC Royalty is forecast to have been paid as at 31 March 2025.

The Osisko Royalty

As part of the initial purchase of the Dolphin Tungsten Mine by G6M from North Mining Limited, North Mining Limited was granted a 1.5% royalty on gross revenues on the Dolphin Tungsten Mine. Later, in 2017, the royalty was purchased as part of an acquisition by Osisko. The Osisko Royalty is payable quarterly.

Based on the terms of the royalties set out above, the forecast Dolphin Tungsten Mine realised royalty expenses is equal to approximately 6.71% of gross revenues across the LOM.

*Tax depreciation*

Depreciation has been recorded in the Financial Model against capital expenditure. The depreciation method used for the fixed assets of the Dolphin Tungsten Mine have regard to the capital expenditure they relate to. Management of G6M have advised they use the straight-line depreciation methodology, adjusted for the useful life of the relevant asset.

*Tax rate and tax losses*

The Australia corporate tax rate of 30%, which is appropriate for entities with an aggregate annual turnover of greater than $50 million, has been adopted in the Financial Model.

As at 31 December 2024, Management have advised that they had carry forward tax losses of approximately $130.2 million, which we have applied to the cash flows of the Dolphin Tungsten Mine based on the forecast earnings each year. We note that, based on the Financial Model, tax losses of $134.3 million are forecast as at 31 March 2025.

### *Other considerations*

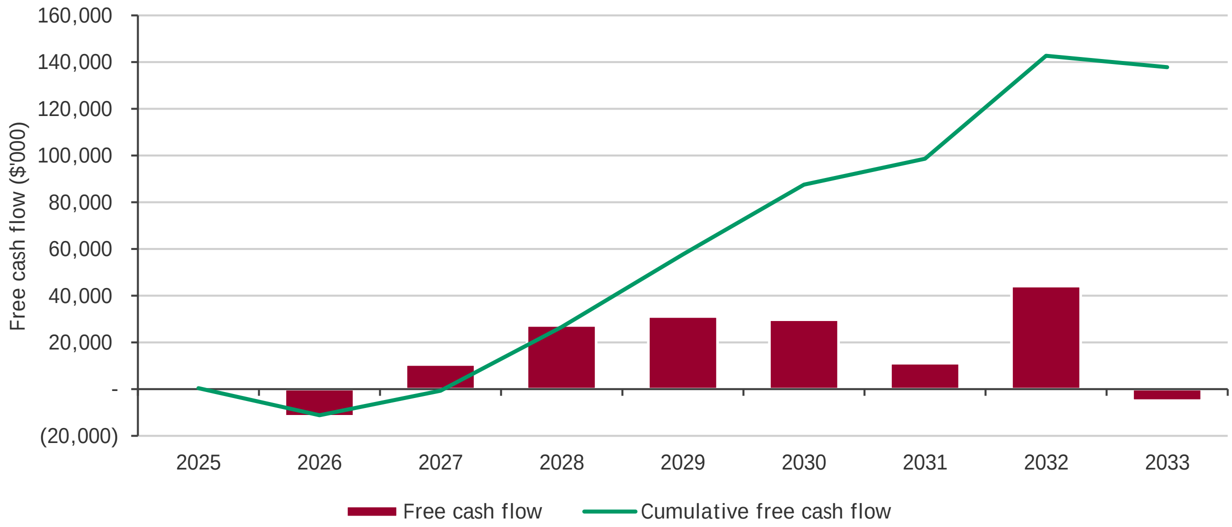
We have also considered the following items in our DCF valuation:

- We have modelled the cash flows for material items such as revenue and royalties based on the contracted payment terms. For all other items we have assumed payments are processed 30 days from their occurrence;
- We have adopted a 2.5% per annum inflation rate across the LOM, in line with the midpoint of the RBA's target long term inflation rate range of between 2% to 3% per annum; and
- We have excluded non-operating items from our calculations such as corporate costs, debt or interest payments or other unrelated items. For clarity, we have considered the corporate costs separately in Section 9.4.1.

### 9.3.6 Summary of cash flows to be discounted

The periodic and cumulative undiscounted free cash flows of the Dolphin Tungsten Mine, based on the assumptions detailed above, are summarised in Figure 9.7 below.

Figure 9.7: Free cash flows across the LOM




*Source: The Financial model*

Note, in the figure above calendar year 2025 has a positive value of $0.4 million, which is almost indiscernible at the scale of the figure.

Having regard to the free cash flows set out in Figure 9.7 above, we note:

- From 31 March 2025, cumulative free cash flows do not break even until 2027. This is largely due to the increased capital spend required for underground development and mill remediation during 2026, along with the extended ramp up and under performance of the current milling operations;
- Free cash flows of approximately $42.6 million in 2032 are elevated as the financial benefit of the cessation of mining activities comes into effect with the processing plant being the only operating cost; and
- Free cash flows of approximately negative $5.2 million in 2033 are a combination of the positive free cash flows related to the milling activities, and the capital spend required for rehabilitation and remediation liabilities.

### 9.3.7 Discount rate

The discount rate represents the rate of return that capital providers expect from their capital contribution and is typically based on the weighted average cost of capital ('WACC') for the asset being valued. In broad terms, the WACC considers the rate of return required by capital providers given the riskiness of the future cash flows and the cost of financing using debt instruments for the relevant asset.

In selecting a discount rate appropriate for the Dolphin Tungsten Mine, we have considered the following:

- The required rate of return of comparable companies in the mining sector, with tungsten exposure. We note that due to the relatively small tungsten metals market, there is limited public information on comparable tungsten producing companies;
- The capital structure of comparable mining companies. Based on our research, we believe it's appropriate to adopt a capital structure of between 0% to 20% debt at an interest rate of 12.00%; and
- The cost of equity derived from applying the capital asset pricing model ('CAPM') methodology (a commonly used methodology for deriving the cost of equity). In relation to CAPM, we note the cost of equity capital is determined by multiplying the market risk premium by an appropriate beta and adding the risk-free rate. Our view on the appropriate inputs to the CAPM to apply in the circumstances are as follows:

– a risk-free rate of 4.47% based on the Australian Government 10-year spot rate, as at 18 February 2025 (being a proxy for 31 March 2025);

– an equity market risk premium of 6.0%;

– an asset beta in the range of 1.0 to 1.3; and

– The CAPM framework assumes that investors are well-diversified and, therefore, primarily concerned with systematic risk rather than the specific risks of individual investments. However, in our view, certain risks unique to a project, and particularly those that are difficult to quantify or incorporate into base case cash flows, may lead investors to apply a company-specific risk premium. In this case, we believe the operational challenges faced by the Dolphin Tungsten Mine and the uncertainty surrounding the implementation of a new plan justify the inclusion of such a premium in the discount rate to appropriately reflect these additional risks.

Taking the above factors into consideration as well as the nature of the Dolphin Tungsten Mine and its exposure to macroeconomic factors, we believe it is appropriate for the purposes of the analysis set out in this Report to adopt an after-tax nominal discount rate of 12.00% to 15.00%.

We have set out a sensitivity analysis on the discount rate in Section 9.3.9 to assist users of this Report that may have an alternative view on an appropriate discount rate or who would like to understand the impact of applying an alternate discount rate.



### 9.3.8 DCF value of the Dolphin Tungsten Mine

BDO CF has determined a value for the Dolphin Tungsten Mine, as represented by the projected cash flows in the Financial Model across the LOM, using the assumptions stated in the preceding sections. Table 9.3 below sets out a summary of our valuation of the Dolphin Tungsten Mine. For clarity, the only difference between the low and the high scenario is the discount rate applied. The low scenario uses the upper end of our discount rate range while the high scenario uses the lower end of our discount rate range.

Table 9.3: Value of the Dolphin Tungsten Mine

| Value of Dolphin Tungsten Mine **($'000)** | Low | High |
|---|---|---|
| Xenith updated base case | 62,776 | 73,210 |
| Xenith updated alternative case | 52,609 | 61,817 |
| Adopted | 52,500 | 72,500 |

*Source: BDO CF analysis, the Financial Model*

Table 9.3 above shows that our DCF value of the Dolphin Tungsten Mine is between $52.5 million and $72.5 million.

### 9.3.9 Sensitivity analysis of the DCF valuation

The valuation of the Dolphin Tungsten Mine set out above relies on the adoption of a range of forward looking assumptions. To help readers understand the valuation impact of these assumptions we have conducted a sensitivity analysis where, in isolation, we change the following assumptions:

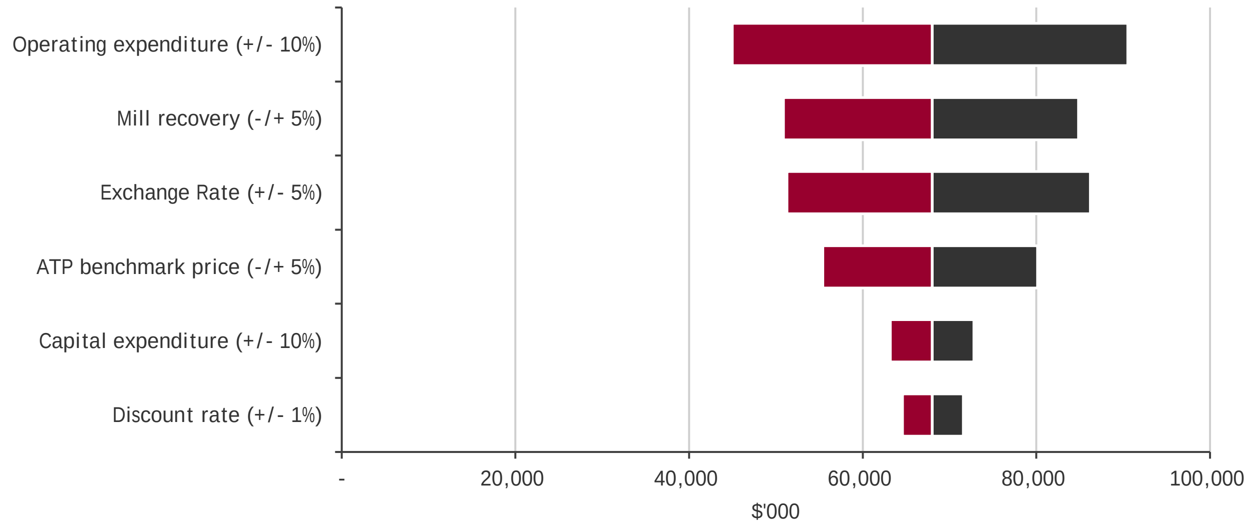
- Tungsten price (-/+ 10% of benchmark pricing);
- Foreign exchange rate (-/+ 10% of mean foreign exchange rate);
- Operating expenditure (+/- 10% of total operating expenditure);
- Capital expenditure (+/- 10% of total capital expenditure);
- Discount rate (+/- 1% on adopted discount rate); and
- Mill recovery (-/+ 5% on mill recovery yields).

Users of this Report should note that:

- In reality, the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- The variables for which we have performed sensitivities are not the only variables that are subject to deviation from the forecast assumptions; and
- The sensitivities we have performed do not cover the full range of possible variances from the base case assumptions assumed (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

The results of our sensitivity analysis are set out in Figure 9.8 below. For clarity, we conducted our sensitivity analysis on the midpoint value of our discount rate range updated base case scenario (being approximately $68.0 million) as set out in Section 9.3.8 above.

Figure 9.8: Dolphin Tungsten Mine sensitivity analysis




*Source BDO CF analysis, the Financial Model*

As set out in Section 5.1, the Company intends to raise capital at the same time as the Proposed Transaction at an equity price of 0.35 cents per share. When combined with the Company's remaining assets and liabilities, the DCF valuation set out above returns a per-share value of:

- Negative for the Pre-Transaction scenario; and
- Well below 0.35 cents for the Post-Transaction scenario (set out in Section 10 below).

To explore the potential for achieving a Post Transaction per-share value closer to the 0.35 cent capital raising price, we conducted additional sensitivity analysis where we changed either one or more sensitivities simultaneously until our DCF valuation per share returned a value in excess of 0.35 cents.

Based on the values set out in Section 10.3 below, we back calculated the implied mine value which would achieve a per share value equal to $0.0035 on a minority basis. We note that this calculation implied a required mine value of approximately $135.0 million.

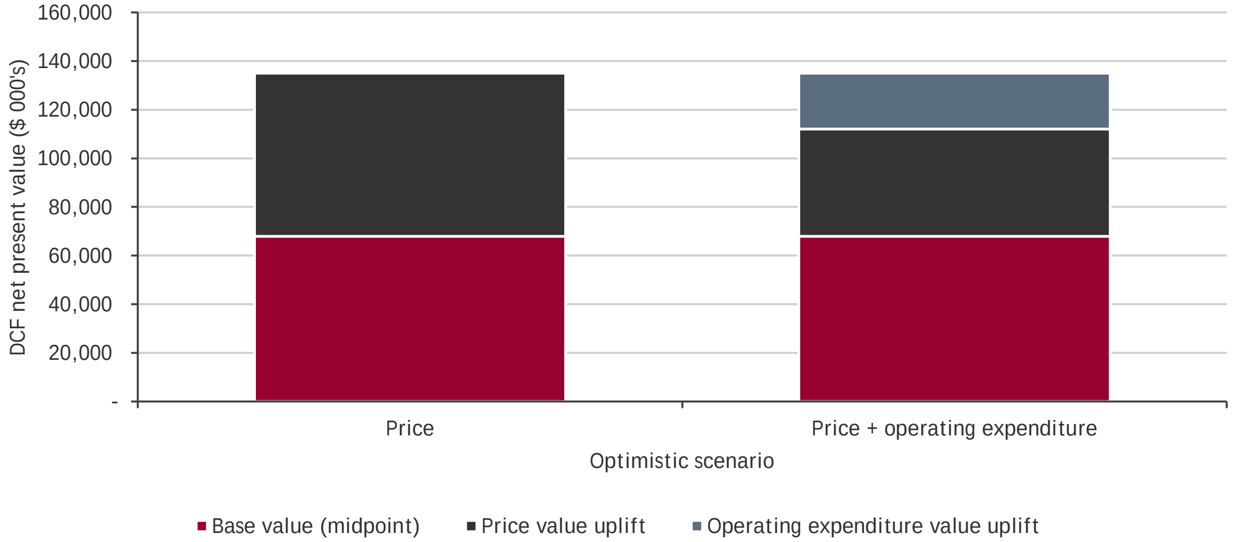
To reach the required mine value, our additional scenarios included a:

- 28.47% increase in tungsten prices relative to the adopted benchmark pricing; and
- Combined scenario reflecting both a 21.29% price uplift and a reduction in operating expenditure of 10.00% below the base case assumptions.

While these scenarios illustrate the potential impact of more favourable pricing and operational outcomes, they are not part of our base case valuation. However, we believe it's worth illustrating these changes as the marginal profitability of the Dolphin Tungsten Mine under our DCF valuation is sensitive to key assumptions.

The results of these scenarios are outlined in Figure 9.9 below.

Figure 9.9: Dolphin Tungsten Mine scenario analysis - Breakeven changes for 0.35 cent per share Post Transaction value




*Source: BDO CF analysis, the Financial Model*

## 9.4 Valuation of G6M's remaining assets and liabilities

Our valuation of G6M's remaining assets and liabilities prior to the Proposed Transaction is set out as follows:

- Section 9.4.1 sets out our consideration for G6M's corporate overheads;
- Section 9.4.2 sets out the valuation of G6M's other resources not considered in the Dolphin Tungsten Mine; and
- Section 9.4.3 sets out our valuation of G6M's other assets and liabilities.

### 9.4.1 Consideration of G6M's corporate overheads

As detailed in Section 9.3.1, we have assessed the reasonableness of the Financial Model and the material assumptions that underpin it. The Financial Model includes estimates of the corporate overheads to be incurred by G6M during the forecast period. These corporate overheads consist of all administration costs that cannot be directly attributable to the Dolphin Tungsten Mine. For the purposes of the analysis set out in this Report, we have assessed the value of the corporate overheads separately.

Corporate overheads have been estimated at a base rate of approximately $3.6 million per annum, with some extra inclusions through 2025 in relation to some anticipated extra charges incurred as a consequence of the operational restructuring of the Company. The net annual corporate overheads have been discounted at a rate of between 12.00% to 15.00% (being equal to our adopted discount rate of the Dolphin Tungsten Mine). The discounted value range for the corporate costs assuming this basis is between approximately $18.6 million to $20.5 million. We note that, due to the large accumulated tax losses balance (set out in Section 9.3.5), we have not considered the potential tax related benefits arising from corporate costs.

### 9.4.2 Consideration of G6M's other resource tenements

We have relied on Xenith to value G6M's interest in resources and exploration tenements which are not captured within the LOM plan for the Dolphin Tungsten Mine. Table 9.4 below summarises Xenith's valuations.

Table 9.4: Xenith's valuation of G6M's additional resources and tenements

| | Low ($'000) | High ($'000) |
|---|---|---|
| Remnant Dolphin Open Cut Reserves | nil | 2,110 |
| Remnant Resources | nil | nominal |
| EL19/2001 | nominal | 22 |
| Tailings | 37 | 85 |
| Total | 37 | 2,217 |

*Source: The Xenith Report*

Xenith's analysis indicates a valuation of G6M's exploration and prospecting tenements in the range of $0.04 million to $2.22 million.

Non-Associated Shareholders should refer to the Xenith Report in Appendix B for further information on the values Xenith have calculated.

### 9.4.3 Value of G6M's other assets and liabilities

The net value we have adopted for the other assets and liabilities held by G6M prior to the Proposed Transaction is summarised in Table 9.5. We have been informed by the directors of G6M that there are no other material assets, liabilities, off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in Table 9.5.

Table 9.5: Values adopted for the other assets and liabilities held by G6M prior to the Proposed Transaction

| G6M net debt prior to the Proposed Transaction | (000's) |
|---|---|
| Cash | - |
| Legacy borrowings | 83,935 |
| New borrowings[1] | 17,900 |
| Overdue creditors | 5,213 |
| Net debt | 107,048 |

*Source: Recapitalisation Documents, Notice of Meeting*

*1. As per the Recapitalisation Documents and the Notice of Meeting, approximately $17.9 million of the new borrowings are expected to be drawn as at 31 March 2025.*

## 9.5 Summation valuation of G6M

Our summation valuation of G6M is set out as follows:

- Section 9.5.1 sets out our valuation of G6M; and
- Section 9.5.2 sets out our valuation of an ordinary share in G6M.

### 9.5.1 Summation valuation of G6M

Our summation valuation of G6M is set out in Table 9.6 below.

Table 9.6: Equity value of G6M prior to the Proposed Transaction

| Equity value prior to the Proposed Transaction ($'000) | Reference | Low | High |
|---|---|---|---|
| Dolphin Tungsten Mine | Section 9.3.7 | 52,500 | 72,500 |
| Corporate costs | Section 9.4.1 | (20,510) | (18,564) |
| Other resources and exploration tenements | Section 9.4.2 | 37 | 2,217 |
| Net debt | Section 9.4.3 | (107,048) | (107,048) |
| Equity value - controlling interest | | (75,021) | (50,894) |

*Source: BDOCF analysis*

Table 9.6 shows that our equity value of G6M prior to the Proposed Transaction is between negative $75.0 million and negative $50.9 million.

### 9.5.2 Value of a G6M Share

The value set out in Table 9.6 above incorporates the value of all G6M equity instruments on issue, including ordinary shares, and performance rights. For the purposes of finding the per share value of G6M prior to the Proposed Transaction, we have split out the structure of G6M's equity instruments on issue immediately prior to the Proposed Transaction in Table 9.7 below.

Table 9.7: G6M equity instruments prior to the Proposed Transaction

| Equity instruments on issue prior to the Proposed Transaction | Reference | |
|---|---|---|
| Ordinary shares | Section 5.3 | 1,004,022,852 |
| Options | Section 5.3 | 297,508,238 |

*Source: Recapitalisation Documents*

In Table 9.8 below, we have found the value per G6M share based on the total ordinary shares set out in the table above. For clarity, as our calculated equity value prior to the Proposed Transaction is negative, we have not considered the potential vesting of any of the options on issue set out in Table 9.7 above.

Table 9.8: Value per G6M's share

| Per share value prior to the Proposed Transaction ($'000) | Reference | Low | High |
|---|---|---|---|
| Equity value | Section 9.5.1 | (75,021) | (50,894) |
| Total shares | Section 9.5.2 | 1,004,022,852 | 1,004,022,852 |
| Per share value ($) | | (0.0747) | (0.0507) |

*Source: BDOCF analysis*

Table 9.8 sets out our value of G6M's ordinary shares prior to the Proposed Transaction within the range of negative $0.075 to negative $0.051 on a per share. We note that our summation valuation of G6M provides a value per share for G6M on a controlling interest basis. On the basis that our valuation range is negative at both the low and high end of our valuation range, in our view it is appropriate to adopt a value per G6M share prior to the Proposed Transaction of nil.

## 9.6 Consideration of the share transaction valuation methodology

This section sets out our consideration of the value of G6M with reference to the share transactions valuation methodology and is set out as follows:

- Section 9.6.1 considers G6M's share trading data over the 12 months prior to suspension;
- Section 9.6.2 considers equity raisings completed by G6M from 1 July 2021; and
- Section 9.6.3 sets out our conclusion on the share transaction valuation methodology.

### 9.6.1 Share trading data

G6M's ordinary shares are listed on the ASX and trade under the ticker 'G6M'. Information relating to the recent share trading data of G6M's ordinary shares along with an analysis of recent announcements made by G6M to the ASX are set out in Section 6.5 of this Report.

To summarise, we note the following observations:

- G6M's share price has experienced a sustained decline over the period, falling from highs of approximately $0.18 in early 2023 to lows of around $0.023 by September 2024, as illustrated in Section 6.5. This decline reflects the Company's ongoing financial and operational challenges;
- The VWAP has progressively declined over the analysis period, reducing from $0.049 over the 12-month period to $0.0239 in the final week prior to suspension, as shown in Table 6.5. This trend highlights the continued erosion of investor confidence and market sentiment as the Company faced operational setbacks and financial pressures;
- The May 2023 capital raising, at an issue price of $0.14 per share, included options that effectively reduced the implied value per share. The announcement of this raising was followed by a sharp reduction in G6M's share price, likely indicating market concerns regarding dilution and the Company's financial position;
- Over the 12 months prior to suspension, we do not consider trading in G6M shares to be particularly liquid (refer Table 6.6 above). Liquidity constraints can contribute to price volatility and reduce the reliability of trading data as an indicator of underlying value; and
- Continued operational setbacks at the Dolphin Tungsten Mine, including delays in production ramp-up, and cost overruns, along with funding challenges, have impacted investor sentiment. These factors are reflected in the declining share price.

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### 9.6.2 Recent equity raisings

Table 9.9 below sets out the equity raisings undertaken by G6M during in FY22, FY23 and FY24. The last issue of shares was completed on 29 February 2024 and the number of shares has remained unchanged since then. For completeness, we have also shown the number of shares issued through option exercise each year in a single line item.

Table 9.9: G6M Equity raising activity summary

| Date Announced | Raising type | Issue/exercise price/options value | Amount raised **($'000)** | Shares issued **(000's)** | Closing share price | Premium/(discount) to closing price |
|---|---|---|---|---|---|---|
| Number of shares as at 30 June 2021 | | | | 376,007 | | |
| | Exercise of options | $0.100 - $0.060[1] | $3,235 | 32,946 | | |
| 04/10/2021 | Share purchase plan | $0.140 | $5,540 | 39,569 | $0.160 | -12.50% |
| 04/10/2021 | Placement | $0.140 | $25,460 | 181,860 | $0.160 | -12.50% |
| 20/12/2021 | Share based payment | $0.147[2] | $55 | 373 | $0.135 | 9.15% |
| Number of shares as at 30 June 2022 | | | | 630,755 | | |
| | Exercise of options | $0.100 - $0.060[1] | $370 | 4,375 | | |
| 28/11/2022 | SPP | $0.170<br>$0.152 + $0.018[3] | $4,474 | 26,315 | $0.180 | -5.56%<br>16.67% |
| 28/11/2022 | Placement | $0.170<br>$0.152 + $0.018[3] | $20,000 | 117,647 | $0.180 | -5.56%<br>16.67% |
| 22/02/2023 | Placement | $0.179 | $70 | 392 | $0.175 | 2.04% |
| 08/05/2023 | Placement | $0.140<br>$0.120 + $0.020[4] | $27,040 | 193,143 | $0.170 | -17.65%<br>-29.41%[5] |
| 08/05/2023 | SPP Total | $0.140<br>$0.120 + $0.020[4] | $4,312 | 30,798 | $0.170 | -17.65%<br>-29.41%[5] |
| Number of shares as at 30 June 2023 | | | | 1,003,425 | | |
| 29/02/2024 | Share based payment | $0.101 | $61 | 598 | $0.055 | 83.91% |
| Number of shares as at 30 June 2024 | | | | 1,004,023 | | |

*Source: G6M ASX announcements, BDOCF analysis*

1 Option prices shown detail the range of exercise prices throughout the period.

2 Share based payments have been made in relation to retainers paid by Company.

3 We have calculated the value of the options issued as part of the November 2022 placement and SPP using a Black-Scholes options pricing model. The calculation was performed iteratively, with the share price used for the option valuation adjusted to reflect the share price net of the option value. Participants in the capital raising received one option for every two shares subscribed, which implies 0.5 options per share. Using an exercise price of A$0.28, an expiry date of 31 January 2025, and a volatility assumption of 70%, the value of each option was determined to be approximately $0.02. Adjusting for the impact of 0.5 options per share, the effective issue price of $0.17 reduces to approximately $0.15 as a result of the value attributed to the attached options.

4 We have calculated the value of the options issued as part of the May 2023 placement and SPP using a Black-Scholes options pricing model. The calculation was performed iteratively, with the share price used for the option valuation adjusted to reflect the share price net of the option value. Participants in the capital raising received two options for every three shares subscribed, which implies 0.66 options per share. Using an exercise price of A$0.21, an expiry date of 30 June 2025, and a volatility assumption of 70%, the value of each option was determined to be approximately $0.020. Adjusting for the impact of 0.66 options per share, the effective issue price of $0.14 reduces to approximately $0.12 as a result of the value attributed to the attached options.

Table 9.9 above shows a number of large capital raisings over the period, with G6M's shares on issue increasing from approximately 376.0 million at 30 June 2021 to over 1.0 billion as at June 2024. These raisings were generally conducted at a discount to the prevailing share price, with the most recent being the May 2023 raising at an issue price of $0.14 (or $0.12 after allowing for the value of the included options), reflecting a 29.41% discount to the closing price at the time. While these capital raisings provided necessary funding, they occurred at least 18 months ago. Since that time, ongoing operational issues at the Dolphin Tungsten Mine, including production delays, reduce the reliability of these historical capital raisings as indicators of current value.

### 9.6.3 Conclusion on share transaction approach (Minority Basis)

The share transaction approach, which relies on recent share prices and capital raisings to indicate an entity's market value, is considered less relevant in determining the market value of G6M prior to the Proposed Transaction.

The last material capital raising was announced in May 2023 at an issue price of $0.14 per share. However, all participants in this capital raising received two options for every three shares subscribed for, which effectively reduced the value of the $0.14 issue price when adjusted for the value of these options. At the time of the capital raising announcement, there was a large and immediate reduction in the share price, reflecting investor concerns and dilution expectations. Following this event, the share price continued to decline steadily (refer to Figure 6.2).

Between the May 2023 capital raising and the current date, G6M has faced ongoing operational issues at the Dolphin Tungsten Mine, including delays in production ramp-up, inefficiencies in processing, and cost overruns. These challenges have impacted the operational performance and future cash flow potential of the Dolphin Tungsten Mine, reducing its underlying value relative to expectations of what it may have been in May 2023. A shareholders decision to commit equity into the capital raising at the time was based on assumptions and expectations at that time, and does not account for these subsequent developments. In our view, the May 2023 capital raising is less likely to provide a reliable indicator of the current value of the Dolphin Tungsten Mine, as it does not reflect the operational setbacks and the revised outlook for the Dolphin Tungsten Mine's performance.

Additionally, share trading activity in G6M over the past 12 months has not been particularly liquid, as evidenced in Table 6.6. Low liquidity, combined with the Company's operational and financial issues, reduces the reliability of ASX share trading data as an indicator of market value. The interrelationship between funding constraints, operational underperformance, and low trading volumes makes it difficult to isolate the impact of any single factor on the share price.

Given the above considerations, we conclude that the share transaction approach is less relevant in this instance for determining the market value of G6M prior to the Proposed Transaction. The sustained decline in share price, lack of liquidity, and significant operational and financial challenges undermine the reliability of both dated capital raisings and trading data as benchmarks of market value.

## 9.7 Conclusion on the value of G6M Shares prior to the Proposed Transaction

In our view, for the purposes of our assessment of the Proposed Transaction set out in this Report, it is appropriate to adopt a value of nil per G6M share prior to the Proposed Transaction on a controlling interest basis. Factors that we have considered to conclude on a value for G6M prior to the Proposed Transaction include:

- The summation approach adopted returned a negative value per share under all scenarios, specifically negative $0.075 to negative $0.051. We have set out a sensitivity analysis in Section 9.3.8 to assist users of this Report that may have an alternative view on certain key assumptions adopted for our work;
- In our view, an approach based on share transactions is less relevant for the reasons set out in Section 9.6.3 above; and
- A comparison of the value of a G6M share before the Proposed Transaction and following the Proposed Transaction is more readily able to be calculated utilising the summation approach as the value of the key operating assets are held constant across the pre and post valuation.

In accordance with paragraph 111.15 of RG 111, G6M shareholders should note that we have not adjusted our valuation for the financial distress of G6M. We have considered the value of G6M on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the Proposed Transaction.

If the Proposed Transaction is not approved and G6M is issued with a notice of default that is not remedied, the Lenders have the right to enforce its security which may include appointing a receiver and manager to the Company for the purpose of taking control and realising all assets to recover the debt owed. If placed into receivership, it is likely that the costs of the receivership and realisation costs may result in a shortfall to the Lenders (having regard to our summation valuation and on the basis that the summation value represents a market value of the assets). In this circumstance, there would not be any return to shareholders on their equity value.

# 10.0 Valuation of G6M post the Proposed Transaction

This section sets out our valuation of the shares in G6M post the Proposed Transaction and is structured as follows:

- Section 10.1 sets out our view of the most appropriate methodology to value G6M post the Proposed Transaction;
- Section 10.2 sets out our ABV valuation of G6M's remaining assets and liabilities; and
- Section 10.3 sets out our valuation of G6M on a minority interest basis having regard to a summation approach.

## 10.1 Our valuation approach for G6M

To value G6M post the Proposed Transaction, we have utilised the same valuation methodology as set out in Section 9. Considering the effect of the Proposed Transaction on the value of G6M, we have performed the following:

- Adopted the same value for the Dolphin Tungsten Mine as set out in Section 9.3.8;
- Adopted the same value for G6M's corporate overheads as set out in Section 9.4.1;
- Adopted the same value for G6M's other resource tenements as set out in Section 9.4.2; and
- Adjusted the value of G6M's remaining assets and liabilities for the changes in G6M's capital structure that will occur following approval of the Proposed Transaction. This calculation is set out in Section 10.2 below.

G6M shares have been suspended from trading since 27 September 2024 and there is no share transaction data with which we can cross-check out valuation of G6M post the Proposed Transaction.

## 10.2 Valuation of G6M's remaining assets and liabilities

The net value we have adopted for the other assets and liabilities held by G6M following the Proposed Transaction is summarised in Table 10.1. We have been informed by the directors of G6M that there are no other material assets, liabilities, off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in Table 10.1.

Table 10.1: Values adopted for the other assets and liabilities held by G6M following the Proposed Transaction

| G6M net debt post the Proposed Transaction | (000's) |
|---|---|
| Cash | 13,350 |
| Borrowings | 31,813 |
| Net debt | 18,463 |

*Source: Recapitalisation Documents*

We note that the values adopted in Table 10.1 above are consistent with those adopted in Section 9.4.3 of this Report, with the following changes set out in Table 10.2 below.

Table 10.2: G6M net debt pre versus post the Proposed Transaction

| G6M net debt pre versus post the Proposed Transaction ($'000) | Pre | Converted to equity[1] | New facility[2] | Creditors paid[2] | Equity raise[3] | Post |
|---|---|---|---|---|---|---|
| Cash | - | - | 7,413 | - | 5,938 | 13,350 |
| Borrowings | 101,835 | (77,435) | 7,413 | - | - | 31,813 |
| Creditors | 5,213 | (3,694) | - | (1,519) | - | - |
| Net debt | 107,048 | (81,129) | - | (1,519) | (5,938) | 18,463 |

*Source: Recapitalisation Documents*

1. As discussed in Section 5.1, the recapitalisation plan proposes to convert $77.4 million of senior secured and unsecured debt and $3.7 million of overdue creditors into G6M equity.
2. As discussed in Section 5.1, G6M proposes to enter into a new $25.3 million facility ($17.9 million of which has already been advanced). The undrawn portion of the new facility has been added into the table above, assuming the Company fully draws upon the funds and pays of the remaining creditors post the Proposed Transaction.
3. As discussed in Section 5.1, G6M proposes to conduct a $5.9 million raise through the issuance of 1,696 million shares.

## 10.3 Valuation of a G6M share following the Proposed Transaction

### 10.3.1 Summation valuation of G6M equity post the Proposed Transaction

Our valuation of G6M equity post the Proposed Transaction utilising our summation approach is set out in Table 10.3.

Table 10.3: Equity value of G6M

| Equity value post the Proposed Transaction **($'000)** | Reference | Low | High |
|---|---|---|---|
| Dolphin Tungsten Mine | Section 9.3.7 | 52,500 | 72,500 |
| Corporate costs | Section 9.4.1 | (20,510) | (18,564) |
| Other tenements | Section 9.4.2 | 37 | 2,217 |
| Net debt | Section 10.2 | (18,463) | (18,463) |
| Equity value - controlling interest | | 13,564 | 37,691 |

*Source: BDOCF analysis*

BDO

### 10.3.2 Capital structure of G6M post the Proposed Transaction

The value set out in Table 10.3 above incorporates the value of all G6M equity instruments on issue, including ordinary shares, and performance rights. For the purposes of finding the per share value of G6M post the Proposed Transaction, we have split out the structure of G6M's equity instruments on issue immediately prior to the Proposed Transaction, and Post the Proposed Transaction in Table 10.4 below.

Table 10.4: G6M equity instruments post the Proposed Transaction

| Equity instruments on issue post the Proposed Transaction | Reference | |
|---|---|---|
| Ordinary shares (pre-existing) | Section 5.3 | 1,004,022,852 |
| Ordinary shares (new issue) | Section 5.3 | 20,909,245,996 |
| Options (pre-existing) | Section 5.3 | 297,508,238 |
| Warrants (new issue) | Section 5.3 | 7,232,142,857 |
| Total shares | | 21,913,268,848 |
| Total shares, options and warrants | | 29,442,919,943 |

*Source: Recapitalisation Documents*

### 10.3.3 Minority discount to apply to summation valuation

In our view, the summation valuation range is on a controlling interest basis. A controlling interest in a company is generally regarded as being more valuable than that of a minority interest as it may provide the owner with:

- Control over the operating and financial decisions of the company;
- The right to set the strategic direction of the company;
- Control over the buying, selling and use of the company's assets; and
- Control over the appointment of staff and setting of financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. Generally, control premiums may be impacted by a range of factors including the following:

- Specific acquirer premium and/or special value that may be applicable to the acquirer;
- Level of ownership in the target company already held by the acquirer;
- Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- The presence of competing bids; and
- General market sentiment and economic factors.

To form our view of an appropriate control premium applicable to G6M for the purposes of this Report, we have considered information which includes:

- Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- Our own research on control premiums implied by the trading data of ASX listed companies within the mining industry that have been subject to control transactions (we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company). The average and median control premium found in our research are within the range of 20% and 40%;
- Various valuation textbooks; and
- Industry practice.

Having regard to the information set out above, in our view, it is appropriate to consider control premiums within the range of 20% to 40% for the purposes of assessing the Proposed Transaction within the context of this Report.

To adjust our summation control value to a minority interest value, we have applied a minority discount having regard to the inverse of this range of 16.67% to 28.57%. Specifically, we have adopted the midpoint of this range of 23.08%.

### 10.3.4 Value of a G6M Share post the Proposed Transaction

Our summation valuation of G6M on a minority interest basis per share following the Proposed Transaction is set out in Table 10.5 below.

Table 10.5: **Value of G6M's ordinary shares** post the Proposed Transaction

| Per share value post the Proposed **Transaction ($'000)** | Reference | Low | High |
|---|---|---|---|
| Equity value | Section 10.3.1 | 13,564 | 37,691 |
| Value of 7,232 million warrants equity[1] | Section 5.1 | (3) | (362) |
| Equity value after warrants | | 13,561 | 37,328 |
| Total shares | Section 10.3.2 | 21,913,268,848 | 21,913,268,848 |
| Per share value - controlling interest ($) | | 0.0006 | 0.0017 |
| Minority discount | Section 10.3.3 | 23.08% | 23.08% |
| Per share value - minority interest[2] ($) | | 0.0005 | 0.0013 |

*Source: BDOCF analysis*

1 We have calculated the value of the warrants proposed to be issued as part of the recapitalisation using a Black-Scholes options pricing model. The calculation was performed iteratively, with the share price used for the warrant valuation adjusted to reflect the share price of ordinary shares after considering the warrant value. We adopted the proposed warrant terms, being an exercise price of A$0.0035, an expiry date of 31 October 2025, and a volatility assumption of 70%, the value of each warrant was determined to be nominal. We note that, due to the exercise price of the options on issue prior to the Proposed Transaction being many multiples of our calculated per share value (on a minority interest basis) we have considered the value of them to be $nil and not included them in our consideration post the Proposed Transaction.

2 Calculated as: controlling interest per share value * (1 - minority discount)

Table 10.4 shows that our valuation of G6M on a minority interest basis following the Proposed Transaction is within the range of $0.0005 to $0.0013.

# APPENDIX A: GLOSSARY

| Reference | Definition |
|---|---|
| $U/t | US dollar per tonne |
| A$ or $ | Australian dollars |
| ABEX | Abex Limited |
| ABV | Asset-based valuation |
| AFCA | Australian Financial Complaints Authority |
| AGM | Annual general meeting |
| APES 225 | Accounting Professional and Ethical Standards Board professional standard APES 225 *Valuation Services* |
| ASIC | Australian Securities and Investment Commission |
| ASX | Australian Securities Exchange |
| APT | Ammonium Paratungstate |
| BDO Persons | The partners, directors, agents or associates of BDO |
| BDOCF | BDO Corporate Finance Ltd |
| Billing Cranes | Billing Cranes Pty Ltd |
| Board, the | The board of directors of the Company |
| CAGR | Compound Average Growth Rate |
| CAPM | Capital asset pricing model |
| Chrysalis | Chrysalis Investments Pty Ltd ATF The Ellis Family Trust |
| CJRE | CJRE Maritime Pty Ltd |
| CME | capitalisation of maintainable earnings |
| Company, the | Group 6 Metals Ltd |
| Corporations Act, the | The Corporations Act 2001 |
| D.A.CH.S | D.A.CH.S AG |
| DCF | Discounted cash flow |
| Directors, the | The Directors of the Company |
| Dolphin Tungsten Mine, the | The Dolphin Tungsten mining project located on King Island in Tasmania |
| Ellis Entities, the | Chrysalis Investments Pty Ltd ATF The Ellis Family Trust and CJRE Maritime Pty Ltd |
| Elphinstone | Elphinstone Holdings Pty Ltd |
| EBIT | Earnings Before Interest and Taxes |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortisation |
| EV | Enterprise value |
| Facility Lenders, the | Abex, Chrysalis, Elphinstone and Pure Asset Management and the Tasmanian government |
| [Fe,Mn]WO4 | wolframite |
| Financial Model, the | The financial model provided to BDO by G6M, reviewed by Xenith and adjusted by BDO |

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| Reference | Definition |
|---|---|
| FSG | Financial Services Guide |
| FY | The financial year or 12-month period ended on 30 June |
| G6M | Group 6 Metals Ltd |
| Gekko/ Creditor, the | Gekko Systems Pty Ltd |
| GICS | Global Industry Classification Standard. |
| Government Royalty, the | The revenue and net profit royalty to the Tasmanian Government. |
| HNC | HNC (Australia) Resources Holding Pty Ltd. |
| HNC Royalty, the | The revenue royalty payable to HNC. |
| Investors, the | The parties including in the new issue portion of the Proposed Transaction. (Pure Asset Management, Chrysalis, CJRE, Elphinstone, D.A.CH.S and Abex) |
| ITIA | International Tungsten Industry Association. |
| IVSC | International Valuation Standards Council. |
| Key Parties | All parties involved in the Proposed Transaction. |
| Maxfield | Maxfield Drilling Pty Ltd |
| Meeting, the | General meeting to be held on or around 15 April 2025 |
| Mt | Megatonnes |
| MTU | Metric tonne unit |
| Non-associated Shareholders, the | The shareholders of G6M who are not the Key Parties. |
| Notice of Meeting, the | The Notice of Meeting and Explanatory memorandum dated 15 March 2025 prepared by G6M |
| New Senior Secured Facility, the | The $25.3 million secured debt facility offered by the Facility Lenders as part of the Proposed Transaction. |
| New Warrants, the | The warrants issued as part of the Proposed Transaction. |
| New Warrant Conversion Shares, the | Any share issued on conversion of the warrants issued as part of the Proposed Transaction. |
| NPAT | Net profit after tax |
| NPV | Net present value |
| Osisko | Osisko Gold Royalties Ltd |
| Osisko Royalty, the | The revenue royalty payable to Osisko |
| Proposed Transaction, the | The transaction outlined in the G6M announcement dated 04 December 2024 regarding the conversion of debt and other financial liabilities, into new shares and New Warrants issued by the Company. |
| Pure Asset Management | Pure Asset Management Pty Ltd |
| Recapitalisation Documents, the | Recapitalisation agreement documentation including, facility agreements, investor subscription agreements, warrant subscriptions and other prerequisite information furnished to us by Management. |
| Recapitalisation Plan, the | The Plan outlined in the G6M ASX announcement dated 04 December 2024 regarding the recapitalisation of debt and other financial liabilities currently held by the Company. |

| Reference | Definition |
|---|---|
| Regulations, the | The Corporation Regulations 2001. |
| Report, this | This independent expert's report prepared by BDOCF and dated 4 March 2025 |
| RG 111 | Regulatory Guide 111: *Content of Expert Reports*, issued by ASIC. |
| RGs | Regulatory guides published by ASIC. |
| CaWO4 | Scheelite |
| Secured Liabilities, the | Outstanding amounts under the terms of the New Senior Secured Facility, including principal, interest, fees, costs, charges, duties, indemnities, guarantee obligations, damages and enforcement and preservation costs and all and any amounts due, owing or incurred |
| Secured Property, the | The assets G6M own over which security is granted. |
| Security Transaction, the | The transaction in which security of G6M's assets are provided to related parties. |
| Security Trustee, the | Global Loan Agency Services Australia Nominees Pty Ltd |
| Shareholder, the | The holders of fully paid ordinary shares in the Company |
| SPP | Share purchase plan |
| Substantial Asset | 5% or more of the value of the equity interests of the entity, as set out in the latest accounts lodged with the ASX in accordance with the ASX listing rules |
| Substantial Holder | A person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company |
| t | Metric tonnes |
| Xenith | Xenith Consulting Pty Ltd |
| Xenith Report, the | The Xenith Independent Technical Specialists Report dated 14 January 2025 |
| USGS | U.S Geological Survey |
| US | United States of America |
| US$ | US dollar |
| VWAP | Volume weighted average price |
| WACC | Weighted average cost of capital |
| WITS | World Bank's World Integrated Trade Solution |
| $WO_3$ | Tungsten trioxide |
| We, us, our | BDO Corporate Finance Ltd |

# APPENDIX B: **INDEPENDENT TECHNICAL EXPERT'S REPORT - XENITH REPORT**

# Independent Technical Specialist Report

Group 6 Metals Ltd
January 2025

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## Document issue approval

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## Approvals

| | Name | Position | Signature | Date |
|---|---|---|---|---|
| **Prepared by** | Andrew Knuckey | GM Advisory | | 15/01/2025 |
| **Reviewed by** | Troy Turner | Chief Executive | | 15/01/2025 |
| **Approved by** | Troy Turner | Chief Executive | | 15/01/2025 |

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| G6M | Graeme Morissey | 0 | 1 | AK 15/1/25 |
| BDO | Mark Whitaker | 0 | 1 | AK 15/1/25 |

To be initialled and dated by the person who actions the issue of the documents.



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Xenith Consulting Pty Ltd makes no representation, undertakes no duty, and accepts no responsibility to any third party who may use or rely upon this document, or the drawings, information and data recorded in this document.

Any operating or capital cost estimation is current as at the date of estimation only.

The estimation assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements and factors specific to the particular mine, project or deposit).

We do not accept responsibility or liability for losses arising from such subsequent changes in cost.

Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the costing is relied upon after the expiration of 60 days from the date of the estimation or such earlier date if you become aware of any factors that affect the estimation.

**Table 1 – Defined Terms**

| Abbreviation | Definition |
|---|---|
| **Alternative Case** | Xenith's Alternative Case opinion as set out in Section 13.3.9 of this Report. This is superseded by the Updated Alternative Case |
| **APT** | Ammonium Paratungstate |
| **ASX** | Australian Securities Exchange Ltd |
| **AUD, Dollars** or **$** | Australian dollar |
| **AusIMM** | Australasian Institute of Mining and Metallurgy |
| **Base Case** | Xenith's Base Case opinion as set out in Section 13.3.9 of this Report. This is superseded by the Updated Base Case |
| **BDO** | BDO Corporate Finance Ltd |
| **Capex** | Capital Cost |
| **Chapter 5** | Chapter 5 of the ASX Listing Rules |
| **CY25 Open Cut Strategy** | CY25 Dolphin Open Cut mining strategy |
| **CY25 Underground Strategy** | CY25 Dolphin Underground redevelopment strategy |
| **DCCEEW** | Department of Climate Change, Energy the Environment Energy and Water |
| **DPEMP** | Development Proposal and Environment Management Plan |
| **Dolphin** | The Dolphin Tungsten mine including Dolphin and Bold Hill deposits |
| **EA** | Environmental Assessment |
| **Effective Date** | 10 January 2025 being the date of the Updated Model |
| **EL** | an exploration license under the Tasmania Mineral Resources Development Act 1995 providing the titleholder the exclusive rights to explore for a specific mineral or mineral group(s) within a designated area. An EL does not permit mining, nor does it guarantee that a mining lease will be granted over the area |
| **EMPCA** | Environmental Management and Pollution Control Act |
| **EPA** | Environmental Protection Authority |
| **EPBC** | Environment Protection and Biodiversity Conservation |
| **EPN** | Environmental Protection Notice |
| **FX** | Foreign exchange rate |
| **G6M** | Group 6 Metals Ltd |

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| Abbreviation | Definition |
|---|---|
| **IE** | Independent Expert |
| **IER** | Independent Expert Report |
| **Impairment model** | Updated cash flow model provided by Michael Zanner on 6 December 2024 ("Impairment Model – 5th November 2024.xls"). This is superseded by the Updated Model. |
| **Indicated Resource** | The mid confidence classification of a Resource as defined by the JORC Code |
| **Inferred Resource** | The lowest confidence classification of a Resource as defined by the JORC Code |
| **Instructions** | Instructions as per the Letters of Instruction |
| **IPC** | Independent Planning Commission |
| **ITS** | Independent Technical Specialist |
| **ITSR** | Independent Technical Specialist Report |
| **Ha** | Hectare |
| **JORC or JORC Code** | Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 |
| **k** | Thousand |
| **Letter of Instruction** | Letter of instruction from BDO dated 19 November 2024 |
| **LOMP** | Life of Mine Plan |
| **LUPAA** | Land Use Planning and Approvals Act |
| **M** | Million |
| **Management** | Relevant personnel with G6M who have provided response and advice in respect to the RFI's. |
| **MECOP** | Minerals Exploration Code of Practice |
| **MNES** | Matters of National Ecological Significance |
| **MGS** | Multi Gravity Separator |
| **ML** | a mining lease under the Tasmania Mineral Resources Development Act 1995 providing the titleholder the exclusive right to mine for a particular viable mineral resource within a selected area |
| **Model** | The provided cash flow model for the Project to be assessed for reasonableness. Data room document "Project Stone – LOM Operating Model – 12 September 2024vF.xls"). This is superseded by the Updated Model. |

| Abbreviation | Definition |
|---|---|
| **Model Assumptions** | The assumptions and inputs used by G6M in the Model. These are superseded by the Updated Model Assumptions. |
| **Measured Resource** | The highest confidence classification of a Resource as defined by the JORC Code |
| **MCDRMP** | Mine Closure, Decommissioning and Rehabilitation Management Plan |
| **Mining Information** | Technical and financial information and material provided by G6M and its advisors to Xenith, along with other publicly available data and information sourced by Xenith |
| **Model Assumptions** | Assumptions used in the Projects cash flow Model and Impairment Model |
| **Model Findings** | Xenith's assessment of the Model Assumptions |
| **MRDA** | Mineral Resources Development Act |
| **MRE** | Mineral Resource Estimate |
| **mtu** | In international markets the unit of measurement for tungsten concentrates is the metric ton unit, or mtu. An mtu (10 kg) is 1% of a metric ton (1,000 kg) |
| **NewPro** | Consulting process engineers and metallurgists |
| **OC** | Open Cut mine |
| **Opex** | Operating Cost |
| **PDC** | Process Design Criteria |
| **Project** | The Dolphin Tungsten Mine |
| **Reserve** | Ore Reserve as defined by the JORC Code, noting G6M use the term Mineral Reserves interchangeably with Ore Reserves. |
| **Resource** | Mineral Resource as defined by the JORC Code |
| **Report** | This report summarising the Independent Technical Assessment of the Project |
| **RFI** | Request for information process to formally present and track areas of enquiry and clarification as part of the ITSR process. |
| **ROM** | Run of mine |
| **SIA** | Significant Impact Assessment |
| **Site Inspection** | Site visit to the Project, undertaken by Xenith on 17 December 2024. |
| **t** | Tonnes |

| Abbreviation | Definition |
|---|---|
| **TAR** | Technical Assessment Report as defined by the Valmin Code and this Report |
| **Tenements** | The ELs and MLs included in the Project as set out in section 3.1 of this Report |
| **tpd** | Tonnes per day |
| **tph** | Tonnes per hour |
| **Transaction** | Proposed recapitalisation transaction |
| **TSF** | Tailings Storage Facility |
| **UG** | Underground mine |
| **Updated Alternative Case** | Xenith's Alternative Case opinion based on review of Updated Model as set out in section 1.3.9 of this Report |
| **Updated Base Case** | Xenith's Base Case opinion based on review of Updated Model as set out in section 1.3.9 of this Report |
| **Updated Findings** | The outcomes of the review of the Updated Model |
| **Updated Model** | The revised impairment model provided by G6M on 10 January 2025 labelled "Impairment Model-Revised G6M Strategy (Stage F after BC)" |
| **Updated Model Assumptions** | Assumptions used in the Updated Model |
| **USD** | United States Dollar |
| **VALMIN Code** | The Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition |
| **VRA** | Vertical Rate of Advance |
| **VSI** | Vertical Shaft Impact crusher |
| **$WO_3$** | Tungsten trioxide, a chemical compound of oxygen and the transition metal tungsten with formula $WO_3$ |
| **Xenith** | Xenith Consulting Pty Ltd |

# 1. Executive Summary

The following summary of findings is provided for convenience only and should be read in conjunction with the detailed analysis contained within the body of this Independent Technical Specialist Report (**ITSR** or the **Report**).

As set out in Section 1.2 below, following an initial assessment Xenith Consulting Pty Ltd (**Xenith**) prepared a draft report for the purpose of factual accuracy checking on 20 December 2024. Subsequently, Group 6 Metals Limited (**G6M**) indicated they had revised their operating strategy and provided supplementary information on 10 January 2025.

Accordingly, Xenith has undertaken a further review of the additional information, the outcomes of which are contained in this Executive Summary, including references to any material variation to our opinion since the initial assessment, of which the findings are set out in the chapters forming the body of this Report.

All references in this Report to dollars or $ refer to Australian dollars unless otherwise stated.

## 1.1 Summary of objectives

BDO Corporate Finance Ltd (**BDO**) have been appointed by G6M to prepare an independent expert's report (**IER**) in relation to a proposed recapitalisation transaction that will involve raising new capital and converting existing debt to equity (the **Transaction**).

The IER is required for inclusion within a Notice of Meeting to be provided to the shareholders of the Company. The Notice of Meeting is to provide shareholders with the information they require to make an informed decision in respect to the Transaction.

BDO have been engaged to act as the Independent Expert (**IE**) and provide the IER to provide an opinion on whether the proposed Transaction is fair and reasonable to non-associated shareholders.

Given the nature of the G6M assets, BDO require an Independent Technical Specialist (**ITS**) as defined by the Australasian Code for Public reporting of Technical Assessments and Valuations of Mineral Assets, 2015 edition (the **VALMIN Code**) to prepare an ITSR to assist BDO in assessing their opinion.

Accordingly, G6M appointed Xenith to undertake the ITSR under Instruction from BDO, and G6M, as set out in Section 2.3 below.

## 1.2 Outline of work program

The Letter of Instruction (**Instructions**), attached in Section 14 of this Report, required Xenith to review the technical project assumptions of the Dolphin Tungsten Mine located on King Island, Tasmania (the **Project**) and provide a written ITSR setting out Our opinion as to the reasonableness of each of the assumptions used in the Projects cash flow model (**Model Assumptions**), understood to be the Microsoft Excel document "*Project Stone - LOM Operating Model - 12 September 2024 vF*" (the **Model**). G6M also provided Xenith with a secondary model, the '**Impairment Model**' which provided an update to some of the near-term Model Assumptions.

Xenith reviewed these two models in terms of:

1. Model Assumptions relating to
    a. resources and reserves incorporated into the Model, and the treatment of any residual;
    b. mining physicals (including tonnes of ore mined, quality, waste material, and mine life);
    c. processing physicals (including ore processed and produced);

d. production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies);
e. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency); and
f. any other relevant technical assumptions not specified above.
2. the market value of any resources and reserves not incorporated in the Model, and any other exploration tenements.

Relevant technical and financial information and material were provided to Xenith by G6M personnel (**Management**). A review of this information, along with other publicly available data and information sourced by Xenith (collectively the **Mining Information**), further informed by a Request For Information process (**RFI**), was undertaken.

Xenith prepared a draft Report based on Xenith's assessment of the Model Assumptions (**Model Findings**) and distributed it to BDO and G6M for the purpose of factual accuracy checking on 20 December 2024.

Subsequently, G6M indicated they had revised their operating strategy for the Project and provided an updated model on 10 January 2025, the Microsoft Excel document *"Impairment Model-Revised G6M Strategy (Stage F after BC)"*, which revised a number of the Model and Impairment Model inputs (**Updated Model**).

Accordingly, Xenith undertook a review of the assumptions used in the Updated Model based on the same Instructions noted above (**Updated Model Assumptions**). The review of the Updated Model has been undertaken on an exception basis (i.e. what has changed) regarding the Model and Impairment Model, and the impact of those changes on the Model Findings.

The outcomes of the review of the Updated Model are contained in this Executive Summary (**Updated Findings**) and includes references to the Model Findings set out within and represented by the chapters forming the body of this Report.

For comparison purposes against the Updated Findings, a summation of the Model Findings is set out in Chapter 13 of this Report, 'Model Findings Conclusion', noting it is superseded by this Executive Summary.

Table 2 below illustrates the construct and components of this ITSR.

**Table 2 - Construct of this Report**

| Sequence of Review | Key Mining Information | Xenith Opinion | ITSR Reference |
|---|---|---|---|
| 1. 26 November 2024 | The Model | Model Findings | Set out in Chapters 2 to 13 of this Report |
| 2. 6 December 2024 | Impairment Model | | |
| 3. 17 December 2024 | Site Inspection | | |
| 4. 10 January 2025 | Updated Model | Updated Findings | This Executive Summary |

## 1.3 Summary of opinion – Updated Model Assumptions

The ITSR has considered the areas set out in the scope of work summarised in section 2.3 in the Report.

The Updated Model Assumptions, particularly in the near-term mining and process engineering areas, largely align with Xenith's proposed "Alternative Case" based on the original Model Findings and outlined in the body of this Report.

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Based on the Mining Information and Management advice provided, and assuming areas of recognised risk are appropriately addressed by G6M, Xenith have not identified any fatal flaws to the Updated Model Assumptions, noting that the process engineering area has not performed to expectations to date, and that G6M have a range of plans in place to address various elements of performance in this area which underpin the Updated Model and are reflected in the Updated Model Assumptions.

Accordingly, our **'Updated Base Case'** findings assume G6M pursue and are successful in implementing the process engineering improvements and managing other Project risks in respect to other areas of the Project as set out in this Report.

Xenith have adopted the following structure in considering the reasonableness of the Updated Model Assumptions:

1. **Xenith Updated Base Case** – Xenith have considered the Updated Model Assumptions for reasonableness, and where necessary have made recommended adjustments to the Updated Model Assumptions to reflect a Xenith Updated Base Case; and
2. **Updated Alternative Case** – Where Xenith has identified potential risk with the Updated Xenith Base Case assumptions, we have included these areas in an "Updated Alternative Case" intended to appropriately reflect these risks.

Xenith's findings are summarised below by key subject matter area, and in Table 6 below.

### 1.3.1 Tenure

Australian Tungsten Pty Ltd, are the holder, and operator of the Project tenements, consisting of:

- EL 19/2001;
- 2080P/M; and
- 2136P/M

On the 11th of May 2023, Mining Lease Application MLA 2136P/M was registered over the area of land "Bold Head"[1]. The available data does not provide specific information on the progress of the application.

Exploration license EL 19/2001 has an upcoming expiry on the 14th of December 2024, however according to RFI#1 response the renewal application has been lodged for a 24-month extension.

### 1.3.2 Geology and Resources

Xenith note the Updated Model Assumptions provided no new information in respect to the Geology & Resources area and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in Section 4 below.

Xenith has undertaken a review of the Project's geology and the Resource estimates as set out in Section 4 of this Report. Xenith has not independently verified the Mineral Resource or Reserve estimates by means of recalculation.

The quality of the drill hole data logging is asserted by G6M to be of high quality; however, this is solely based on the reputation of the previous mining company and has not been verified using independent means.

Whilst density data is deemed reasonable without a comprehensive data set, G6M started a campaign to collect more SG data from available and historic cores. When the SG are collected, a regression study between the SG data and the assay data will be performed to determine if there is a correlation between the SG, $WO_3$, and Mo concentrations. If SG, $WO_3$, and/or Mo correlate, then the correlation is applied to the model to estimate SG.

Applying the variogram model and subsequent search ellipse potentially smooths the mineral resource estimate and masks the variability of the $WO_3$ grade in the Mineral Resource. It is recommended that the mineralisation

[1] Annual Environmental Review, 2023 Calendar Year, Dolphin Tungsten Mine, Grassy, King Island

domains be sub-domained and the variograms be calculated and modelled according to the domain's direction of maximum continuity. The search ellipse size is then chosen to reflect the ranges of the semi-variogram models.

There are inconsistencies in the Mineral Resource estimate compared to what Xenith deems as industry best practice. These inconsistencies introduce risks to the Mineral Resource estimate that has not been evaluated and quantified. As set out in the body of this Report, to properly assess and quantify the risks, the Mineral Resource should be re-estimated using methods and practices Xenith considers the industry's best practice.

### 1.3.3 Mining

Xenith has reviewed the Updated Model Assumptions for the Project's mining method and production plans, and note the following:

- Dolphin Open Cut (**OC**) production – The Updated Model Assumptions for Dolphin OC production appear reasonable, noting the Updated Model mining strategy and schedule is broadly aligned with the points set out at section 5.1.1 of this Report and the original Xenith Alternative Case, excepting for a three month extended production period in CY2025 due to bringing the mining of open cut stage F forward, and the removal of some future mining areas from the production schedule.
    - The Updated Model no longer includes the Dolphin OC Stages 1D and E or the Dolphin OC Stage 2 area as part of the mining schedule. These exclusions result in approximately 1.59Mt of declared Ore Reserves not being included in the Updated Model's production schedule. These excluded Ore Reserves have been considered and assessed for any material residual value as outlined in section 1.4 below.
- Dolphin Underground (**UG**) production – Xenith consider the Updated Model's assumed first production and ramp up for the Dolphin UG is reasonable and make no adjustment to it. We assume risks related to the initial ramp-up period for the Dolphin UG such as delays in capital and interactions with open pit activities are able to be mitigated, largely due to the foreshortened open cut schedule and what we understand is an extended design optimisation period where no mining activities will occur between October 2025 and June 2026, in advance of Dolphin UG development works commencing.
- Bold Head production – Xenith note the Updated Model assumes a slightly higher production rate than previously assumed for Bold Head based on recent industry standards. Xenith consider the Bold Head production schedule is reasonable.
- Mining capital expenditure – The Updated Model Assumptions in respect to mining capital expenditure are considered reasonable.
    - The Updated Model Assumptions include a reduction in capital expenditure of $8M, including a net $6.7M saving based on the removal of a fixed paste plant from the proposed Dolphin UG, and $1.3M in reduced surface infrastructure. Management have advised that they now believe the fixed paste plant is no longer required and any areas of cemented fill required to support the underground operation can be supported by a lower cost contractor operated 'batch plant'. Based on the Mining Information reviewed Xenith have been unable to verify the relative merits of the paste plant and batch plant options and rely on Managements advice in adopting the lower capex assumption.
    - Consistent with the original Xenith Base Case, the Updated Model Assumptions do not include previous capital expenditure saving factors assumed in the original Model for the Dolphin UG and other mining areas of 4.32% and 5% respectively.
- Mining operating expenditure – The Updated Model Assumptions in respect to mining operating expenditure are considered reasonable in respect to the Xenith Updated Base Case.
    - In regard to the Xenith Updated Alternative Case Xenith reinforces uncertainty around the underground contractor costs adopted by G6M as set out in Section 5.8 in this Report. Management have advised the Updated Model adopts an average $/t unit cost informed by contractor and consultant 'GBF Underground Mining' in 2023. Notwithstanding the points set out in

Section 5.8 of this Report, Xenith note the application of a 100% variable rate may lead to unusually high variances in month-to-month cost estimates, e.g. in 2032 when ore tonnes mined are very low and cost is driven by $/t ore mined, despite mining operations needing to be sustained at normal levels. Estimating costs based on a portion of fixed cost supplemented by a variable rate is common practice to avoid these issues. Xenith propose an assumption of +10% higher Dolphin UG operating costs to reflect uncertainty around the final mine design and contractor time relevance of contractor pricing.

- Xenith note the average cost per tonne of production assumed for the open cut operations is above G6M's year to date realised cost. This slightly conservative assumption is reasonable given the additional depth, smaller mining fleet and constrained working areas anticipated for the future open cut mining areas.



### 1.3.4 Processing

Xenith has reviewed the Updated Model Assumptions for the Project's processing schedule and capital schedule, and note the following:

› Processing production – The Updated Model Assumptions in respect to the process plant throughout tonnages and processing recoveries from January 2025 are considered reasonable.
  - The Updated Model Assumptions broadly align with Xenith's original Alternative Case as described in Section 6 below, with an extended period of throughputs and recoveries more reflective of current performance and a materially lower longer term recovery target of 70%, down from previous target levels of 78% and above.

› Processing capital expenditure –
  - The Updated Model processing capital expenditure program is broadly consistent with Xenith's original Base Case, albeit the timing of assumed expenditures in the first three years varies based on G6M's most recent consideration of the processing improvement program, and on that basis considered reasonable.
  - The $5.6M processing capex plan for 2025 includes targeted improvements aimed at resolving:
    - → Spillage. Mainly skirting for conveyors and other material movement paths.
    - → VSI and tertiary circuit surging and associated motor overload tripping, including $2.5M contingency for VSI replacement.
    - → Ball mill stabilisation, in particular drive trunnion resilience, and care and maintenance protocols (auto lube, auto lifting on shut-down).
    - → Spirals and tables - improvements and replacements with $0.4M included in 2025.
    - → $1.1M for Critical spares - minimising downtime which in the past has resulted in days of downtime waiting for spares.
  - Mill improvement projects continue throughout CY26 with another $2.9M in capital included.  There is an allowance of $1.0M for Critical spares and funds allocated to ROM bin, filtration, crushers, spirals and ball mills spillage management.
  - Sustaining capital allowance in the Updated Model is included from 2027 (i.e. post the Processing Plant programs).  The allocated amount is equivalent to 5% of operating costs which reflects levels more consistent with industry norms than the Impairment Model's previous 2.5% assumption and is adopted by both the Xenith Updated Base Case and the Updated Alternative Case
  - Xenith note the Updated Model Assumptions assume certain capital elements will not be required, most significantly a replacement ball mill. For the reasons summarised below and set out in Section 6 of this Report, Xenith consider it appropriate that the Updated Alternative Case includes these elements as a contingency against the targeted capital savings not being realised.
    - → The ramp up to achieve longer term throughput and recovery targets requires capital expenditure investment and as highlighted in this Report, Xenith anticipate the action plan to bring the plant to design levels will be subject to change as the progressive remedial works are undertaken, and the plant design may require flowsheet change and further development.

- → Based on Xenith's experience the deployment of capital is subject to various influences including access to capital, testing and confirmatory programs, availability of raw materials, supplier constraints and logistics, and installation complications and limitations. Since the ramp-up in throughput and recoveries remain contingent on the G6M's prioritised incremental capital improvement program, it is equally at risk of its timing and success in solving the progressive plant process constraints.

› Table 3 below presents a summary of the Updated Model processing capital expenditure assumptions, as well as the original Xenith Base Case and Alternative Case assumptions contrasted against Xenith's proposed Updated Base Case and Updated Alternative Case assumptions.

**Table 3 – Summary Updated Model Assumptions, and others, Processing capital expenditure**

| Item | 2025 to 2027 | 2028 to 2032 | Total |
|---|---|---|---|
| **G6M Updated Model** | $9.7M | $4.5M | $14.2M |
| **Xenith original Base Case** | $9.7M | $3.9M | $13.6M |
| **Xenith original Alternative Case** | $12.7M | $3.9M | $16.6M |
| | | | |
| **Xenith Updated Base Case** | **$9.7M** | **$4.5M** | **$14.2M** |
| **Xenith Updated Alternative Case** | **$12.7M** | **$4.5M** | **$17.2M** |

› Processing operating expenditure – The Updated Model operating costs are consistent with recent actuals and are considered reasonable.

- Updated Model Assumptions include processing operating costs of approximately $1M per month, consistent with FY25 YTD figures, applied on a unit cost per tonne basis of approximately $53.25 assuming February 2025 conservative production levels. This compares to the previous Impairment Model LOM average more optimistic assumption of approximately $46.22/t. G6M have not factored any efficiency gains in the Updated Model Assumptions, which we believe is reasonable noting the historic performance, capital improvement program to be completed and noting G6M propose to expand their process plant operating team.

## 1.3.5 Other Model Assumptions

Xenith has undertaken a review of the Updated Model Assumptions outside of the Mining and Processing technical inputs.

› Corporate Costs – The Updated Model includes corporate costs of approximately $4.5M in CY25 inclusive of corporate restructuring costs, and from CY26 onwards assumes a reduced, but consistent with historic realised costs, $300k/month (i.e. $3.6M annually). This figure is in line with Xenith's' original Alternative Case and is considered reasonable.

› Support Costs – Other support costs have been determined in line with the planned cessation of open cut production from September 2025 and are considered reasonable.

- Rehabilitation and Closure Costs – The Updated Model Assumptions include rehabilitation costs of $3.5M as well as an end of mine life dismantling closure cost of $5.7M. These figures are consistent with the original Xenith Base case and are considered reasonable.
- Royalties – Xenith Updated Base Case and Updated Alternative Case remain with maximum royalty rate as 5.35% and calculated on nominal dollars.
- Macro variables –
  - Xenith's Updated Base Case and Updated Alternative Case both adopt the latest Consensus Economics FX[2] rates which we note is similar to the Updated Models Assumption of current spot rate of 0.62 with a gradual increase to 0.65 by the end of CY25, before assuming a flat 0.70 from CY26 onwards.
  - The Updated Model Assumptions reflect tungsten prices consistent with the original Xenith Base Case and the Alternative Case as described in this Report and are considered reasonable. Given the opaque nature of the $WO_3$ market, Xenith recommend considering sensitivities that cover both upside and downside for price.

### 1.3.6 Environmental Approvals

Xenith note the Updated Model Assumptions provided no new information in respect to the Environment Approvals field and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in Section 9 below.

Xenith has undertaken a review of the Project's Environmental approval status as set out in Section 9 of this Report. The Project is currently operational and approved under Tasmanian State legislation. This includes rehabilitation and closure requirements whereby the Mine Closure, Decommissioning and Rehabilitation Management Plan (**MCDRMP**) is approved by the Environmental Protection Authority (**EPA**) and all security bonds are paid in full. Accordingly, notwithstanding the issues and associated risks identified, environmental approvals are considered to be reasonable and in keeping with the normal operation of the Project.

Assessments are still underway at a Federal level with the Environment Protection and Biodiversity Conservation (**EPBC)** Referral (2023/09653) currently active. G6M states that ongoing consultation is being held with Commonwealth Government Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) to progress the referral. However, DCCEEW has already raised concerns that the referral is inadequate due to a lack of information for G6M not considering all aspects of operations. Whilst this is a reasonable part of the referral process, this may extend approval timeframes. Xenith has not received any additional information at the Effective Date of this Report to gain further understanding of the matter. However, it is expected that an EIS will be required.

An additional Federal matter has been raised with allegations of illegal clearing of 80 ha of vegetation which has been resolved with DCCEEW.

Excluding this, Xenith believes at the Effective Date of this Report, all State approvals are current and Federal approvals are progressing in a reasonable manner.

### 1.3.7 Land Access & Stakeholder Engagement

Xenith note the Updated Model Assumptions provided no new information in respect to the Land Access and Stakeholder Engagement field and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in Section 10 below.

Xenith has undertaken a review of the Project's Land access and Stakeholder engagement status as set out in Section 10 of this Report. In Xenith's opinion, land access and stakeholder engagement is currently managed at a level considered to be reasonable.

[2] Consensus Economics FXDec2024; "Year Average Forecast", published 12 December 2024

### 1.3.8 Native Title and Cultural Heritage

Xenith note the Updated Model Assumptions provided no new information in respect to the Native Title and Cultural Heritage field and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in Section 11 below.

Xenith has undertaken a review of the Project's Native title and Cultural heritage status as set out in Section 11 of this Report. In Xenith's opinion, taking into consideration the native title legal and policy landscape, and provided G6M are following their policy, the native title risk can be managed at a level considered to be reasonable. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy; and
- Keep detailed written records of native title assessments completed for the Project.

No supporting documentation was provided to Xenith to assess and confirm the boundaries of the historical mining and rehabilitation footprints relative to the current Project. In Xenith's opinion, this approach does not show due diligence standards expected within the Standards and Procedures developed by Aboriginal Heritage Tasmania and may present a Project risk if challenged.

In Xenith's opinion, the Desktop Historical Cultural Heritage Assessment may not be compliant with the requirements of the DA 26/0506 and may present a Project risk if challenged.

## 1.4 Summary of Market value of Resources not included in the Updated Model

As set out in the Letter of Instruction. Xenith are required to assess the market value of any resources and reserves not incorporated in the Updated Model, and any other exploration tenements.

Accordingly, Xenith has considered:

1. Ore Reserves not consumed through mining in the LOMP reflected in the Updated Model;
2. Mineral Resources not consumed through mining in the LOMP reflected in the Updated Model;
3. Exploration Tenement EL19/2001; and
4. Other mineral assets – consisting of potential resources contained within the TSF.

Factors regarding items 2, 3 and 4 are unchanged in the Updated Model and Xenith's assessment remains as set out in the Section 12 of this Report.

Xenith highlights, for the reasons set out in Section 12, the value assessed should be considered a Technical Value and accordingly may only be considered the potential Market Value of the assessed mineral assets.

### 1.4.1 Summary of Value of all Resources not included in the Updated Model

The total value of Ore Reserves and Mineral Resources not included in the Updated Model is estimated to be \$36.5k to \$2.21M (Technical Value).

Our Preferred potential Market Value estimate for the Dolphin OC remnant Ore Reserves is set out in Section 1.4.2 below and reflects the range of Our zero to nominal Low estimate, and High value Mean mid-point estimate of \$2.11M (i.e. Zero/nominal, to, \$2.11M).

For the reasons set out in Section 12 of this Report, Xenith do not consider the Dolphin UG or Bold Head remnant Mineral Resources to be of significant quantity or concentration to permit safe or efficient extraction or conversion to Ore Reserve, and accordingly do not consider it reasonable that the remnant Mineral Resources hold any material Market Value.

Xenith have assessed a relatively immaterial value in respect the Exploration Tenement EL1/2001, and marginal Technical Value in respect to other mineral assets in the form of the site's tailings.

Table 4 below summarise Xenith's assessment of the potential value of the various mineral assets not consumed by the Updated Model.

**Table 4 - Updated Summary of potential Value of Reserves not in Model**

| Item | Low | High |
|---|---|---|
| Remnant Dolphin OC Reserves | nil | $2,110,000 |
| Remnant Resources | nil | nominal |
| EL19/2001 | nominal | $22,000 |
| Tailings | $36,500 | $84,500 |
| Total | $36,500 | $2,216,500 |
| **Preferred** | **Xenith Updated Alternative Case** **$36,500** | **Xenith Updated Base Case** **$2,216,500** |

## 1.4.2 Value of remnant Ore Reserves

As noted in Section 1.3.3 above, the Updated Model removes certain Ore Reserves from the LOMP due to electing not to include some stages of the Dolphin OC in the production schedule. Management have indicated that they do not believe current commodity prices are sufficient to support the current mine plan for these areas.

Notwithstanding the above, in the absence of an updated Ore Reserve statement, and in keeping with the JORC Codes definition of Mineral Resources which include the requirement that "…*there are reasonable prospects for eventual economic extraction*…"[3], in Xenith's opinion it is reasonable to consider some potential value to this largely contiguous portion of Mineral Resource to the extent that it presents potential 'option value' to G6M in the event commodity prices escalate and overall economics improve in the future.

The original Model saw remnant Ore Reserves of 0.4Mt not consumed by mining, as set out in Section 12.3.1 below, Xenith do not consider that portion of remnant Ore Reserve to be of significant quantity or concentration to permit safe or efficient extraction, and accordingly do not consider it reasonable that it holds any material Market Value.

The total tonnes of Ore Reserves mined in the LOMP under the Updated Model are 2.87Mt compared to the original Model's production forecast of 4.49Mt mined. As set out in Section 1.3.3 above, the 1.62Mt difference is primarily due to the LOMP no longer including:

- the 1.4Mt reserves for the Dolphin OC Stage 2;
- Dolphin OC Stages 1D and 1E with Ore Reserves of 0.07Mt and 0.12Mt respectively; and
- 0.03Mt of remnant areas assumed to result from refinements to the Dolphin UG schedule resulting in isolated remnants assumed immaterial, consistent with section 12.3.1 of this Report.

[3] JORC Code 2012, Section 20, Page 11

Xenith considers the combined 1.59Mt of Dolphin OC Ore Reserves to potentially have some Market Value since they each represent largely contiguous ore bodies, and aside from the not insubstantial requirements identified in dealing with potential ocean water encroachment are practically accessible and not constrained by limiting mining methods.

Xenith's' assessment of the potential market value of the Dolphin OC remnant Ore Reserves considers the Ore Reserves using Mineral Resource driven multiples on a per tonne of Mineral Resource and per tonne of Contained Metal basis. Xenith consider this appropriate given the Ore Reserves have not been updated in over twelve months as noted at Section 5.3.1 of this Report, Managements opinion in respect to the current economic viability of these Ore Reserves, the Ore Reserves are a subset of the Projects Mineral Resources.

Our assessment of the potential value of the remnant Ore Reserves is summarised in Table 5 below, reflecting:

› an EV/t Resource multiple based on comparable transactions as outlined in section 12.2.1 below in this Report estimates a potential value of $0.84M.
› an EV/t $WO_3$ Contained Metal multiple from comparable transactions as outlined in section 12.2.1 in this Report estimates a potential value of $3.38M.
› a potential upper end, 'High' value range of $0.84M to $3.38M, with a mean driven mid-point potential value of $2.11M.
› a 'Low' value of $0 to nominal value on the basis of ongoing economic constraints.

Xenith's preferred potential Market Value estimate reflects the range of our zero to nominal Low estimate, and High value Mean mid-point estimate of $2.11M (i.e. Zero/nominal, to, $2.11M).

We propose the Xenith Updated Base Case reflect the upper end of our Preferred range (i.e. $2.11M) and the Xenith Updated Alternative Case reflect the Low end of our Preferred range (i.e. $0 to nominal).

Xenith notes it is common valuation practice to have a single "preferred" value in areas where there are "Reasonable Prospects" of the Mineral Resource becoming economic in the future (as per JORC Code definition). In determining the Xenith Preferred 'range' noted above, we have had consideration to the potential economic prospects of the Mineral Resource given that Management have indicated that some areas of the Reserves are not considered economic for LOM planning purposes, and no recent update to the JORC Resources has been published by the Company to confirm the portion of the Mineral Resource where "Reasonable Prospects" for economic extraction exist.

Accordingly, Xenith has considered scenarios reflecting whether economic conditions improve, or not, to keep the Mineral Resource economically viable in the future, and similarly from the consideration of Market Value, what assumption a market participant may similarly make i.e. they may believe conditions will improve or they may not.

We have taken the position that our preferred value covers the high and low range of our assessment to reflect both ends of a market participants opinion, and have proposed to reflect this through the adoption of our High End estimate in the Xenith Updated Base Case, and the Xenith Updated Alternative Case, being a more conservative case to adopt our Low End estimate.

**Table 5 - Market Value of Dolphin OC remnant Ore Reserves**

| Asset | JORC Reserves (Mt) | EV/t Resource | EV (A$) | Grade ($WO_3$ %) | Contained metal ($WO_3$ kt) | EV/kt $WO_3$ | EV (A$) |
|---|---|---|---|---|---|---|---|
| Dolphin OC Stage 2 | 1.40 | 0.528 | $0.74M | 0.70% | 9.80 | 0.320 | $3.13M |
| Dolphin OC stage 1D | 0.07 | 0.528 | $0.04M | 0.42% | 0.29 | 0.320 | $0.09M |
| Dolphin OC stage 1E | 0.12 | 0.528 | $0.06M | 0.39% | 0.48 | 0.320 | $0.15M |
| High | | | $0.84M | | | | $3.38M |
| High Mid Pt (Mean) | | | $2.11M | | | | |
| Low | | | $0.00M | | | | |
| **Preferred** | **Xenith Updated Alternative Case** | | **$0.00M** | **to** | **Xenith Updated Base Case** | | **$2.11M** |

## 1.5 Findings summary

Xenith's findings in respect the Updated Model are summarised in Table 6 below. We present our **Xenith Updated Base Case** and **Updated Alternative Case** as defined at Section 1.3 above.

**Table 6 – Summary of Technical Assessment**

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| Mineral Resource | The Dolphin Mineral Resource is dated April 2015<br>The Bold Head, Mineral Resource estimate, was updated in 2019 | The Projects Mineral Resource estimate is not unreasonable. However, Xenith note:<br>› the JORC Estimate[4] identifies an absence of quality assurance and quality control data in respect both exploration and assay testing, albeit a history of drilling confirming the presence, grade and tenor of remnant mineralisation is noted. Xenith would ordinarily expect a demonstrable and comprehensive QA/QC program be in place in best practice JORC Estimates; and<br>› the entire Mineral Resource is classified as Indicated as per the JORC Code. Whilst not in itself unreasonable, Xenith highlight that in our experience having an entire Mineral Resource of a single classification is not usual. | As per Xenith Updated Base Case |
| Reserve | Probable Ore Reserve: 4.87 Mt @ 0.9 $WO_3$% (Dolphin OC: 2.93 Mt @ 0.76 $WO_3$%; Dolphin UG: 1.5 Mt @ 1.24 $WO_3$%; Bold Head OC: 0.05 Mt @ 1.0 $WO_3$%; Bold Head UG: 0.39 Mt @ 0.9 $WO_3$%) | The Ore Reserves have not been updated in the past 12 months per the JORC Code's annual review requirements. Application of current prices and costs may cause an adjustment to the Projects estimated Ore Reserves and accordingly Xenith highlight potential risk exists in respect to reliance upon the stated Ore Reserves.<br>Xenith notes that the Model's production targets, in addition to the above Probable Ore Reserves are | As per Xenith Updated Base Case |

[4] Mr Tim Callaghan, Dolphin Mine Mineral Resource Estimate King Island, April 2015, Section 3.5, Page 21 and Table 1, Section 1 Page 42.

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| | | further underpinned by materially greater volumes of Indicated Mineral Resource. Of significance, the Model's production targets are not contingent on any lower certainty Inferred Mineral Resource or Exploration Targets.<br>Accordingly, notwithstanding Xenith's emphasis of some risk in respect to the Ore Reserve estimates, Xenith consider the mine production target to be reasonable based on the combination of stated Ore Reserves, the large volume of Indicated Mineral Resource, and absence of lower certainty Mineral Resources and exploration targets. | |
| Life of Mine (LOM) Project Schedule | Dolphin OC Stage 1: May'24-Sep'25<br>Dolphin UG: Jul'26 to Mar'32<br>Dolphin OC Stage 2: No longer mined<br>Bold Head OC: Dec'30-Aug'32<br>Bold Head UG: Mar'32-Aug'35 | Adopt the Updated Model Assumptions.<br>Dolphin OC is closely aligned with the original Alternative case, just a couple of months extension due to pushing Dolphin OC stage F forward.<br>The mining equipment rates assumed for the pit and underground are reasonable. Xenith notes that there are a number of risks that could impact production schedule as outlined in section 5.7. | As per Xenith Updated Base Case |
| Production | Mining 0.3 Mtpa from FY27-30. Peak production of close to 0.4Mtpa in CY31 and CY32 when Bold Head | Ore production volumes are reasonable. Ore tonnes planned to be mined (including provided actuals to date) total 2.9 Mt vs. Ore Reserves of 4.87 Mt noting G6M have removed the mining of some parts of the Ore Reserves from the LOMP. | As per Xenith Updated Base Case |

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| | OC and Bold Head UG are mined. | The Updated Model, assume UG start-up a couple of months later than in the original Model. This means that risks related to the initial ramp-up period for the Dolphin UG such as delays in capital and interactions with open pit activities are able to be mitigated. Accordingly, we make no adjustment to the Updated Model's assumed first ore production and ramp up for the Dolphin UG. | |
| Saleable Tonnes | Total: 2.8 mtu of $WO_3$ (Jan'24 onwards) | Adopt Updated Model production profile. | As per Xenith Updated Base Case |
| Mining Operating Cost (**Opex**) | Total: $170million (2025 onwards)<br>Unit cost: $6.5/bcm total material for OC, $83/tonne ore for UG | Adopt Updated Model estimates | Xenith reinforces uncertainty around the underground contractor costs adopted by G6M as set out in Section 5.8 in the Report<br>Xenith propose an assumption of +10% higher Dolphin UG operating costs to reflect uncertainty around the final mine design and contractor time relevance of contractor pricing.<br>Dolphin OC operating costs as per the Updated Model. |
| Mine Capital Cost (**Capex**) | Total: $57.0million<br>Dolphin OC: $0.4million<br>Dolphin UG: $35.9million<br>Bold Head UG: $20.8million | Adopt Updated Model capex estimates. | As per Xenith Updated Base Case |
| **Processing Plant** | | | |

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| Recovery rate | 2025: 50% Jan – Apr, 55% May -Sep, 60% Oct-Dec.<br>2026: 65% Jan – Jul, 70% thereafter | As per Updated Model (consistent with original Alternative Case) for 2025, adopt Updated Model thereafter. | As per Xenith Updated Base Case. |
| Processing Operating cost | Total: $145million 2025 onwards, $5.30/processed tonne | Adopt Updated Model estimates | As per Xenith Updated Base Case |
| Processing Capital cost | Total: $5.6M for 2025, $2.9M for 2026, 5% of opex in sustaining capital Jan’27 onwards | Adopt Updated Model estimates | Assume higher capital expenditure of +$3M (i.e. $12.7M total) over CY25 to CY27 period.<br>From CY28 adopt the Updated Model estimates. |
| **Other** | | | |
| Support costs | $300k/month in Corporate overhead costs<br>$868k/month Jan-Aug’25, $706k/month thereafter in other Support costs | As per Alternative Case (and Updated Model) for Corporate overhead cost<br><br>Adopt Updated Model estimates for Support costs | As per Xenith Updated Base case |
| Price | $325/mtu for LOMP | As per Xenith Base Case (and Updated Model) | Run sensitivities on long-term price of $300/mtu |
| FX (AUD:USD) | Current rate for Jan 2025 with gradual increase to 0.65 in Dec 2025. Flat 0.7 2026 to end of mine life | As per Xenith Base Case | As per Xenith Updated Base Case |

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| Royalties | Max 5.25% of sales calculated in real dollars | Amend rate to 5.35% and calculate on nominal dollars | As per Xenith Updated Base Case |
| Cost savings -Opex | No cost savings factor included | Run sensitivities on +/- 10%. | As per Xenith Updated Base Case |
| Cost savings - Capex | No cost savings factor included | Run sensitivities on +/- 10%. | As per Xenith Updated Base Case |
| **Mine Closure** | | | |
| Mine Closure Cost | $3.5M for rehabilitation commencing in 2030, $5.7M in Sep '35 for "dismantling" | As per the Updated Model (consistent with original Xenith Base Case) | As per Xenith Updated Base Case |
| **Environmental Approvals** | | | |
| State Approvals | | All State approvals are being met | All State approvals are being met |
| Federal Approvals | | Federal approvals are currently being assessed and rely on adequate information provided by G6M to DCCEEW. Assumed to be a Controlled Action. | Federal approvals are currently being assessed and rely on adequate information provided by G6M to DCCEEW. Assumed to be a "Controlled Action".<br>Inherent risk of EIS being required. DCCEEW has notified G6M of significant information gaps in EPBC Referral. Likelihood of lengthy approval process and increased cost to clarify position i.e. technical studies to support EIS. |
| **Land Access & Stakeholder Engagement** | | | |

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| Land Access | | Managed at Reasonable level | Xenith highlights that a full list of properties was not provided by G6M at the time of this Report to make a full assessment of the Project risk. |
| Stakeholders | | Managed at Reasonable level | Xenith highlights the stakeholder sentiments may shift and G6M should remain vigilant about their process and associated documentation relating to community and stakeholder engagement. |
| **Native Title & Cultural Heritage** | | | |
| Native title | | Managed at Reasonable level | Xenith highlights the native title landscape in Tasmania may shift and G6M should remain vigilant about their native title assessment requirements and associated documentation. |
| Historical Cultural heritage | | Managed at Reasonable level | Xenith highlights that potential risk exists in potential non-compliance with the DA conditions relating to historical cultural heritage. |
| Aboriginal Cultural heritage | | Managed at Reasonable level | Xenith highlights that potential risk exists in not undertaking Aboriginal heritage assessments or requesting searches and reviews in line with the Standards and Procedures developed by Aboriginal Heritage Tasmania. |
| **Value of Resources not Included in LOMP** | | | |
| Remnant Reserves | JORC Reserves of 2.00Mt not mined in LOMP | Include $2.2165M of market value based on contained metal and resource multiples for 1.59Mt | nil |

| Model Input Item | Updated Model Assumption | Xenith opinion – Xenith Updated Base Case | Xenith opinion – Updated Alternative Case |
|---|---|---|---|
| | | of Dolphin OC reserves, remaining reserves considered to have nil value | |
| Remnant Resources | JORC Resource of 4.57Mt outside of LOMP and EL19/2001 | Nominal value | nil |
| EL19/2001 | JORC Resource of 1.76Mt | Include $22,000 based on resource multiple market value | Nominal value |
| Tailings | 277,000 tonnes of tailings @ 0.3% $WO_3$ | Include $84,500 in technical value based on contained metal multiple | Include $36,500 in technical value based on resource multiple |

# 2. Introduction

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Accordingly, this chapter does not contain any updated information provided with the Updated Model, and attention is drawn to the Executive Summary of this Report for a comprehensive summation of the Updated Findings.*

Set out below is the background, scope of work and other relevant information in relation to the purpose and basis of this Independent Technical Specialist Report.

## 2.1 Background and purpose

BDO were appointed by G6M to prepare an independent expert's report in relation to a proposed recapitalisation transaction that will involve raising new capital and converting existing debt to equity.

The IER is required for inclusion within a Notice of Meeting to be provided to the shareholders of the Company. The Notice of Meeting is to provide shareholders with the information they require to make an informed decision in respect to the Transaction.

BDO have been engaged to act as the Independent Expert and provide the Independent Expert Report which is required to provide an opinion on whether the proposed Transaction is fair and reasonable to non-associated shareholders. Given the nature of the G6M assets, BDO require specialist as defined by the VALMIN code to prepare an Independent Technical Specialist Report to assist BDO in assessing their opinion.

Accordingly, BDO has appointed Xenith to undertake the ITSR. under Instruction from BDO, and G6M, as set out in Section 2.3 below.

## 2.2 Project Overview[5]

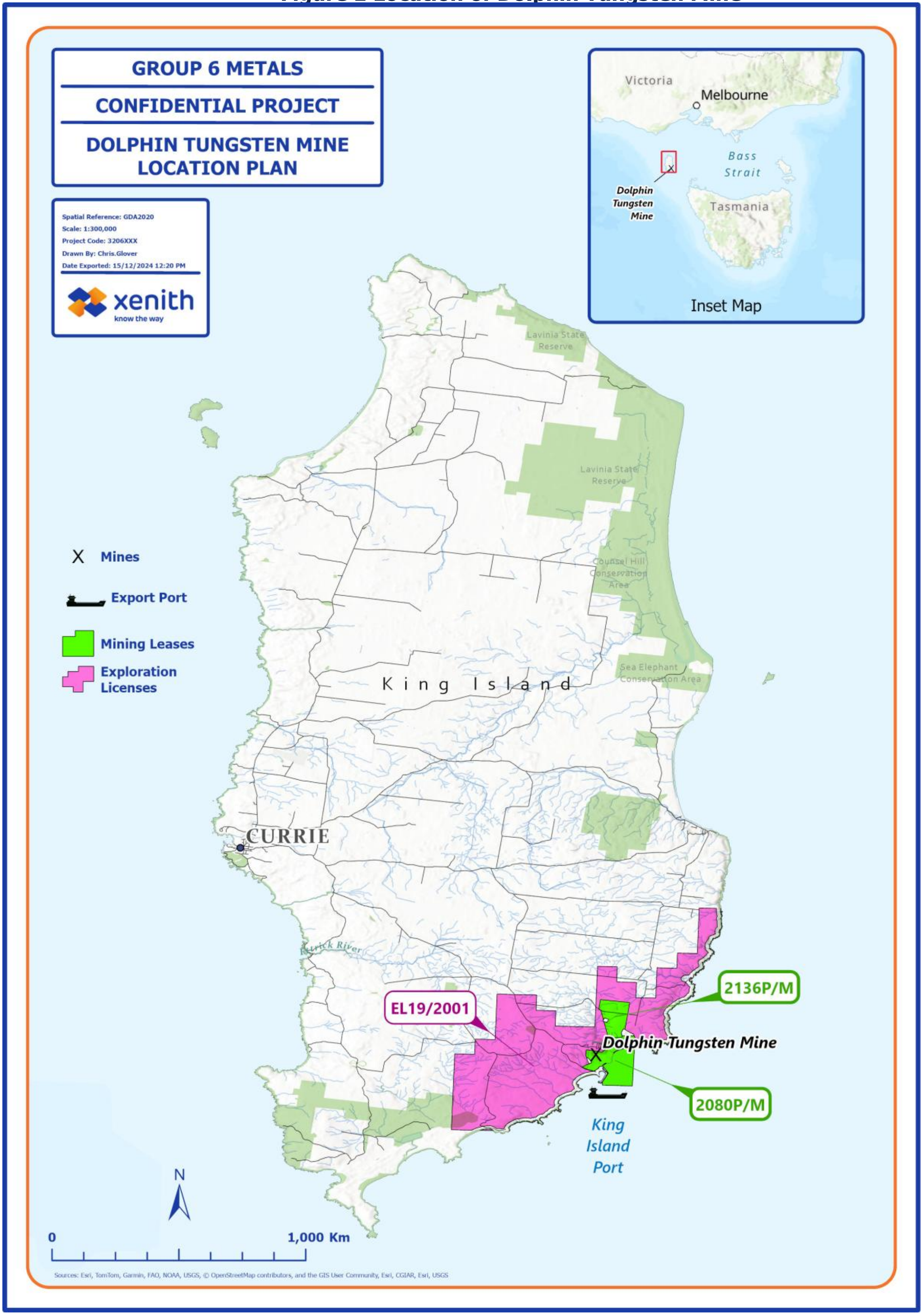
The Dolphin tungsten mine is located adjacent to Grassy Port near the town of Grassy on King Island, the most western large island in the Bass Strait between Victoria and Tasmania as shown in Figure 1[6] below. It is currently an operating open cut mine producing high grade concentrate. Mining is critical to the Tasmanian economy with Dolphin seen as a vital contributor to the local community and the state economy.

First operated between 1917 and 1992, the Dolphin tungsten mine was closed due to low tungsten prices with approximately 50% of the known Mineral Resource unmined. G6M has recommenced commercial production of tungsten concentrate in 2023. The Dolphin mine hosts the highest-grade tungsten deposit of significance size in the western world and tungsten is now classified as a critical mineral by the Australian Government, and others globally.

G6M is implementing a redevelopment strategy for the mine which contains Ore Reserve in accordance with JORC Code 2012 of 4.43 Mt at a grade of 0.92% tungsten trioxide **($WO_3$)**. The redevelopment strategy envisages an eight-year open cut mine followed by a six-year underground operation. G6M aims to produce a 63% $WO_3$ concentrate for the Ammonium Paratungstate (**APT**) tungsten market. G6M has secured offtake agreements with Wolfram Bergbau and Hutten AG for about 20% of its annual production and also has secured an offtake agreement with the Traxys group.

[5] Source: Group 6 Metals website, https://g6m.com.au/dolphin-project/overview
[6] Figures not to scale

Figure 1 Location of Dolphin Tungsten Mine



A summary of the Dolphin Project based on previously released public information is shown in Table 7 below.

**Table 7 - Summary - Dolphin tungsten mine**

| Category | Description |
|---|---|
| Location | • Adjacent to Grassy Port, King Island, Tasmania<br>• Situated on ML 2080 and EL19/2001 |
| Resources/Reserves | • Indicated Resources of 11.2M tonnes @0.9% $WO_3$<br>• Probable Reserves of 4.87[7]M tonnes @0.92% $WO_3$<br>• Mine life >12 years<br>• Large exploration area surrounding the mining lease |
| Permits | • Fully permitted for open cut and underground mining |
| Mining methods | • Open cut: Truck & Shovel<br>• Underground: Room & Pillar |
| Processing | • Brand new process plant<br>• Gravity separation – course ore concentrate<br>• Flotation – Fine ore concentrate |
| Production Capacity | • 3,000 tonnes of $WO_3$ per annum |
| Concentrate Quality | • Concentrate grade of 64% $WO_3$ |
| Logistics | • Transported in 20ft containers with 24 tonne concentrate @64% or 15.4 tonnes of $WO_3$<br>• 4-5 containers per week shipped to Melbourne for export to international customers |
| Sales & marketing | • Sold under two off take contracts to Wolfram Bergbau Hutten (End user) and Traxys (Trader)<br>• Approximately 59% of average production under contract, marketing agency agreement with Traxys |

*Source: G6M presentation at Noosa Mining Conference July 2024, slide 6*

## 2.3 Scope of work

As set out in BDO's letter of 19 November 2024, attached at Section 14 of this Report, the scope of work requires Xenith to review the technical project assumptions of the Dolphin Tungsten Mine located on King Island, Tasmania and provide a written ITSR setting out our opinion as to:

1. the reasonableness of each of the assumptions used in the Model including the:
   a. resources and reserves incorporated into the Model, and the treatment of any residual;

[7] Listed as 4.92Mt in slide 6 of the G6M presentation at Noosa Mining conference July 2024, but on slide 7 and in the Mineral Resource Estimate it is stated as 4.87Mt.

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b. mining physicals (including tonnes of ore mined, quality, waste material, and mine life);
c. processing physicals (including ore processed and produced);
d. production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies);
e. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency); and
f. any other relevant technical assumptions not specified above.

2. the market value of any resources and reserves not incorporated in the Model, and any other exploration tenements.

## 2.4 Work Program

BDO confirmed Xenith's engagement on 19 November 2024 and work commenced upon receipt of the Letter of Instruction.

Relevant technical and financial information and material were provided by G6M directly and via a data room to Xenith. Review of this information was undertaken, along with other publicly available data and information sourced by Xenith.

The Mining Information was reviewed by Xenith consultants and research completed to inform the ISTR. Set out below are the key steps followed in Xenith's review of the Mining Information:

- review of Project geology and Resource estimates as released to the ASX;
- confirmation of the Project tenements status;
- review of the Model;
- assessment of the assumptions and inputs to the Model
- a series of requests for information (RFI) and associated questions to clarify or confirm areas of uncertainty;
- a site inspection was undertaken on 17 December 2024; and
- determination of the reasonableness of the technical inputs to the Model, including the underlying mining and production schedule, processing assumptions, mine closure, and operating and capital costs, as set out in the body of this Report.

## 2.5 Reporting standard

This Report has been prepared in accordance with the:

- Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition (**VALMIN Code**); and
- Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (**JORC Code**).

This Report has been prepared by Xenith as an Independent Technical Specialist Report under the VALMIN Code.

The VALMIN Code states[8] a "*Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset*" and a "*Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of*

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[8] Australasian Code For Public Reporting Of Technical Assessments and Valuations Of Mineral Assets, The VALMIN Code, 2015, Section 14 Definitions, Page 38

*the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects*".

As set out in the Letter of Instruction and as noted at section 2.3 above, this ISTR does not require and does not contain a Valuation in respect to the Model but does consider mineral assets that are not included within the Model.

Xenith has had regard to the AusIMM 'Cost Estimation Handbook'[9] with respect to industry standards for expected definition levels, order of accuracy estimation and contingency assumptions with respect to operating cost (**Opex**) and capital cost (**Capex**) for Project Execution as summarised in Table 8 below.

**Table 8 - AusIMM mining study costs typical accuracy ranges**

| Variable | Scoping Study | Pre-Feasibility Study | Feasibility Study | Project execution |
|---|---|---|---|---|
| **Level of definition (as a percentage of complete engineering)** | 1% to 2% of full project engineering definition | 10% to 15% of full project study definition | 15% to 25% of full project study definition | 40% to 60% of full project definition |
| **Capital cost estimates** | +/-30% to +/-35% and up to +/-35% to +/-50% for novel technology or underground projects where there no benchmarks | +/-20% to +/-25% | +/-10% to +/-15% | +/-5% to +/-10% |
| **Contingency on Capex** | 20% to 35% | 15% to 25% | 10% to 15% | <10% |
| **Operating cost estimates** | +/-15% to +/-20% and up to +/-25% to +/-30% for new operations or novel technology | +/-10% to +/-15% and up to +/-15% to +/-20% for new operations or novel technology | +/-5% to +/-10% and up to +/-10% to +/-15% for new operations or novel technology | +/-5% or better and up to +/-5% to +/-10% for new operations or novel technology |
| **Contingency on Opex** | Not normally applied | Up to 10% for specific reasons, otherwise not normally applied | None unless special circumstances and only if defined | None |

*Source: AusIMM, Cost Estimation Handbook, Second Edition, 2012, Monograph 27, Chapter 1 - Table 1.1, Chapter 4 - Table 4.5, Chapter 5 - Table 5.2*

[9] AusIMM, Monograph 27, Cost Estimation Handbook, Second Edition, 2012

## 2.6 Information sources

In developing this Report, Xenith has relied upon materials provided by G6M and information available in the public domain. Key sources of information Xenith has relied upon are referred to in the body of this Report or identified by way of footnote.

Xenith has reviewed all relevant technical and corporate information made available by G6M, its advisors, and BDO. Xenith has no reason to believe that any material facts have been withheld. The information has been accepted in good faith as being true, accurate and complete, after having made due enquiry.

## 2.7 Effective Date

The **Effective Date** of this Report is 10 January 2025 representing the date of the Updated Model.

We are not aware of any factors occurring between the Effective Date and the date of this Report which would be material to our opinions expressed in this Report.

## 2.8 Capability and independence

This Report was prepared on behalf of Xenith by Mr Andrew Knuckey, General Manager Advisory, supported by the project team set out in section 2.10 below. Mr Knuckey is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and is qualified to express a professional opinion on the technical assessment of the assets described.

Xenith is a consulting business providing professional services to the mining and resource sector. Xenith's Advisory team provides specialist advisory services to the resources and financial services industry including due diligence, technical assessment, valuation and expert witness services.

Xenith is not aware of any circumstances that would, in our view, constitute a conflict of interest or would impair our ability to provide objective assistance to BDO in this engagement. We will notify BDO if we become aware of a conflict of interest or a conflict of interest arises during this engagement. Xenith has previously undertaken and contributed technical design work in respect to the Project as set out below:

- Our most recent direct technical contribution was completed in 2021 as part of major study works undertaken at that time.
- Subsequently, a single Xenith consultant was engaged in Q3/Q4 CY 2023 to undertake a review of G6M's budget and mine plan.
- Xenith do not consider the above engagements represent a conflict in respect to ensuring our Independence, since any contributory technical work undertaken by Xenith is over 3 years old (2021 works), the 2023 works undertaken provided a professional review of G6M's technical and budgetary outcomes undertaken under their (i.e. G6M's) own auspices; and
- the cost of the Services and Xenith's fee is based on hours committed to the Services by Xenith staff. Xenith's fee is not contingent on the conclusion, content or future use of the ITSR or any other work previously undertaken by Xenith for G6M/King Island Scheelite.

Drafts of this Report were provided to BDO and G6M for the purposes of factual accuracy checking only.

## 2.9 Consulting fees

The fees charged by Xenith in relation to this assignment are based on the time spent by Xenith's consultants and sub-consultant involved in the assignment on an hourly rate basis. Payment of Xenith's fee is not contingent on the outcome of this assignment.

Xenith will receive a professional fee based on time spent in the preparation of this Report estimated at approximately $115,000 (exclusive of GST). We will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the making of this Report.

## 2.10 Project team and reliance on other experts

This Report has been prepared by Mr Knuckey, General Manager Corporate Advisory, supported by a team of Xenith consultants, and a sub-consultant recognised as an expert in their field. Xenith's project team have extensive experience in the mining industry and are members in good standing of appropriate professional institutions.

Key functions of the project team in the development of this Report are set out below. Further qualifications and experience for Mr Knuckey is included in **Appendix A**.

**Mr Andrew Knuckey, FAusIMM, General Manager Advisory** – preparation of this Report and Specialist as set out in the VALMIN Code.

**Mr Jaco Van Zyl, MAusIMM, Senior Resource Geologist** – review of geological information and JORC Resources, Competent Person as set out in the JORC Code.

**Mr Bradley Hollins, Principal Mining Engineer** – review of Mining Information, research and analysis in support of the ISTR, expert observations and opinion.

**Mr Paul Newling and associates (sub-consultant), FAusIMM (CP Met), Principal Metallurgist and Process Engineer** – review of Mining Information, research and analysis in support of the ISTR, and assess the process engineering aspects.

**Mr Sean Macdonald, Specialist Lead Environment** – review of Mining Information and assess the environmental aspects of the Project**.**

**Ms Jenni Hillman, Specialist Lead Cultural Heritage and Native Title –** review of Mining Information and assess the cultural heritage and native title aspects of the Project.

**Ms Cecilie Naess, Principal Advisor, Advisory** – review of Mining Information and commercial analysis in support of the ISTR.

## 2.11 Limitations and exclusions

This Report is provided solely for the purpose that are the subject of the Letter of Instruction. It should not be distributed to any party other than those entitled to receive a copy with the IER.

Xenith's opinion contained in this Report relies on the information sources set out at section 2.6 above and as described in this Report, and various technical and economic conditions at the time of writing. Such information has been accepted in good faith. Xenith has not independently verified the Mineral Resource or Reserve estimates by means of recalculation.

Xenith's engagement has involved an analysis of financial and other business records, however it does not constitute an audit in accordance with Australian Accounting Standards. Accordingly, no assurance as to accuracy of the financial and business records analysed is provided in this Report.

Xenith reserves the right to revise this Report if:

a. any of the information relied on is revealed not to be accurate, complete or reliable; and
b. any relevant additional information existing at the date of this Report, subsequently becomes known to Xenith.

## 2.12 Consent

Xenith understand the Report will be attached in full, in the form and context in which the Report is provided, as an appendix to the IER and that the IER, inclusive of the Report will accompany the notice of meeting to be sent to shareholders of G6M

Accordingly, Xenith confirm that BDO is entitled to rely on the Report and is able to refer to the content of the Report in the IER, on the basis that the findings set out in Section 1 above and in the individual sections of this Report are considered with, and not independently of, the detailed analysis and information in the complete Report.

Xenith does not consent to this Report being used for any other purposes.

# 3. Dolphin Project – Tenure

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Xenith note the Updated Model Assumptions provided no new information in respect to the Tenure area and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in the Section below*

Set out below is an overview of the tenement and tenure status in relation to the Project.

## 3.1 Tenure Status

Australian Tungsten Pty Ltd, are the holder, and operator of the Project tenements, including:

› EL 19/2001;
› 2080P/M; and
› 2136P/M

Table 9 below outlines the relevant tenements for the Project.

**Table 9 – Summary of Tenements**

| Reference No | Status | Expiry | Area |
|---|---|---|---|
| EL 19/2001 | Granted | 14/12/2024 | 6300 Ha |
| 2080P/M | Granted – 18/05/2020 | 05/06/2029 | 566 Ha |
| 2136P/M | Application – 31/03/2023 (submitted) | - | 273 Ha |

On the 11th of May 2023, Mining Lease Application MLA 2136P/M was registered over the area of land "Bold Head"[10]. The available data does not provide specific information on the progress of the application.

Exploration license EL 19/2001 has an upcoming expiry on the 14th of December 2024, however according to RFI#1 response the renewal application has been lodged for a 24-month extension.

Figure 2 to Figure 5[11] below illustrate the relative locations of:

› Mining Lease 2136P/M (land tenure)
› Mining Lease 2080P/M (land tenure)
› Mining Lease 2080P/M (detail)
› Exploration Lease 19/2001 (land tenure)

[10] Annual Environmental Review, 2023 Calendar Year, Dolphin Tungsten Mine, Grassy, King Island
[11] Figures not to scale

**Figure 2 Mining Lease 2136P/M Land Tenure**

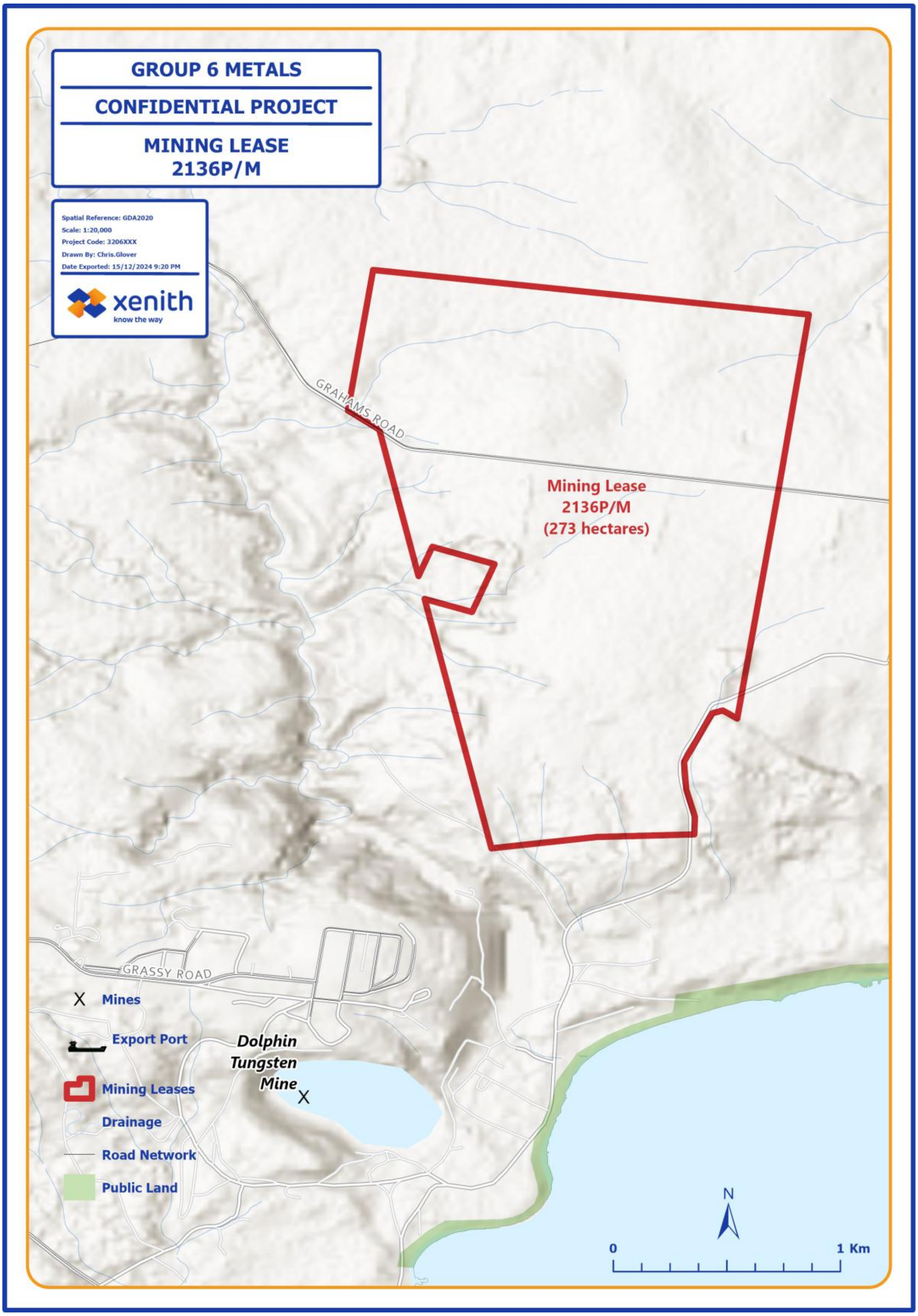


**Figure 3 Mining Lease 2080P/M Land Tenure**

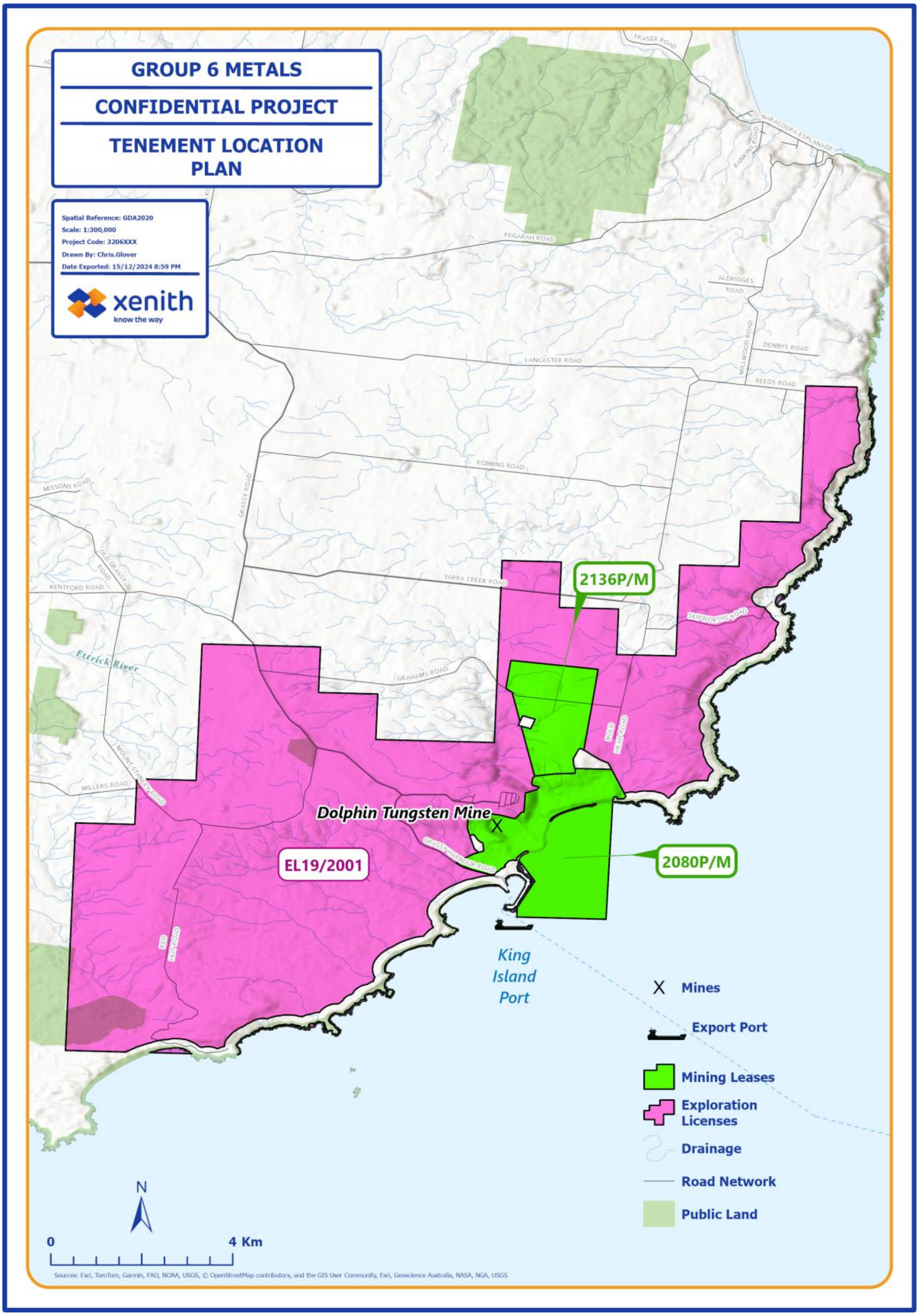
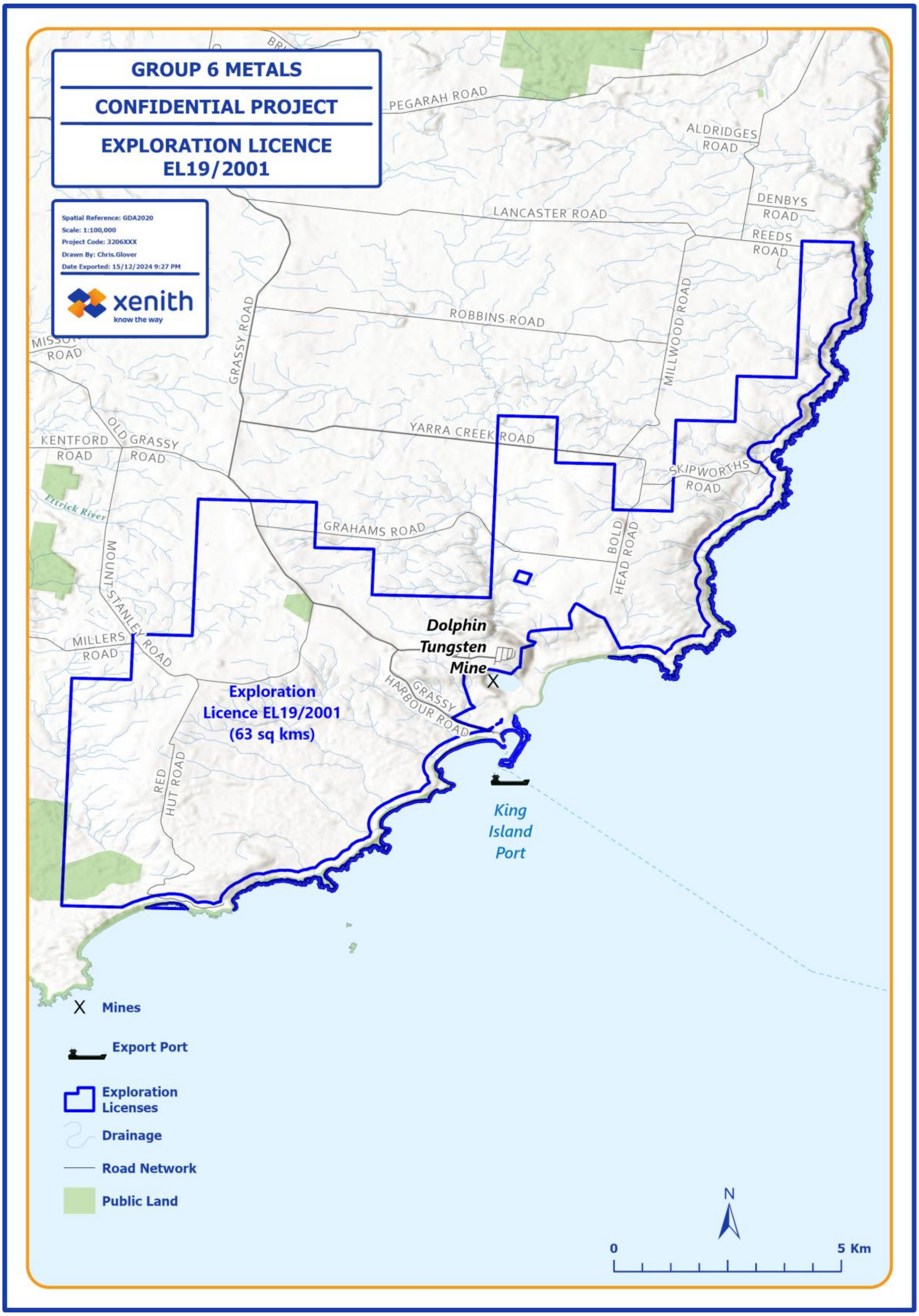


**Figure 4 Mining Lease 2080P/M Detail**

Figure 5 Exploration Lease 19/2001 Land Tenure



# 4. Dolphin Project – Geology and Resources

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Xenith note the Updated Model Assumptions provided no new information in respect to the Geology & Resources area and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in the Section below*

## 4.1 Overview

As set out in the following sub-sections, Xenith has undertaken a review of the Project's geology and Resource estimates as detailed in Dolphin Mine Mineral Resource Estimate (**MRE**), King Island and ASX releases, to provide confirmatory guidance concerning the Model's technical input assumptions.

Xenith has not independently verified the Mineral Resource estimates through re-estimation.

### 4.1.1 Tenements

As set out in Section 3, all the Tenements are current (Table 9 above). Xenith considers the Tenements to be in 'good standing'.

### 4.1.2 Drill Hole Data

The main Dolphin deposit was extensively drilled between 1953 and 2019, with 648 holes drilled, equalling 52,177 m. All the drilling was completed using diamond drilling, conducted from the surface and underground, utilising a combination of core barrel sizes: HQ, NQ and BQ or equivalent. The HQ core size was used in metallurgical and geotechnical drill programs, and the BQ core was used for underground drilling.

The historical and new information is collected in an Excel spreadsheet and then uploaded into an MS Access database. Historic logging, as per the MRE, is indicated to be of a high standard, with only a few logs not located. The MRE indicates that these missing logs are unlikely to have a material impact on the Mineral Resource estimate.

As with the geological logs, the MRE notes that the assay data have been recorded on paper logs, which have been loaded into the Access database. Xenith notes that the pre-2006 data is being claimed to be of high quality because it has been validated against historical plans and sections and has been used in multiple mineral resource estimations since 2006. Xenith further notes that the historic assay data has not been validated by drilling twin holes or re-assaying historic pulps. A quick visual check of the drill hole traces revealed holes with suspect downhole surveys. The impact on the global mineral resource may not be material; however, the effect on the local estimate can be material with local changes exceeding the minimum mining widths stipulated in the MRE.

The Dolphin MRE indicated that no pulps were available for independent checks with no historic QAQC reports. The quality of the data is implied by the author of the MRE based on the reputation of the historic owners of the Project. Even though drilling has been completed recently, since 2006, a QAQC program has not yet been implemented.

The absence of QAQC data raises the risk of the data underpinning the MRE. Even though the author of the MRE states that the previous owner (Geopeko) was a reputable mining company, no empirical data exists to show that the laboratory process was in control (statistical process control) and yielded consistent and reliable data. Furthermore, the lack of QAQC data also hampers the ability to make informed assessments on intrasample variability (i.e. the nugget effect), which impacts the variability underpinning the Mineral Resource estimate.

### 4.1.3 Geological Models

The model constraining the Dolphin mineralisation was created using a combination of skarn mineralogy and tungsten grade cutoffs. Four (4) main mineralogical/grade domains have been modelled: B-lens, C-lens PGH (pyroxene-garnet hornfels), C-lens upper (andradite skarn) and C-lens lower. A 0.2 % $WO_3$ and a 3m minimum mining width were used as the grade component to assist with the geological modelling.

The domain wireframes were generated on a sectional basis using a nominal 20 m spacing, matching the drill holes spacing (20 m × 20 m)

The methods applied to define the mineralisation domain model are reasonable.

## 4.2 Geological setting

The scheelite skarn mineral that makes up the Dolphin Mineral Deposit is hosted in the Cumberland Creek Dolostone, which forms part of the Grassy Group. The Cumberland Creek dolostone are calcareous sediments, shale with interbedded limestone, and dolomite. It is this interbed limestone/dolomite unit that hosts the Dolphin mineralisation.

The scheelite skarn mineralisation formed through the contact metamorphism and metasomatism of the Cumberland Dolostone resulting from the intrusion of the Bold Head and Grassy Granodiorite plutons. The mineralisation consists of complex skarn mineralogy within two main horizons, locally known as the B and C lenses.

The geology of the Dolphin Mine is well understood and is a low risk to the project.

### 4.2.1 Previous mining

The Dolphin Mine is a historic tungsten-producing mine that operated from 1917 until 1990. Tungsten was extracted from both open-cut and underground mines. The open-cut mine operated using conventional load-haul, whereas the underground mine used room and pillar mining techniques. The MRE lists historic production based on the void model at 2.6 Mt and 1.0 % $WO_3$.

A historic mine void model was constructed using historic mine surveys. Holes were drilled to validate mineralisation in historic pillars. Some validation holes intersected the historic mine void in the approximate predicted location.

The drilling confirms the location of the mine void; however, local variation between actual and modelled mine voids may exist. The Dolphin MRE recommends a procedure be developed for areas to be re-accessed to accurately locate the historic mine voids and prove the resource in the pillars.

The methods used to generate the mine void model are reasonable. Although reasonable, the local resources surrounding these historic mine voids have an uncertainty surrounding them due to the uncertainty surrounding the historical mine voids.

### 4.2.2 Exploration History

Only a brief summary of the historical exploration around the El19/200 and ML2080P/M are given in the MRE, JORC Table 1 Section 2.

*"The Dolphin Mine operated intermittently as an open cut and underground operation until its closure in 1990 by King Island Scheelite, Geopeko and North Ltd."*

*"Exploration and resource drilling completer by these previous companies."*

*"KIS [King Island Scheelite] commenced feasibility studies into reopening the operation in 2005 until the present."*

## 4.3 Mineral Resource Estimation

The Mineral Resource estimate for the Dolphin Tungsten deposit was completed in April 2015.

The sample data was reviewed through exploratory data analysis and composited to 1 m composites. Semi-variograms for each of the main lenses were generated. However, the semi-variograms were calculated using arbitrary strike and dip directions and did not consider directions of maximum continuity for each domain. This is inconsistent with industry best practice, which calculates semi-variograms along the direction of maximum continuity.

The tungsten grades in the Mineral Resource were interpolated using ordinary kriging. The ordinary kriging interpolant relied on an isotropic search using the exact directions to calculate the semi-variograms. The search neighbourhood and parameters were universally applied to all domains. This is inconsistent with industry best practice, where each domain has its search neighbourhood based on the semi-variogram calculation directions and model.

The search ellipse specified in the MRE has a 100 m radius with a major-semi-major direction ratio of 1 and a major-minor direction ratio of 2. This yields a 100 m × 200 m ellipse, three and a half (3.5) to four (4) times the range of the semi-variograms model along the direction of maximum continuity. The application of the search ellipse in the MRE is inconsistent with industry practice. Industry practice recommends that the search ellipse not exceed the range of the semi-variogram model.

The density data used to estimate tonnages in the MRE are based on 102 densities calculated using the Archimedes method. The density for the two main estimation domains was assigned based on the average density calculated for each domain. Where there is a lack of data, assigning densities to blocks in a mineral resource estimation domain is reasonable.

### 4.3.1 Mineral Resource

The Mineral Resources for Bold Head and Dolphin deposits are listed in Table 10 below. The Mineral Resource for Bold Head is reported using JORC 2012 mineral resource categories of indicated and inferred mineral resources. The Dolphin deposit is reported and classified as having only Indicated Mineral Resources. The reporting of the Bold Head and Dolphine Mineral Resource is reasonable and in accordance with the 2012 JORC code. However, classifying the entire Dolphin Mineral Resource as an Indicated Mineral Resource is not unreasonable. Relying on a single mineral resource category to convey confidence can be misleading.

**Table 10 – Resources by Tenement**

| Tenements | Deposit | Measured | Indicated (Mt) | WO3 (%) | Inferred (Mt) | WO3 (%) | Total (Mt) | WO3 (%) |
|---|---|---|---|---|---|---|---|---|
| **EL 19/2001*** | Bold Head | | 1.61 | 0.92 | 0.15 | 0.85 | 1.76 | 0.91 |
| **ML 2080P/M**** | Dolphin | | 9.4 | 0.90 | | | 9.4 | 0.90 |
| **Total** | | | 11.2 | 0.91 | 0.15 | 0.85 | 11.2 | 0.90 |

*Source: * ASX Announcement 18% Increase in tungsten resources, 26 Sept 2019*
**** Dolphin Mine Mineral Resource Estimate, King Island, April 2015

### 4.3.2 JORC Table 1

The MRE report has a JORC 2012 Table 1 attached, addressing the questions in each section and is deemed reasonable.

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## 4.4 Conclusions and Recommendations

The quality of the drill hole data logging is asserted to be of high quality; however, this is solely based on the reputation of the previous mining company and has yet to be verified using independent means.

G6M implements a QAQC process in all new drilling, especially in collecting core duplicates (half-core samples for repeat laboratory analysis). Further to collecting core duplicates, a selection of pulp samples (minimum of 5%) from the post-2006 drilling will be sent for independent laboratory testing.

Even though the density data is deemed reasonable without a comprehensive data set, G6M started a campaign to collect more SG data from available and historic cores. When the SG are collected, a regression study between the SG data and the assay data will be performed to determine if there is a correlation between the SG, $WO_3$, and Mo concentrations. If SG, $WO_3$, and/or Mo correlate, then the correlation is applied to the model to estimate SG.

Applying the variogram model and subsequent search ellipse potentially smooths the mineral resource estimate and masks the variability of the $WO_3$ grade in the mineral resource. It is recommended that the mineralisation domains be sub-domained and the variograms be calculated and modelled according to the domain's direction of maximum continuity. The search ellipse size is then chosen to reflect the ranges of the semi-variogram models.

There are inconsistencies in the Mineral Resource estimate compared to what Xenith deems as industry best practice.

- the JORC Estimate identifies12 an absence of quality assurance and quality control data in respect both exploration and assay testing, albeit a history of drilling confirming the presence, grade and tenor of remnant mineralisation is noted. Xenith would ordinarily expect a demonstrable and comprehensive QA/QC program be in place in best practice JORC Estimates; and
- the entire Mineral Resource is classified as Indicated as per the JORC Code. Whilst not in itself unreasonable, Xenith highlight that in our experience having an entire Mineral Resource of a single classification is not usual.

These inconsistencies introduce risks to the Mineral Resource estimate that has not been evaluated and quantified. To properly assess and quantify the risks, the Mineral Resource should be re-estimated using methods and practices consistent with industry's best practice.

[12] Mr Tim Callaghan, Dolphin Mine Mineral Resource Estimate King Island, April 2015, Section 3.5, Page 21 and Table 1, Section 1 Page 42.

# 5. Dolphin Project – Mining

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Accordingly, this chapter does not contain any updated information provided with the Updated Model, and attention is drawn to the Executive Summary of this Report for a comprehensive summation of the Updated Findings.*

The following section provides a summary of Xenith's review of the Projects life of mine plan (**LOMP**) and the reasonableness of the Model Assumptions in relation to the LOMP and associated operating and capital costs.

## 5.1 Mining overview

The Project is an historic operation with previous operations occurring between 1917 and 1992, before closing due to low Tungsten prices. G6M restarted operations at the Project with tungsten trioxide (**$WO_3$**) concentrate production commencing from mid-2023.

The Projects LOMP consists of two underground mines and two open cut mines as shown in Table 11 below. Shared overhead costs between each of the mines mean that the financial viability of each mine is likely to be dependent on the success of the other mines.

**Table 11 – Dolphin Project planned mining methods**

| Mine | Mining Methods | Timing | % of Project planned Mtu |
|---|---|---|---|
| Dolphin OC | Open cut (75 t excavators for ore; 150 t excavators for bulk waste; 65 t trucks) | FY25-FY27 and FY31-FY35 | 38% (8% stage 1; 29% stage 2) |
| Dolphin UG | Underground (Bench Stoping; Post Pillar; Cut and Fill; Pillar Recovery; Uphole Retreat) | FY26-FY32 | 51% |
| Bold Head OC | Open cut (90 t excavator; 40-50 t trucks) | FY31 | 2% |
| Bold Head UG | Underground (Post Pillar; Cut and Fill; Bench Stoping; Pillar Recovery) | FY32-FY36 | 9% |

*Sources:*

*Group 6 Metals, Bold Head Maiden Mineral Reserve Estimate, 26 June 2023 9:43am*

*Project Stone - LOM Operating Model - 12 September 2024 vF, Sheet "Ore Sources"*

*Dolphin Mine Ore Reserve Statement April 2022 Ver003 DRAFT*

*KIS, Dolphin Mine Revised Feasibility Study, December 2020*

Xenith considers the timing of the Pit and Underground mines to not be unreasonable, however Xenith notes that delays to capital expenditure and interactions between underground and open pit activities could result in delays to the commencement of Dolphin UG and Dolphin OC Stage 2. Xenith also note that a large portion of ore scheduled to be mined from Dolphin OC Stage 2 occurs towards the end of the stage. This enhances the operational risk around scheduled ore being accessible or sterilised.

Xenith notes that the Impairment Model, whilst varying the processing plant production schedule, adopts the same mine schedule as the Model. Accordingly, in adopting the Impairment Model as Xenith's Base Case, we note that no variation exists compared to the Model in respect to the LOMP.

### 5.1.1 Alternative Case

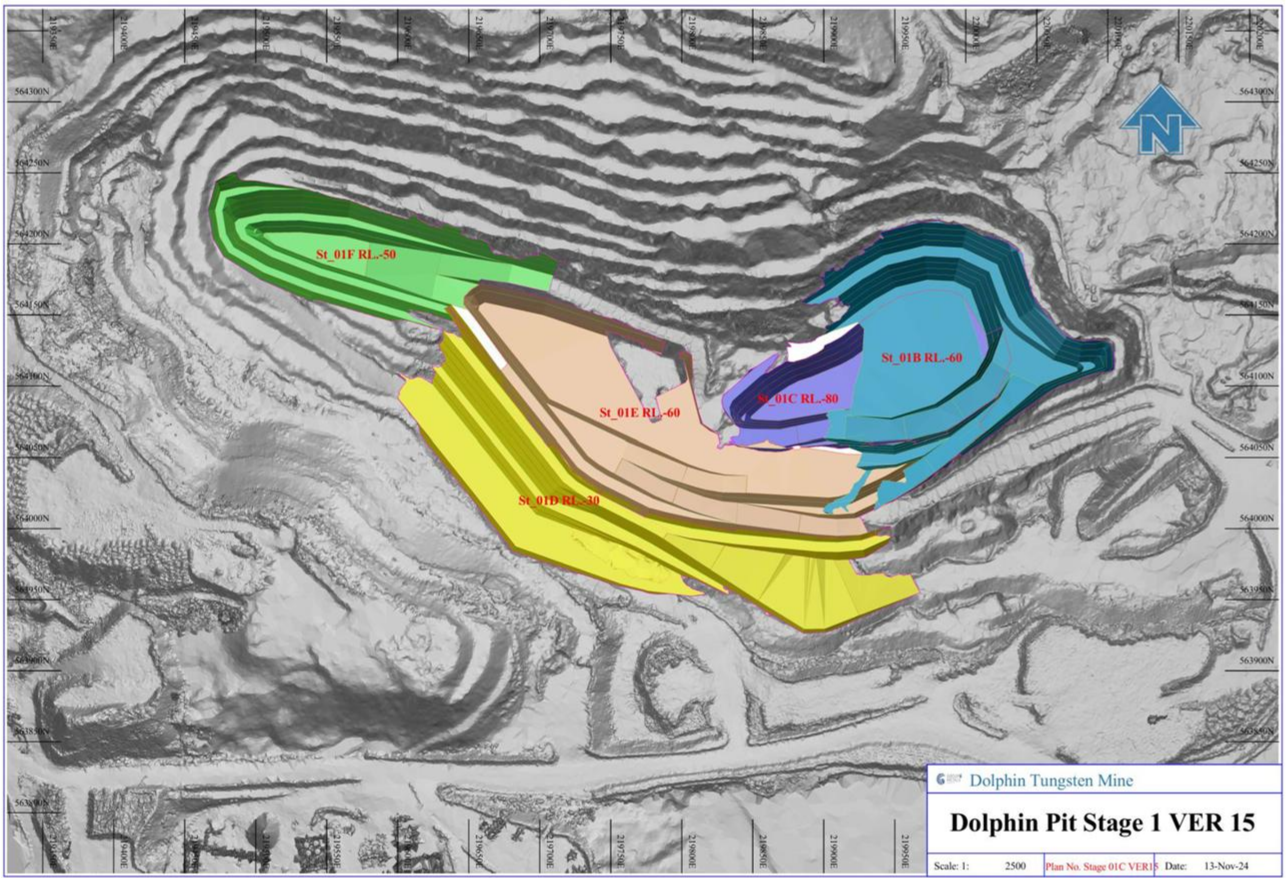
As set put at Section 7, a Site Inspection was undertaken by Xenith's Mr Andrew Knuckey which included a comprehensive inspection of the mining operation and discussion with Management of the issues faced and potential variations to the LOMP adopted by the Model.

As part of the Site Inspection, Management provided additional advice in respect to an operational re-forecast of the current CY25 Dolphin Open Cut mining strategy[13] (**CY25 Open Cut Strategy**) which includes:

- Postponement of sub-stages 1D, 1E and 1F of the Stage 1 Dolphin Open Cut referred to in Table 11 above, to prioritise sub-stages 1B and 1C illustrated in Figure 6 below.
  - Stage 1D, 1E and 1F are lower grade and potentially sub-economic in the current operating environment; and
  - Stage 1B and 1C have higher grades, provide superior economic returns and are necessary to establish access to the Dolphin Underground.
- Breakdown of the mining operations costs, including that 80% of the mining operations costs are fixed (labour, equipment lease, drilling and explosive contracts) and accordingly, the fixed cost base detrimentally impacts lower value mining areas.
- A revised mining schedule with the Stage 1 Open Cut being halted from June CY25 following mining of sub-stages 1B and 1C, with the processing plant continuing to be fed from ore stockpiles of over 550kt, sufficient to sustain production until the Dolphin Underground commences production in Q1 CY25.

[13] Group 6 Metals, Dolphin Tungsten Mine, Mining Strategy, December 2024

**Figure 6 Dolphin Pit Stage 1, sub-stages mining plan**




*Source: Group 6 Metals, Dolphin Tungsten Mine, Mining Strategy, December 2024*

Xenith have considered the Managements advice in respect to the CY25 Open Cut Strategy. We note that the CY25 Open Cut Strategy currently remains an operational initiative and has not yet been incorporated into G6M's corporate commercial models.

Accordingly, Xenith does not consider it reasonable to adopt the CY25 Open Cut Strategy in place of the Model or Impairment Model's mining forecasts for the Xenith Base Case. However, given the CY25 Open Cut Strategy reflects Management's most up to date operational assessment, Xenith does consider it relevant and reasonable to adopt as the Alternative Case as set out in **Appendix B**.

## 5.2 Documentation reviewed

Xenith has reviewed for materiality and reasonableness the Mining Information and Projects proposed underground and open pit mine designs and scheduling technical data sets.

The mining aspects of the Project have been reviewed utilising information provided by G6M, responses to the RFI process and discussions with Management, as well as information that is publicly available. As noted above a Site Inspection was undertaken by Xenith's Mr Andrew Knuckey which included a comprehensive inspection of the mining operation and discussion with Management of the issues faced and potential variations to the LOMP adopted by the Model.

Documentation considered in the review of the mine plans includes, but is not limited to, the following:

- Bold Head Ore Reserve Estimate – 26 June 2023
- G6M, Bold Head Maiden 'Mineral Reserve' Estimate, 26 June 2023 9:43am

- Dolphin Mine Ore Reserve Statement April 2022 Ver003 DRAFT
- G6M Company Presentation - Noosa Mining Conference, 17 July 2024
- Project Stone - LOM Operating Model - 12 September 2024 vF
- KIS, Dolphin Mine Revised Feasibility Study, December 2020
- Group 6 Metals, Dolphin Tungsten Mine, Mining Strategy, December 2024

## 5.3 Ore Reserves

Table 12 below summarises the reported Ore Reserves for each of the Project's deposits. The Ore Reserves have been estimated in accordance with the JORC Code 2012, with additional details available in public source documentation. Xenith note G6M use the term Mineral Reserve interchangeably with Ore Reserve.

**Table 12 – Dolphin Project reported Ore Reserves (note: figures may include rounding)**

| Deposit and Ore Reserve Classification | Tonnes (Mt) | Grade (% $WO_3$) | Mmtu |
|---|---|---|---|
| **Dolphin OC**, @ 0.2 $WO_3$ cut-off grade | | | |
| Proved | - | - | - |
| Probable | 2.93 | 0.76 | 2.22 |
| **Total** | **2.93** | **0.76** | **2.22** |
| **Dolphin UG**, @ 0.7 $WO_3$ cut-off grade | | | |
| Proved | - | - | - |
| Probable | 1.50 | 1.24 | 1.86 |
| **Total** | **1.50** | **1.24** | **1.86** |
| **Bold Head OC**, @ 0.2 $WO_3$ cut-off grade | | | |
| Proved | - | - | - |
| Probable | 0.05 | 1.0 | 0.05 |
| **Total** | **0.05** | **1.0** | **0.05** |
| **Bold Head UG**, @ 0.7 $WO_3$ cut-off grade | | | |
| Proved | - | - | - |
| Probable | 0.39 | 0.9 | 0.34 |
| **Total** | **0.39** | **0.9** | **0.34** |
| **Total All Deposits** | | | |
| Proved | - | - | - |
| Probable | 4.87 | 0.9 | 4.49 |
| Total | **4.87** | **0.9** | **4.49** |

*Sources:*

*ASX Announcements, Group 6 Metals, Bold Head Maiden Mineral Reserve Estimate, 26 June 2023 9:43am, Page 1, Page 21 (Bold Head OC cut-off grade), Page 29 (Bold Head Mtu).*
*ASX Announcements, Group 6 Metals (formally KIS), Dolphin Mine Revised Feasibility Study, 16 December 2020.*
*ASX Announcements, Group 6 Metals, Noosa Mining Conference Presentation, Slides 7 and 12.*

### 5.3.1 Ore Reserve review

Xenith note the Ore Reserve statement announcement dates across the deposits range from 2020 to 2023, but in any case, have not been updated within the past twelve months or declared on an annual basis as required by the JORC Code[14]. For the reasons set out below, Xenith highlight risk exists in respect to the relevance of the Reserve Estimates in the current operating environment:

- The JORC Code 2012, Clause 15 states "*Companies must review and publicly report their Mineral Resources and Ore Reserves annually. The annual review date must be nominated by the Company in its Public Reports of Mineral Resources and Ore Reserves and the effective date of each Mineral Resource and Ore Reserve statement must be shown. The Company must discuss any material changes to previously reported Mineral Resources and Ore Reserves at the time of publishing updated Mineral Resources and Ore Reserves*".
- ASX Guidance note 31, Section 10.2 states that "*A mining company that has any mineral resources or ore reserves is required to include an annual mineral resources and ore reserves statement in its annual report*." As per ASX Listing Rule 5.24, this statement should fairly represent information and documentation prepared by and approved by a competent person or persons.
- Evidence of published annual updates to the G6M Ore Reserves have not been cited by Xenith and accordingly, it is not evident if the company is aware of any new information or data that could materially affect the Ore Reserve estimates.

Table 13 below compares the input parameters used for the Ore Reserve estimates to those used in the Model Assumptions. The variation between the Model Assumptions and Ore Reserve estimates is self-evident and highlight the potential risks noted above.

**Table 13 - Dolphin Project comparison of economic assumption**

| Parameter | Model Assumptions | Dolphin Ore Reserve | Bold Head Ore Reserve |
|---|---|---|---|
| Tungsten Price (US$ / mtu) | 359 | Not disclosed (250 used for CoG) | Not disclosed |
| Exchange Rate (USD / AUD) | 0.67 | 0.70 | 0.66 |
| Payability | 73% | 77% | 77% |
| $WO_3$ Recovery | 72% | 74% | 80% |
| Operating Cost (A$M) | 659 | 423.3 | 69.4 |
| Capital Cost (A$M) | 103 | 128.7 | 19.5 |

*Sources:*

- *ASX Announcements, Group 6 Metals, Bold Head Maiden Mineral Reserve Estimate, 26 June 2023 9:43am, Page 1, Page 21 (Bold Head OC cut-off grade), Page 29 (Bold Head Mtu).*
- *ASX Announcements, Group 6 Metals (formally KIS), Dolphin Mine Revised Feasibility Study, 16 December 2020.*
- *Project Stone - LOM Operating Model - 12 September 2024 vF*

[14] JORC Code (2012), Reporting General, Paragraph 15, Page 9.

The JORC Code[15] also explains that deriving an Ore Reserve without a mine design or mine plan through a process of factoring of the Mineral Resource is unacceptable.

Xenith note the Ore Reserve estimates for the longer dated Dolphin OC Stage 2 and Bold Head OC are based on pit optimisation shells, or concept designs without access ramps. By not having a final design that allows for ramps, Xenith have not been able to confirm if the overall slope angle, and thereby overall volumes, are achievable and if material movements and costs have been appropriately considered. Accordingly, in addition to the reasons noted above in respect to annual Ore Reserve updates, the Reserves for these two locations carry additional uncertainty and risk.

### 5.3.2 Ore Reserve – Mining Assumption implications

Chapter 5 of the ASX Listing Rules[16] (**Chapter 5**), sets out certain obligations for mining and oil and gas companies in respect to reporting of production and exploration activities. It is beyond the Scope of this Report to provide an assessment of G6M's activities in respect to Chapter 5, and no inference or statement in that respect is hereby made.

Notwithstanding the above, it is relevant to consider the requirements of Chapter 5 in respect to the reporting of production targets as part of Xenith's consideration of the reasonableness of the Model Assumptions, particularly in respect to the forecast mine production schedule.

To that end, Chapter 5 sets out certain "*Requirements applicable to reports of production targets*", at sections 5.15 to 5.19 of Chapter 5.

These reporting requirements specifically exclude production targets solely reliant upon[17]:

- Exploration targets;
- A combination of exploration targets and inferred mineral resources; and
- Historical or foreign estimates of mineralisation.

Based on the Mining Information reviewed, Xenith note the Model Assumptions do not rely on the above categories.

The Chapter 5 reporting requirements also require, amongst other things:

- identification of the proportion of proven and probable reserves, inferred, indicated and measured mineral resources, exploration target and foreign estimates underpinning the production target[18];
- if a proportion of the production target is based on inferred mineral resources a cautionary statement as set out at section 5.16.4;
- if a proportion of the production target is based on an exploration target a cautionary statement as set out at section 5.16.5; and
- if the production target is based solely on inferred mineral resource, certain clarifying statements as to the entity's conviction in respect the reasonable basis for reliance on the inferred mineral resource[19].

With reference to the Chapter 5 requirements set out above, and in considering the reasonableness of the Model Assumptions, Xenith have considered the basis of the Models production target as summarised in Table 14 below.

Xenith note that the Model's production targets are underpinned by Probable Ore Reserves and are further underpinned by materially greater volumes of Indicated Mineral Resource. Of significance, the Model's production targets are not contingent on lower certainty Inferred Mineral Resource or Exploration Targets.

[15] JORC Code (2012), Reporting of Ore Reserves, Paragraph 29, Page 16.
[16] ASX Listing Rules Chapter 5 – Additional reporting on mining and oil and gas production and exploration activities, 1/12/2019
[17] ASX Listing Rules Chapter 5, 1/12/2019, Section 5.15
[18] Ibid, Section 5.16.3
[19] Ibid, Section 5.16.6

Accordingly, notwithstanding Xenith's emphasis in respect to the relevance of the Reserve Estimates in the current operating environment set out above, Xenith consider the mine production target to be reasonable based on the combination of stated Ore Reserves, the large volume of Indicated Mineral Resource, and absence of lower certainty Mineral Resources and exploration targets.

**Table 14 Indicated Resource, Reserve and Model Production Target by ore source**

| | Ore Tonnes (Mt) | | | $WO_3$ Grade (%) | | |
|---|---|---|---|---|---|---|
| Deposit | Indicated Mineral Resource | Probable Ore Reserve | Model Production Target | Indicated Mineral Resource | Probable Ore Reserve | Project Plan |
| Bold Head | 1.61 | 0.45 | 0.45 | 0.92 | 0.89 | 0.91 |
| Dolphin | 9.40 | 4.43 | 3.93 | 0.90 | 0.92 | 0.89 |
| **Total** | **11.20** | **4.87** | **4.38** | **0.91** | **0.92** | **0.89** |

*Sources:*
- *ASX Announcements, Group 6 Metals, Bold Head Maiden Mineral Reserve Estimate, 26 June 2023 9:43am, Page 1, Page 21 (Bold Head OC cut-off grade), Page 29 (Bold Head Mtu).*
- *ASX Announcements, Group 6 Metals (formally KIS), Dolphin Mine Revised Feasibility Study, 16 December 2020.*
- *Project Stone - LOM Operating Model - 12 September 2024 vF*

### 5.3.3 JORC Table 1

The Bold Head Maiden Ore Reserve Estimate report, 26 June 2023, has a JORC 2012 Table 1 attached, addressing the questions in each section and is considered reasonable.

The Dolphin Mine Revised Feasibility Study and Updated Ore Reserve Estimate including Open Cut and Underground Operations Technical Report, 16 December 2020, has a JORC 2012 Table 1 attached, addressing the questions in each section and is considered reasonable.

## 5.4 Open cut

### 5.4.1 Open cut vertical rate of Advance

The Vertical Rate of Advance (**VRA**) is one of the most important parameters within an open pit mining schedule. It provides an estimate of how quickly mining benches can be mined in order to access suitable quantities of ore for presentation to the processing plant.

It is generally considered as an industry standard that the mining of 9 benches (on a 10 m bench) in one year is the maximum possible if all mining conditions are satisfied. This equates to a maximum of 90 vertical metres in a year.

The long term VRA average is considered to be around 55 to 65 m per year (or 5 to 7 x 10 m benches).

Table 15 below lists the VRA by pit for the Projects open pits. The VRA has been calculated by dividing the scheduled mining months into the vertical depth of each open pit and then collating to a full year.

The VRA for the Projects open pits are all within the long term VRA industry average, noting the smaller Bold Head pit is toward the upper end of this range. Accordingly, Xenith considers the VRA adopted by G6M for the Project to be reasonable.

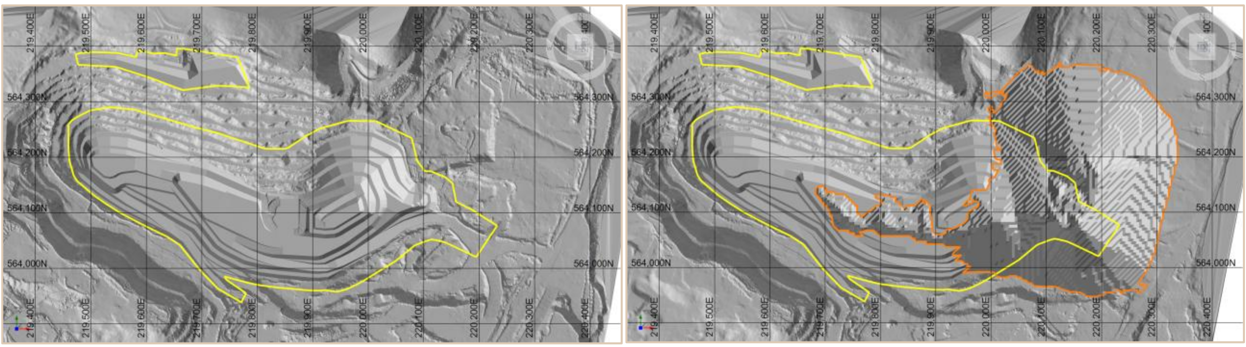
**Table 15 – Dolphin Tungsten Project VRA by Pit (metres per annum, mpa)**

| Pit Name | Vertical Depth (m) | Mining Months (#) | VRA (mpa) |
|---|---|---|---|
| **Dolphin (Stage 1)** | 90 | 32 | 34 |
| **Dolphin (Stage 2)** | 160 | 57 | 34 |
| **Bold Head** | 40 | 8 | 60 |

## 5.4.2 Dolphin open cut

The planned Dolphin open cut is shown in Figure 7 below. Note that the Stage 2 design provided for review was a pit optimisation shell only. Stage 1 (yellow outline) appears on the left; Stage 1 and 2 (orange outline) appears on the right. A final mine design, with the inclusion of ramps, was not provided for the ITSR.

**Figure 7 Dolphin Open Cut**



The Dolphin Open Pit is planned to be mined using conventional drill and blast with hydraulic excavators and trucks. Equipment envisaged to be used includes 75 t excavators for ore; 150 t excavators for bulk waste; and four 65 t trucks. Xenith considers this equipment selected and the schedule inputs for the Dolphin Open Pit to be Reasonable.

As set out at section 5.1.1 above, the CY25 Open Cut Strategy envisages a variation to the timing of the Stage 1 pit, with some sub-stages postponed subject to improvement in economic conditions. Given the relatively small tonnages involved in these sub-stages and the fact that their postponement does not have a consequential impact on the development of other areas (e.g. the Dolphin Underground), the rescheduling of these volumes to a later point in time is not considered material to the Model Assumptions and we assume no adjustment to overall LOM volumes.

## 5.4.3 Bold Head Open cut

The Bold Head pit design is at a concept stage. Designs of the access ramps and volumes required to be moved for construction of the pit access ramps were not provided in the files Xenith reviewed.

It was noted that the Bold Head pit design had 8.5 m berm widths and 10 m benches. This is consistent with the Maiden Ore Reserve Estimate report for Bold Head, which also notes that where required, waste and ore material will be blasted and mined in 2.5 m flitches.

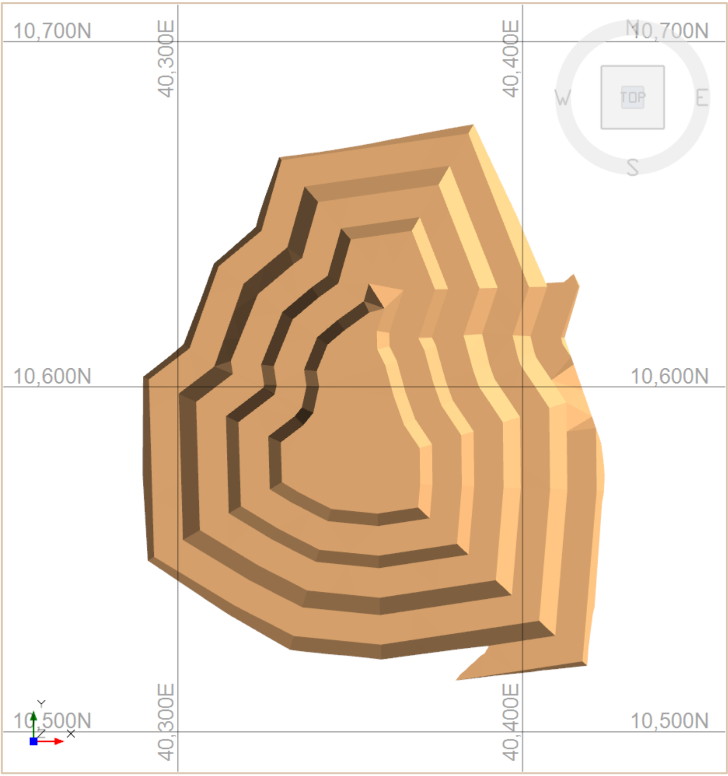
The Bold Head Ore Reserve report discusses using a 20 m wide single lane truck with a 10% gradient. A mine plan with the ramp design included was not provided to Xenith for review.

It was also noted that the Bold Head Ore Reserve report mentioned a design parameter of 10m berm widths in the design parameters section. It is not clear if this was a geotechnical recommendation that was not followed in the final design; or the actual reason for using an 8.5 m berm width in the actual design. Given the small contribution expected from Bold Head open pit, both the ramp design and berm width inconsistencies are not considered to be material to the overall Project, but any inconsistencies should be addressed in future designs and updates.

A mining loss factor of 20% and mining dilution factor of 20% was applied to the minable resources within the Bold Head pit. Xenith consider these factors to be reasonable assumptions for mining with a hydraulic excavator in backhoe configuration to load trucks.

Figure 8 below illustrates the planned Bold Head open cut.

**Figure 8 Bold Head Open cut**




Source: Group 6 Metals, Bold Head Maiden Mineral Reserve Estimate, 26 June 2023, Table 1, Page 63 and Bold Head Pit Design Parameters, Page 18.

## 5.5 Underground

In considering the underground design parameters Xenith notes the following potential constraints with respect to ore recovery:

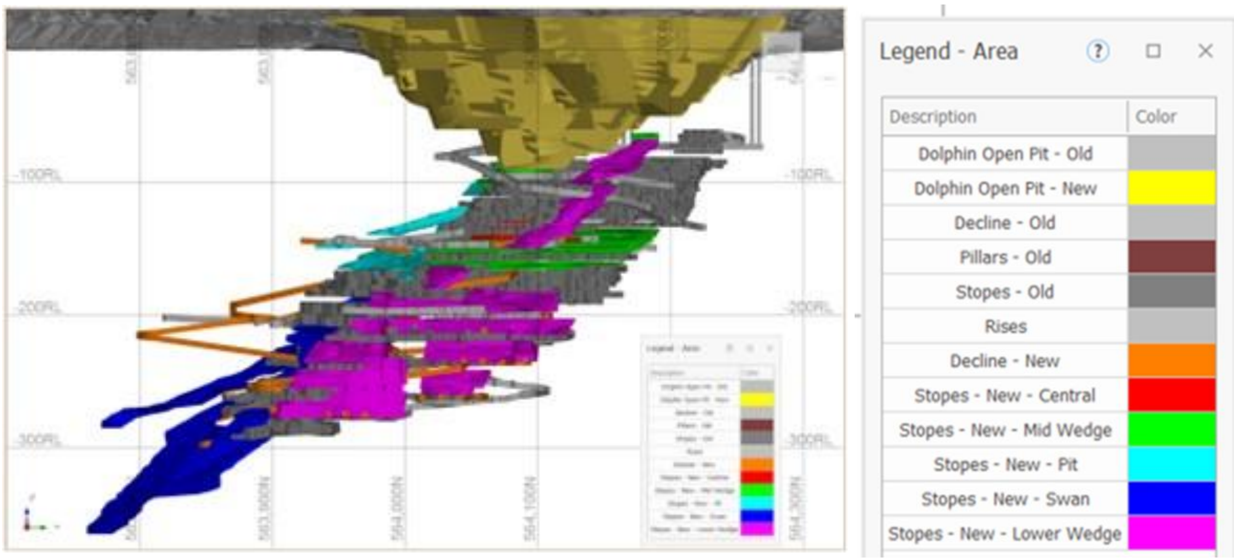
- Assumed mining recoveries of 82% for Dolphin UG are considered to be at the high end of a reasonable range, particularly when considering the proximity of mining to previously mined areas. Xenith expects that this will necessitate optimisation of the design and geometry of each stope;
- In Xenith's experience a 4.5 m wide drive as envisaged doesn't allow reasonable margins of error when using the proposed equipment. The Caterpillar R2900 underground loader would likely have a 3.18 m wide bucket fitted. Recovery from production areas is likely to be limited by turning circle limitations of such equipment. Similarly, the envisaged twin boom Jumbos are likely to have constraints installing ground support perpendicular to the development drives. Accordingly, the use of smaller equipment; or excavation of larger development drives may be required; and

- Operational and geotechnical implications of this will need to be explored to ensure that the parameters of the development and production activities are safe and effective.

### 5.5.1 Dolphin Underground

The planned Dolphin Underground (**UG**) is shown in Figure 9 below, based on a view looking east to west. The figures show the Dolphin UG inclusive of the Stage 1 Dolphin open cut with the legend enlarged for clarity.

**Figure 9 Dolphin Underground, with Stage 1 Dolphin open cut overlay**




The Dolphin UG mine plan assumes varying mining recovery and mining dilution factors depending on the area being considered and the mining method envisaged. The main UG mining methods planned for Dolphin UG are Uphole Benching, Post Pillar and Cut and Fill. The overall mining recovery for the Dolphin UG mine was 82%, with a mining dilution of 12%.

**Table 16 – Dolphin UG Average Mining Recovery and Dilution Factors**

| Dolphin UG (Mining Method) | Mining Recovery | Mining Dilution | % of Dolphin UG Ore Tonnes |
|---|---|---|---|
| Accesses | 25% | 10% | <1% |
| Cut and Fill | 86% | 10% | 21% |
| Downhole Benching | 86% | 10% | 8% |
| Post Pillar | 84% | 15% | 27% |
| Remnant | 83% | 15% | 3% |
| Uphole Benching | 81% | 10% | 32% |
| Uphole Retreat | 59% | 10% | 3% |

| Dolphin UG (Mining Method) | Mining Recovery | Mining Dilution | % of Dolphin UG Ore Tonnes |
|---|---|---|---|
| Remnant / Post Pillar | 83% | 15% | 1% |
| Remnant / Floor Benching / Post Pillar | 70% | 15% | 2% |
| Cut and Fill / Downhole Benching | 90% | 10% | 1% |
| **Total** | **82%** | **12%** | **100%** |

Source: Xenith summary of data source: Dolphin Mine Ore Reserve Statement April 2022 Ver003 DRAFT pg. 74-78

In Xenith's opinion, the assumed mining dilutions are reasonable, with the assumed mining recoveries at the higher end of a reasonable range. When considering the Ore Reserve report for Dolphin UG, given that the underground workings have been flooded and some areas were developed in the 1980's, Xenith would expect that some areas currently in the mine plan may not actually be able to be mined in a cost effective and safe manner due to the ground conditions that will be encountered when re-entering old areas. Although these risks were accounted for in the Ore Reserve Statement, the ground assessment was based mainly upon perceived conditions of the mine at the time it closed in 1991. As geotechnical data available is not sufficient to perform the geotechnical modelling used in modern underground mines, Xenith note there is a potential risk that it may not actually be possible to safely mine some old areas, which could impact the overall mining recovery.

Subsequent to our design review, as set out at Section 7, a Site Inspection was undertaken by Xenith which included a comprehensive inspection of the mining operation and discussion with Management of the issues faced and potential variations to the LOMP adopted by the Model.

As part of the Site Inspection, Management provided additional advice in respect to an Underground Project Review of the current Dolphin UG redevelopment strategy[20] (**CY25 Underground Strategy**) which includes:

- Optimisation of the underground portal entry to take advantage of existing underground decline infrastructure, saving approximately 525m of development, partially offset by decline rehabilitation costs, and three months of time.
- Bore pumps have been installed to commence initial dewatering.
- Assessment of ventilation requirements, identification of Reserve block definition through diamond drilling, geotechnical constraints.
- Revised development plan including key decisions in respect to operating strategy, design, support activities and other aspects.

The CY25 Underground Strategy, whilst not eliminating the potential constraints identified in our design review above, demonstrates that G6M are in an advanced stage of preparation in readiness for the commencement of the Dolphin UG development and this, coupled with the benefits of time saving initiatives such as the portal relocation, underpin the reasonableness of the Model Assumptions assumed start date of first production from the Dolphin UG in March 2026.

### 5.5.2 Bold Head Underground

The planned Bold Head UG is shown in Figure 10 below[21]. Historical mining areas are shown in bronze. The planned new decline is shown in green and the new stoping areas are shown in blue.

[20] Group 6 Metals, Dolphin Tungsten Mine, Underground Project Review, December 2024
[21] G6M. Bold Head Prefeasibility Study, June 2021

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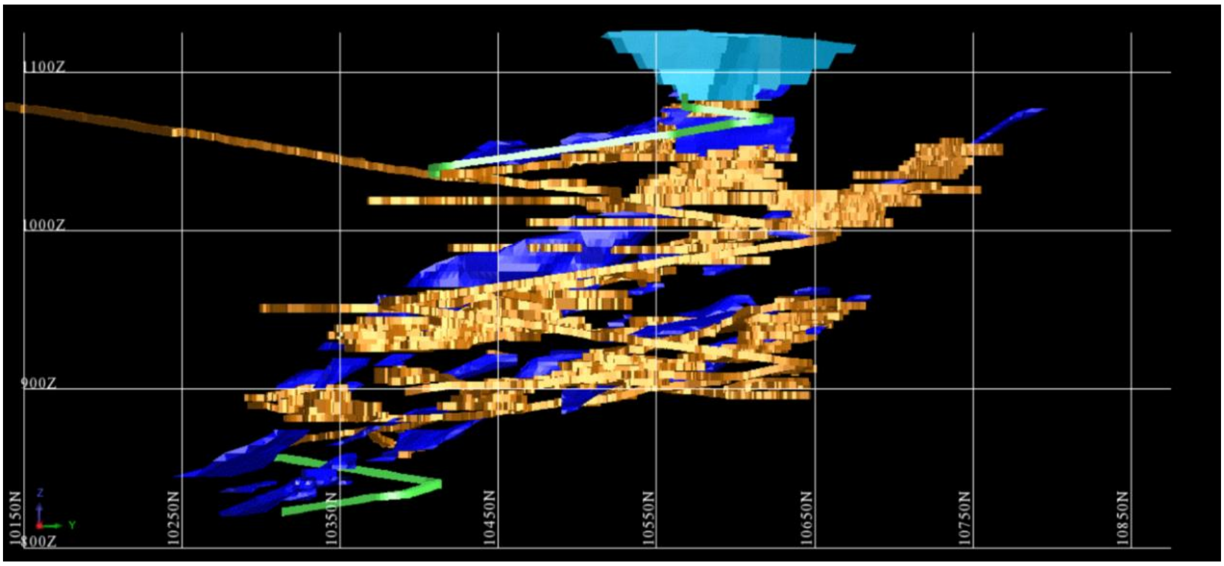
**Figure 10 Bold Head Underground**




The Bold Head UG plan assumes varying mining recovery and mining dilution factors depending on the area being considered and the mining method envisaged, as set out in Table 17 below. The main UG mining methods planned for Bold Head UG are Post Pillar, Uphole Benching, Cut and Fill, and Pillar Recovery. The overall mining recovery expected for the Bold Head UG mine was 80%. Mining dilution was expected to be 15%.

**Table 17 – Bold Head UG Average Mining Recovery and Dilution Factors**

| Bold Head UG (Mining Method) | Mining Recovery | Mining Dilution | % of Dolphin UG Ore Tonnes |
|---|---|---|---|
| Cut and Fill | 80% | 16% | 7% |
| Pillar Recovery | 70% | 20% | 4% |
| Post Pillar | 80% | 15% | 64% |
| Uphole Benching | 85% | 10% | 13% |
| **Total** | **80%** | **15%** | **100%** |

Xenith summary of data source: Bold Head Ore Reserve Estimate - May 2023 pg. 48

Based on the information provided, Xenith considers the mining recovery and mining dilution factors for Bold Head to be Not Unreasonable assumptions. Three dimensional UG mine designs for Bold Head were not provided in time for this technical assessment. Therefore, Xenith was unable to assess the Bold Head UG design.

## 5.6 Production schedule

The following section considers the mine design and production forecast anticipated by G6M for the Project.

The Project anticipates mining approximately 4,003kt @ 0.93% $WO_3$ over the period January 2025 to October 2035.

Table 18 below sets out the Projects forecast ore production mined from the various sources on an annual basis.

**Table 18 – Dolphin Project tungsten production forecast (ore kt)**

| Ore Source | FY25 H2 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Dolphin OC** | 168 | 247 | 201 | - | - | - | - | - | - | - | - | - |
| **Dolphin UG** | - | 41 | 158 | 288 | 298 | 299 | 300 | 151 | - | - | - | - |
| **Bold Head OC** | - | - | - | - | - | - | 61 | - | - | - | - | - |
| **Bold Head UG** | - | - | - | - | - | - | - | 2 | 144 | 113 | 103 | 28 |
| **Dolphin OC Stage 2** | - | - | - | - | - | - | 25 | 200 | 580 | 365 | 231 | - |
| **TOTAL** | **168** | **288** | **359** | **288** | **298** | **299** | **386** | **353** | **724** | **478** | **335** | **28** |

Xenith summary of data source: Project Stone - LOM Operating Model - 12 September 2024 vF, Sheet "Ore Sources"

The forecast weighted average grade for the $WO_3$ material planned to be mined and above the cutoff grade of 0.7% $WO_3$ for underground and 0.2% $WO_3$ for open pit is shown in Table 19 below. Figures in both tables include rounding.

**Table 19 – Dolphin Project tungsten mined ore grade forecast (% WO3)**

| Ore Source | FY25 H2 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Dolphin OC** | 0.81 | 0.43 | 0.35 | | | | | | | | | |
| **Dolphin UG** | | 1.63 | 1.07 | 1.11 | 1.21 | 1.34 | 1.35 | 1.28 | | | | |
| **Bold Head OC** | | | | | | | 1.22 | | | | | |
| **Bold Head UG** | | | | | | | | 0.85 | 0.88 | 0.91 | 0.82 | 0.85 |
| **Dolphin OC Stage 2** | | | | | | | 0.48 | 0.49 | 0.80 | 0.93 | 0.73 | |
| **TOTAL** | **0.81** | **0.60** | **0.67** | **1.11** | **1.21** | **1.34** | **1.27** | **0.83** | **0.82** | **0.93** | **0.75** | **0.85** |

Xenith summary of data source: Project Stone - LOM Operating Model - 12 September 2024 vF, Sheet "Ore Sources"

## 5.7 Risks and limitations to the Mine Plan

Xenith consider the Model Assumptions in respect the forecast mining schedule to be reasonable.

Notwithstanding this, for the various reasons identified across our mining review and noted in the subsections above, we highlight potential key milestone risks associated with the LOMP which may cause short to medium term impacts to the production schedule:

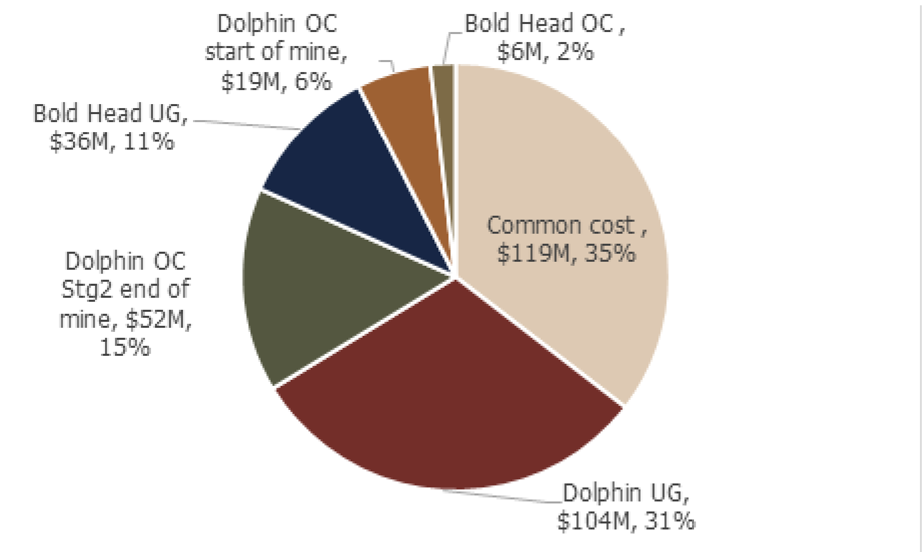
- Dolphin UG Mine rehabilitation takes longer than plan;
- Areas of Dolphin UG Mine are unable to be mined due to geotechnical conditions;
- Dolphin UG dewatering takes longer than expected;
- Commencement of mining – timing is delayed due to procurement of equipment;

› Availability of a suitable contractor or personnel for the mining activities;
› Impacts of structures, geological faults and damage to previously developed areas (including ventilation raises and accesses) is greater than anticipated; and
› Availability of funding.

## 5.8 Operating costs

The planned mining operating costs from January 2025 onwards, total $336M. G6M is forecasting a total operating cost of $42.13 /BCM. This is equivalent to $78.99 $/t Ore Mined, or $85.59 /t MTU mined. The planned split of costs as a percentage of the total operating costs is shown in Figure 11 below.

**Figure 11 Dolphin Project forecast Mining operating costs (from January 2025)**




Xenith summary of data source: Project Stone - LOM Operating Model - 12 September 2024 vF, Sheets "B1 Mining" and "B6 Output"

In Xenith's experience, and for the reasons set out below, the operating cost forecasts used in the Model Assumptions are at the lower end of expectations.

On review of the Dolphin UG operating costs, Xenith identified that cost estimates for equipment hire had been changed from one contractor estimate to an alternative lower cost contractors estimate. This resulted in the Dolphin UG fixed ore production operating costs (equipment hire costs and contractor corporate overheads) reducing by 46% ($12.7M) between the 2020 cost estimate and the 2023 cost estimate adopted by the Model.

This change is largely driven by a reduction in estimated equipment hire costs and a removal of $1.5M of corporate overhead costs. Xenith have been unable to verify if the rates used are current and remain a reasonable estimate of expected operating costs.

Table 20 below shows a comparison of the contractor rates between the Model and the 2020 cost estimate.

The variable ore production operating costs (ground support, vertical development, truck haulage, stope loading, paste fill) also reduced by $5.0M (7%) between the 2020 and 2023 estimates. This is mostly driven by cable bolt cost (excluding drilling) reducing from $466 to $106 per cable bolt installed (saving $4.1M).

As discussed in section 8.6, a 5% cost saving factor was also applied to all operating costs. In Xenith's view removing the savings discounts would not be unreasonable.

*Sources:*

- *Project Stone - LOM Operating Model - 12 September 2024 vF.xlsx 'B.6 Output' (cell G70 shows 5% discount)*
- *2020 RFS UG Mining Mdl UPDATE 231117_ (for 2020 cost estimate)*
- *240117_2020 RFS UG Mining Mdl Update with 2023 Rates*

**Table 20 - Contractor rates comparison**

| FIXED COSTS | Period | 2020 RFS UG Mining Mdl UPDATE 231117_ | Project Model Assumptions | Percentage Change |
|---|---|---|---|---|
| **DRILL RIGS** | | | | |
| Two Boom Jumbo | Monthly | $57,284 | $36,000 | -37% |
| Production Drill | Monthly | $58,819 | $30,000 | -49% |
| **LOADERS** | | | | |
| CAT R2900 or Equivalent | Monthly | $54,163 | $28,100 | -48% |
| **TRUCKS** | | | | |
| CAT AD45 or Equivalent | Monthly | $43,713 | $25,700 | -41% |
| **SERVICE PLANT** | | | | |
| Integrated Tool Carrier | Monthly | $20,104 | $6,000 | -70% |
| Charge up (Tele-Handler Unit) | Monthly | $35,495 | $28,000 | -21% |
| Agi Truck | Monthly | $47,322 | $10,000 | -79% |
| Shotcrete sprayer | Monthly | $37,488 | $9,000 | -76% |

*Sources:*

- *2020 RFS UG Mining Mdl UPDATE 231117*
- *LOM Operating Model - 12 September 2024 vF)*

## 5.9 Capital costs

The Dolphin UG capital costs estimates have been updated in the Model Assumptions from previous contractor quoted rates for equipment hire, to lower cost contractor rates, as noted for operating costs in the subsection above.

As a result, the Dolphin UG fixed capital development costs (equipment hire costs) reduced by 44% ($2.6M) between the 2020 cost estimate and the 2023 cost estimate. This change is driven by a reduction in estimated equipment hire costs.

Xenith has been unable to verify the rates adopted in the Model Assumptions and eth reason for the material difference in rates over a period that has in Xenith's experience seen material escalation and inflationary impacts on rates.

Accordingly, in Xenith's opinion, the capital cost forecasts used in the Model Assumptions are at the lower end of expectations, prior to any further discounting.

Xenith highlights that two discount factors were also applied to the capital costs for Dolphin UG. The Project applied a 4.32% discount to Dolphin UG capital costs which were then discounted again a further 5% applied to all mines. The compounding impact of this discounting for the Dolphin UG results in an effective 11% discount factor ((100% - 4.32%) * (100% - 5%) = 89.0% = 11.0% effective discount factor).

In Xenith's opinion removing both the 4.32% Dolphin UG discount factor and the overall 5% savings factor would not be unreasonable.

## 5.10 Recommendations

It is recommended that the following factors be considered when considering the reasonableness of the Model Assumptions in respect to the mining schedule and costs:

- The Ore Reserves have not been updated in the past 12 months per the JORC Code's annual review requirements. Application of current prices and costs may cause an adjustment to the Projects estimated Ore Reserves and accordingly Xenith highlight potential risk exists in respect to reliance upon the stated Ore Reserves
  - Xenith note that the Model's production targets, in addition to the above Probable Ore Reserves are further underpinned by materially greater volumes of Indicated Mineral Resource. Of significance, the Model's production targets are not contingent on any lower certainty Inferred Mineral Resource or Exploration Targets; and
  - Accordingly, notwithstanding Xenith's emphasis of some risk in respect to the Ore Reserve estimates, Xenith consider the mine production target to be reasonable based on the combination of stated Ore Reserves, the large volume of Indicated Mineral Resource, and absence of lower certainty Mineral Resources and exploration targets.
- The Projects schedule is not unreasonable. The mining equipment rates assumed for the pit and underground are reasonable. Xenith notes that there are a number of risks that could impact production schedule as outlined in section 5.7 above.
  - For the reasons set out at section 5.1.1 above, we adopt the CY25 Open Cut Strategy and associated mining schedule for the Alternative Case.
- Ore production volumes are reasonable. Ore tonnes planned to be mined (including provided actuals to date) total 4.49 Mt vs. Ore reserves of 4.87 Mt.
  - Based on the CY25 Open Cut Strategy and the CY25 Underground Strategy, assume risks related to the initial ramp-up period for the Dolphin UG such as delays in capital and interactions with open pit activities are able to be mitigated. Accordingly, we make no adjustment to the Model's assumed first production and ramp up for the Dolphin UG.
- Increase the operating expenditure in the Base Case by removing the 5% efficiency gain / cost reduction program discounts applied to operating costs. Xenith reinforces uncertainty around the contractor costs adopted by G6M as set out in Section 5.8 above.
- Increase the capital expenditure in the Base Case by removing both the 4.32% discount factor applied to Dolphin underground capital and the overall 5% cost savings factor.

# 6. Dolphin Project – Processing

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Accordingly, this chapter does not contain any updated information provided with the Updated Model, and attention is drawn to the Executive Summary of this Report for a comprehensive summation of the Updated Findings.*

The following section provides a summary of Xenith's review of the Projects processing facilities. This summary aims to provide guidance into the reasonableness of the Model Assumptions in relation to the processing plant and associated operating and capital costs.

## 6.1 Plant overview

Section 2.2 above provides an overview and history of the Project. A new plant was built and commissioned approximately twelve to eighteen months ago under a cost-plus arrangement with EPC provider Gekko. The old plant that this replaced had a history extending back to 1944. The old historic plant was quite efficient and produced a high-grade gravity concentrate (which represented about 70% of the recovered tungsten) and a low-grade flotation concentrate which was then upgraded in a hydrometallurgical process. Historically, a high-grade flotation concentrate was also made, however the highly selective reagents that were used are no longer available due to their high toxicity. Of relevance to this Report, the old historic plant serves as an important benchmark of what recoveries may be achievable for the Project's ore body.

As recognised by G6M, the new processing plant concentrator has had a disappointing production record to date with low recovery well below the target grade of 64%$WO_3$ and throughput.

In response G6M have been investigating the problems over the past year with over 80 recorded files, reports and internal communications focussing across each key area of the processing plant[22] as well as a formal engineering improvement plan compiled by engineering firm Australiz for G6M[23]. Based on this range of information, G6M have instituted a priority programme to address the various issues identified contributing toward the underperformance. This programme is discussed further below.

Xenith have met with Management in respect to the company's processing strategy and approach to improving the new concentrator including the inter-relationship with the Model[24]. As summarised in Section 7 of this Report, in addition to the meetings with Management a site visit was undertaken by Xenith's Mr Andrew Knuckey which included a comprehensive inspection of the processing plant and discussion with Management of the issues faced and the improvement program being instituted.

## 6.2 Documentation reviewed

The ore processing aspects of the Project have been reviewed utilising information provided by G6M as well as information that is publicly available. As noted above a site visit was undertaken by Xenith's Mr Andrew Knuckey.

Documentation considered in the review of the processing facilities includes, but is not limited to, the following sources:

- Powerpoint presentation – Met Improvement Meeting 240904;

[22] G6M Data Room, Matthew Zegveld, Excel Spreadsheet "Met Project List", 17 December 2024.
[23] Australiz, Group 6 Metals Dolphin Operations Plant Improvements Master Plan [PN50206], 6 June 2024
[24] Online Meetings of 5 December 2024 and 16 December 2024 with relevant Xenith specialists and G6M Management.

- Met optimisation Scope V2;
- AN122799 Plant Improvements Master Plan (Australiz);
- Miscellaneous Laboratory Test reports from ALS Burnie;
- KIS 2019 1.4 METALLURGY AND PROCESS DESIGN;
- KIS 2020 RFS Data Room Process Selection memo;
- KIS 2020 RFS Data Room Processing Intro memo;
- Various FEED and other design documents from Gekko;
- End of Month (EOM) Reports Jan - July 2024; and
- Australian Mining & Metallurgy (Sir Maurice Mawby Memorial Volume -1st and 2nd Editions)

## 6.3 Performance since commissioning

### 6.3.1 Introduction

The seven-month end reports (Jan-July 2024) highlights the plant is suffering numerous legacy issues that have manifested from design limitations, equipment selection, installation issues, resourcing constraints and other challenges.

For the six-month period the plant is yet to achieve 50% recovery and is unlikely to consistently do so without significant remedial works (Xenith note that additional end of month reports were provided through the RFI process). These reports show recoveries continued to be challenged with a high of 51.2% realised in November 2024).

Plant throughput is also approximately 20% lower than design and the mass deportment throughout the flowsheet seems to be imbalanced against design. This is manifested by the Multi Gravity Separator (**MGS**) scavenger circuit receiving more solids flow than design. It is important to note that the feed grade during the seven-month period of the reports provided is also much lower than design and that the plant performance is likely to improve with higher grade material, albeit the full value of higher-grade ores may not be realised until the various design and installation issues are addressed.

Xenith were unable to discern a year to date or running average from the month end reports to assess trends and a definitive quantitative analysis was unable to be completed due to time constraints.

### 6.3.2 Design review

The plant design as installed has numerous issues that have been recognised by G6M. Xenith provide the following commentary as a basis for our consideration of the reasonableness of the Model Assumptions.

Xenith note various aspects to the process design criteria which appear inconsistent with our experience and general industry practice. Primary of these is the plant is designed to only run 76% of the time while committing to full labour. In Xenith's experience well designed plants should be able to achieve at least 90% utilisation if managed and maintained well. The basis for such a low utilisation design target is unclear from the information considered. Irrespective of this, the throughput design is 60 tonnes per hour (**tph**) (dry basis).

Xenith also note a nominal recovery (based on test work) of 78% and a design recovery of 74%. The reason for articulating recovery in this way is counter intuitive, as normally recovery would be deemed nominal from test work (with or without scale-up discount) and the design recovery higher to ensure the concentrate handling systems are adequate for variability, particularly if there is a known grade/recovery relationship (it is often observed in tungsten, tin and tantalite plants that higher grade feed realises higher recovery). As referenced above actual recoveries to date are more than 20% below these targets (i.e. sub 50%) and highlight the challenge faced by the proposed improvement programme to meet design levels.

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The Process Design Criteria (**PDC**) base data is unremarkable but, in some areas, we have been unable to confirm the detailed basis for various aspects of the design. We provide the following commentary in respect the various key elements of the process plant:

› The crusher is a Vanguard Quarry style unit which Xenith notes are not designed to run at high utilisation. The primary crusher has a nominal reduction ratio of 5 which is slightly high and coupled with the secondary crusher the dry circuit has a nominal reduction ratio of 16 in two stages. In Xenith's experience this is high and likely to produce more fines than if done in three stages. Given minimisation of fines generation is a primary value driver in a scheelite processing plant, the approach appears poorly founded. Xenith notes an industry rule of thumb commonly followed in hard rock heavy minerals is reduction ratios do not exceed 6 per stage.
› We note the tertiary stage of comminution takes the feed from a maximum lump size of 25mm to -1.2mm in a Vertical Shaft Impact (**VSI**) crusher. This is an extreme reduction ratio for a comminution stage, even if the fines are removed from the VSI feed. The approach to reduce tip speed and lower ball charge while increasing circulating load (thus presentations to the screen) will in Xenith's experience likely manifest in an undersized tertiary screen while having a minor but positive effect on "sliming" heavy minerals.
› The crushing area is critical to achieve the 60 tph targeted concentrator plant feed, although the plant has achieved reasonable daily throughput, it has not consistently achieved the required 1,440 tonnes per day (**tpd**) required for the concentrator plant (termed the "wet plant") to run at the design 60 tph. The proposed improvements identified by G6M is of merit and focussed at providing a more stable operating environment to be able to further optimise operational performance. However, Xenith note that further investment in the tertiary crushing circuit would benefit from a thorough metallurgical analysis, in advance of further capital investment.
› Xenith's have observed issues with VSI crushers at a scheelite operation in Spain and the metallurgical analysis undertaken in that example revealed that the VSI creates excess fines, even when slowed down and coupled with a higher circulating load/lower charge. In Xenith's experience the most effective crusher in this part of the flowsheet is a rolls crushers with low reduction ratios in order to minimise the extremely friable scheelite becoming "slimed" where it is very difficult to recover.
› The additional VSI may allow for throughput targets to be achieved, but it does not automatically follow that recovery will not remain adversely affected. Some analysis of VSI discharge would be informative in advance of procuring a second unit. Installing covers over the crushers should also be considered.
› Xenith has no experience with Chinese Alicoco spirals, and it is understood that Mineral Technologies spirals are being trialled, but potentially the wrong profile from Alicoco was selected and this requires further investigation. It is understood that the shaking table decks installed in the new plant were incorrectly installed (bent) and are thus inefficient. These should be replaced, and the review of deck profile (Holman tables rather than Wilfrey) should be an imperative action.

The Gekko PDC does not discuss particle size distributions and grades by stage, hence cannot be readily evaluated, but the fundamental design issues after 12 to 18 months of operation are relatively clear. Whilst outside the scope of this Report the overall situation can be summarised as:

- The creation of excessive ultra fines is realising lower than expected recoveries in the spiral plant.
- The result of poor recovery is excessive flow to the MGS scavengers that have both throughput and selectivity challenges. This leads to rejection of slimed scheelite in the MGS and potentially the regrind tail, with potential also for scheelite to be slimed in the secondary mill.

The likelihood that the mass flows and stream particle size distributions are outside design envelopes is high and likely to be compounding the efficiency issues in process stems.

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## 6.4 Operating Review

### 6.4.1 Costs

The operating costs recorded to date have been lower than budgeted, but this is largely a function of a reduction in plant utilisation and less labour being deployed on site. Given the unstable operation of the past year, historical costs are unlikely to provide guidance for future performance.

Similarly, the next 12-15months is likely to be unstable as the recapitalisation projects are carried out, and although unit costs are likely to improve, some escalation may also be experienced if capital updates are incrementally implemented through operational maintenance initiatives.

Overall, it is not expected that plant operating costs are likely to materially impact the Model relative to improvements in throughput and recovery, and the basis of the budget appears to be reasonable. It is in the areas of throughput and recovery that will most impact unit costs in terms of $/t feed and $/MTU product.

### 6.4.2 Physicals/Modifying Factors

As noted above, the challenges of meeting throughput and recovery targets are most material to the Project. Throughput has been constrained to date by ore availability (no longer a challenge), plant availability (commissioning, bottlenecks and subsequent machine reliability issues) and utilisation (blockages at pinch points that need re-engineering, labour shortage etc.).

The initiatives of the recapitalisation programme will improve throughput as the bottlenecks and pinch points are resolved and the operating personnel become better trained and more attuned to the plant. Throughput will thus most likely reach design sometime over the next 6 months if a suitable programme is put in place, however, simply fixing what has been designed may not necessarily bridge the gap between 55tph and the target 60tph. Accordingly, improving recovery remains the key challenge and in Xenith's opinion the Model Assumptions in this respect are optimistic.

The programme of metallurgical improvements proposed by G6M has an iterative approach, whereby modifications will be implemented and tested before moving onto the next to understand the effect. This is a sound approach, but unlikely to provide step changes rapidly, hence improvements in plant performance are likely to take an extended period of time.

In terms of recovery, this is a significant hurdle to cross. Test work in ideal conditions demonstrates that high recoveries may be reached, however, insufficient survey work is available to work out precisely why targets are not being reached beyond the obvious that the scheelite is getting slimed and being lost in the MGS scavengers and accordingly, in Xenith's opinion improvements in recovery are likely to be an extended and incremental process of testing and trialling before implementing solutions ahead of repeating the process of other sections of the plant.

By way of example Xenith note challenges in MGS scavengers, spirals testing, current relative grade equivalence across MGS feed, concentrate and tailings (possible slime loss to tailings), consideration of placing the MGS as a cleaner ahead of the tables. It is not the scope of this Report to recommend resolution to these issues, but the above is highlighted as examples of the challenges faced and Xenith's uncertainty with respect the Model Assumptions in respect to process plant throughput and recovery.

Accordingly, in Xenith's opinion, the Model Assumptions in respect to process plant throughout and processing, indicating target throughputs and recoveries are realised from January 2025 are not reasonable. Xenith also note the alternative schedule presented in the Impairment Model provided as part of the RFI process which shows throughput and recoveries progressively ramping up to target levels by April 2025, whilst more realistic in Xenith's opinion the Impairment Schedule is also optimistic.

In Xenith's opinion:

- a more reasonable Base Case for throughput and recoveries is to extend the processing plant ramp up toward targeted rates until end Q3 CY25, reflecting the progressive process of the engineering improvement program; and
- an Alternative Case for throughput and recoveries is to assume a full twelve month ramp up from the date of this Report before targets are realised to reflect the additional uncertainties associated with the incremental nature of the engineering program with targeted rates only achieved from January CY26.

## 6.5 Capital review

The capital demand required for the plant is subject to the prioritised works, effectiveness of the incremental improvement program and competitive pricing. Xenith note the Australiz report referred to above targeted reliability, safety, maintainability and operability issues, and also covered some metallurgical improvements while identifying that further research is required in some areas, with a cost estimate of $17M.

The Model Assumptions have distilled this (and other imperatives) into a $10.4M programme in CY25. Xenith's review of the budget indicates that G6M have sought to prioritise the improvement initiatives with some lower priority items excluded altogether.

Xenith note the Impairment Model assumes a lower Capex level again of just $6.2M for CY25 based on optimised costing and further prioritisation of capital items.

Advice received from G6M response to the RFI process confirm Managements conviction in the Impairment Model capital estimates. A second detailed review of costs based on December market price estimates provided as part of the site inspection indicates a slightly higher capital estimate of approximately $8.2m for CY25[25].

On the basis that G6M improvement program will follow an incremental prioritised process, with selective product sourcing to optimise expenditure, Xenith has relied on G6M's estimates and Management advice with respect their capital cost schedule in respect to the process plant. Notwithstanding the above, Xenith reinforces that resolution of the throughput and recovery issues faced by the plant depend on the success of the capital investment program. Noting the initial Australiz capital estimate of $17M, Xenith highlight potential risk that G6M may need to extend its capital program beyond the prioritised items assumed in the Xenith Base Case and Alternative Case scenarios. This may lead to further capital commitments, higher cost sustaining capital programmes, or minor maintenance initiatives captured in monthly operating costs over a longer period of time. Hence, in Xenith's opinion it may be appropriate for G6M to consider a contingent capital sum to address other improvement requirements over and above the prioritised items.

Accordingly, the following capital costs are considered reasonable in alignment with the forecast production ramp up schedules:

- Base Case – adopt the Impairment Model's capital forecast for 2025 of $6.2M consistent with the Xenith Base Case production ramp up; and add another 50% of 2025 cost as contingency spread over 2026 and 2027
- Alternative Case – assume the latest site capital estimate noted above of $8.2m for 2025 in line with the extended 12-month throughput and recovery ramp up. In addition, add another 50% of 2025 cost as contingency spread over 2026 and 2027

## 6.6 Conclusion

The Model Assumptions are not considered reasonable for the reasons set out above.

The Impairment model provides a more conservative view of the throughput and recovery ramp up, but in Xenith's opinion remains optimistic in its time frame to meet targeted throughput and recovery levels. Xenith

[25] Group 6 Metals, DTM Capital forecast_Dec 2024, Excel Spreadsheet, 17 December 2024

anticipate the action plan to bring the plant to design will be subject to change, and the plant design will likely require flowsheet change and further development.

Based on Xenith's experience the deployment of capital is subject to various influences including access to capital, testing and confirmatory programs, availability of raw materials, supplier constraints and logistics, and installation complications and limitations. Since the ramp-up in throughput and recoveries remain contingent on the G6M's prioritised incremental capital improvement program, it is equally at risk of its timing and success in solving the progressive plant process constraints.

Accordingly, Xenith's Base Case and Alternative Case include assumptions as detailed in the sections above and summarised in section 1.3.9 of this Report.

# 7. Dolphin Project – Site Inspection

A Site Inspection of the Project was undertaken by Xenith's Mr Andrew Knuckey on Tuesday 17th December 2024 in order to provide confirmatory guidance in respect to the reasonableness of the Model Assumptions.

This section provides an overview of the Site Inspection based on observations and discussions during the site inspection and has not been reviewed by those interviewed. Further relevant findings and observations from the Site Inspection are contained in the relevant sections of this Report.



## 7.1 Site Inspection overview

The Site Inspection was undertaken in the company of G6M Management and included all key elements of the Project including:

- Port facility;
- Mine Administration and planning departments;
- Equipment laydown and maintenance facilities;
- Open cut mining areas including waste dumps;
- Tailings Storage Facilities; and
- Process Plant including run of mine stockpiles.

The Site Inspection also allowed for detailed discussion with G6M Management including:

- Executive General Manager;
- Mining Manager and Mining Superintendent;
- Chief Metallurgist and Engineering improvement advisor;
- Safety, Health, and Community liaison officer;
- Mine Commercial Manager.

Key findings from the Site Inspection including the CY25 Open Cut Strategy, inclusive of an updated processing schedule, and CY25 Underground Strategy are discussed in the relevant sections of this Report.

Set out below are a series of illustrative images of key areas of the Project.

### 7.1.1 Port Infrastructure

#### 7.1.1.1 Port laydown area

The port facility is operated by Tasmanian Ports and is located adjacent to the Project with easily accessible hard surface road access. It consists of a relatively shallow draft harbour, allowing limited size shipping to a single wharf facility providing the transfer of sea container style storage and transport.

G6M's concentrate product is managed in this fashion with 'bulka bags' of concentrate product loaded into sea containers for shipping.

**Figure 12 Port laydown area**

## 7.1.2 Mine Infrastructure

### 7.1.2.1 Offices

The mine offices and administration areas were in good serviceable condition consisting of a two-story structure of double width transportable units. All administration, management, technical and workforce muster areas were contained within the single complex.

### 7.1.2.2 Muster area

The workforce muster was fit for purpose and in good condition consisting of a communal muster and communication room, supported by kitchen and meal/crib area.

### 7.1.2.3 Workshop and Laydown area

Workshop facilities were only observed from a drive by inspection noting they appear a semi-transportable structure of suitable size for the Project and fit for purpose. On the day of the site inspection it housed only ancillary equipment.

**Figure 13 Workshop and Laydown area**

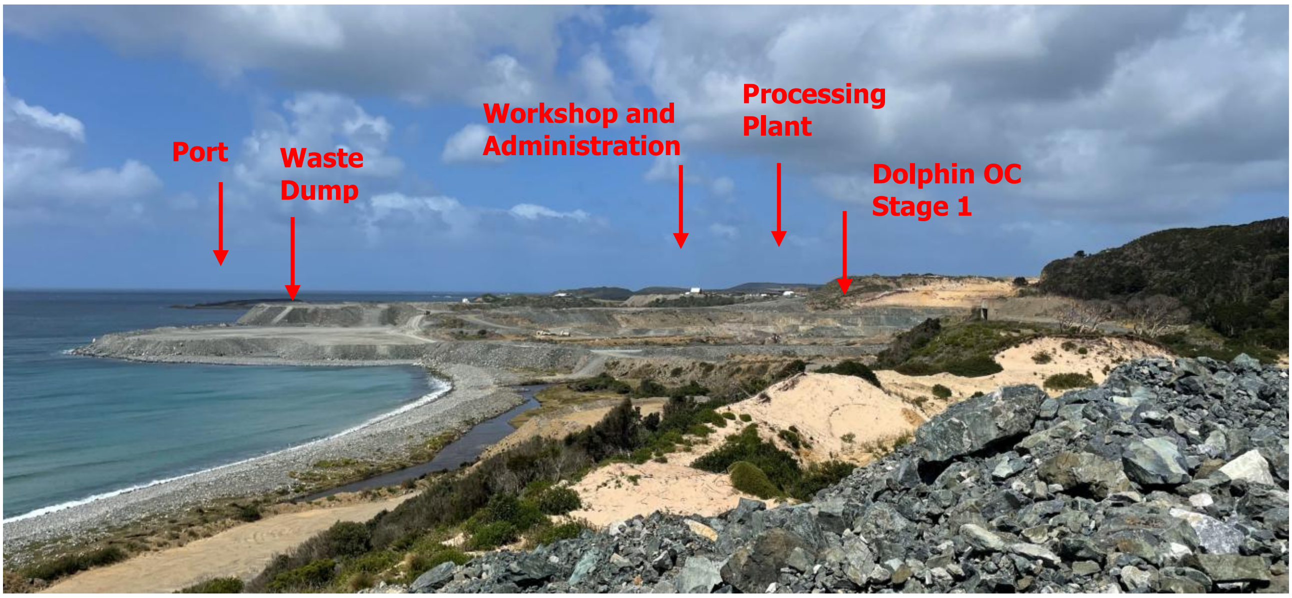
The lay down areas were observed to be kept reasonably tidy with equipment appropriately parked in orderly fashion, noting some larger pieces of equipment were parked in readiness to be off-hired.

### 7.1.3 Mine access

The surface areas of the Project are accessible from a single continuous haul road that extends from the central administrative and infrastructure centre to the process plant and run of mine stockpiles to the West, and East to the Dolphin open cut, associated waste dump and tailings storage facility (**TSF**).

The image below illustrates the Projects key elements looking west from the TSF.

**Figure 14 Project overview**




#### 7.1.3.1 Tailings Storage Facility

The TSF appeared in good structural order, noting it is designed to allow some small leakage of inert material which is collected in settling catchments at the base of the main dam wall. The TSF consists of a large historic area extending to the East, segregated by an internal buttress wall with current tailings stored in this Western cell as illustrated in the images below.

**Figure 15 Tailings Storage Facility**

Capacity exists for the medium term in the Western cell with potential for a permited dam wall elevation to accommodate longer term underground production tails.

#### 7.1.3.2 Waste Dumps

The waste dump consists of a single dump, constructed in levels as evident in the images below. The waste dump is permitted to dump material into the sea front up to an arc of approximately 500m. Management advised that they are preferentially seeking approval for a slightly higher elevation to the dump and limit the extent of egress into the ocean area. Surface conditions were observed to be well maintained with adequate safety bunding in place around the perimeter.

**Figure 16 Waste dumps**

#### 7.1.3.3 Dolphin open cut (stage 1)

The images below show a broad panorama from west (left hand side) to east (righthand side) of the Stage 1 Dolphin open cut.

The excavator is currently operating in the 1 E sub-stage with benches extending behind it to the East end wall encompassing substage 1B and 1E.

Pit conditions were observed to be reasonable, especially given the relatively narrow working areas available, further constrained by blast size constraints due to environmental (noise and vibration) limits and the emergence of old underground workings as the pit nears the proposed Dolphin UG portal position on the East wall.

**Figure 17 Dolphin open cut**

## 7.1.4 Processing plant

The processing plant inspection included all areas of the plant. The images below highlight various issue areas. These areas are well recognised by site management and form the basis of the capital engineering improvement program proposed for CY25 to improve throughput and recoveries.

### 7.1.4.1 Primary and secondary crusher

ROM bin and primary crusher, with wear plates being changed on the day of the Site Inspection, with oversize being fed to secondary crusher including conveyor to screening deck for recirculation of oversize material. Note surface areas suffer from poor drainage external to the concrete footings, ROM Bin does not include a grizzly resulting in oversize material entering primary crushing unit, whilst spillage accumulates at the base of the ROM Bin. These elements are examples of the various areas which have caused intermittent delays and production interruptions with flow on impacts to other plant areas.

**Figure 18 Crusher**

### 7.1.4.2 Conveyors and screen sizer

Conveyor to screen sizer post-secondary crusher. Note most areas suffer from fines overflow due to inefficient feed chute and bin design, and inappropriate conveyor sizing. The screen deck has suffered cracking requiring insitu repairs due to lack of a spare screen. These are examples of some of the efficiency gains expected from the engineering capital improvement program to eliminate stoppages and improve availability and consistency of operation.

Figure 19 Conveyors and screen sizer

### 7.1.4.3 Fine ore bins and VSI

Fine ore bins, suffer from angular design which promotes hang ups of material and unplanned release of material causing surging through the VSI (Vertical Shaft Impact crusher). The VSI, centre of image, is a primary area of focus for the engineering improvement program since it is the major contributor to fines production and subsequent recovery issues and suffers from inefficient material fragmentation requiring recirculation of material. To the right of shot are secondary sizing elements with return conveyors to the VSI.

Figure 20 Fine ore bins and VSI

### 7.1.4.4 Grinding mills

The poly-urethane drive rollers for the grinding mills suffer premature wear and distortion destroying the circumference of the rollers and causing extensive vibration damage to the ball mill, associated structure, gear boxes and drive motors.

**Figure 21 Grinding mills**

#### 7.1.4.5 Spirals

Spillage and overflow are evident across the spiral deck due to unstable density and feed rates and excessive slime generation.

**Figure 22 Spirals**

#### 7.1.4.6 Shaker tables

Shaker tables (22) have suffered from inappropriate initial installation causing flexing. Variability of the effectiveness of the screens was evident across different product grades with the lower grades (right hand image) appearing more effective whilst the high grade decks (left hand image) exhibited much less delineation between product and waste fractions.

**Figure 23 Shaker tables**

#### 7.1.4.7 MGS Circuit

MGS circuit is undergoing trial of additional arms and alternative circuit design. Tails pumps in series (right hand image), are an example of poor design leading to whole system outages when one pump fails.

**Figure 24 MGS Circuit**

#### 7.1.4.8 Concentrate Product

Final $WO_3$ concentrate is loaded into bulka bags for containerisation and shipment.

Figure 25 Concentrate product

# 8. Dolphin Project – Other Model Assumptions

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Accordingly, this chapter does not contain any updated information provided with the Updated Model, and attention is drawn to the Executive Summary of this Report for a comprehensive summation of the Updated Findings.*

The following section provides a summary of Xenith's review of the Model Assumptions not relating to Mining and Processing. This summary aims to provide guidance into the reasonableness of the Model Assumptions in relation to macro-economics, support costs and royalties.

## 8.1 Model overview

The Model provided is a summary of production, sales and costs inputs on a monthly basis in calendar years. It is not a discounted cash flow model and no NPV is calculated. The response to Xenith's RFI#1[26] was that it is a nominal model, however in a later meeting with G6M's Michael Zanner on 6 December 2024 it was confirmed that the Model Assumptions are in real 2024 dollars. There is no inflation applied in the Model and it should be noted that with income in USD and costs in AUD, a difference in inflation rates between the two currency inputs could impact the calculations of royalties and tax.

## 8.2 Support costs

The Model has included cost for Support Services such as Purchasing & Supply, Admin and Accounting costs, Environment, Training & Safety, Houses & units, and Camp and Messing. However, looking at cost for Support Services in the Monthly reports there should also be an allowance for Corporate Overhead in the Model. Recent actuals from July to September 2024 show $332,000-$347,0000 per month is spent on Corporate overhead.

The Impairment model does include Corporate overhead cost of around $300,000 per month for 2025 and then $143,000 per month from 2026 onwards. RFI#5 query regarding these numbers is still outstanding at the time of this Report so it is recommended to at least include similar amounts to the Impairment model forecast in the Base case and ongoing $300,000 per month for the Alternative Case.

Support costs (Admin & Accounting) are included at approximately $307,000/month in the Model but have been reforecast to $491,000/month in 2025 in the Impairment model, followed by a $292,000/month from 2026 onwards. RFI#5 query regarding these numbers is still outstanding at the time of this Report so Xenith's Base Case is to align with the Impairment Model and for the Alternative Case maintains 2025 cost for the following years also.

Camp and Messing cost were costed at $98,000/month in the Model but have been reforecast to $209,000/month in 2025 in the Impairment model, followed by $94,000/month onwards. RFI#5 query regarding these numbers is still outstanding at the time of this Report so Xenith's Base case is to align with Impairment Model and for the Alternative Case maintains 2025 cost for the following years.

[26] E-mail from Michael Zannes 2 December 2024

## 8.3 Mine Closure cost

The Model has included ongoing cost for rehabilitation with a total of $3.6M spread over the LOMP. The Impairment model has no cost for rehabilitation but has added $5.7M in June 2036 with a note labelling it as "dismantling cost". RFI#6 query regarding these numbers is still outstanding at the time of this Report. For the Base case and Alternative Case Xenith includes both the rehabilitation cost ($3.6M as suggested in Model) and the $5.7M for dismantling cost at the end of mine life in June 2036.

## 8.4 Price and Exchange rate assumption

Tungsten is not a regularly traded commodity and there is limited publicly available price forecasts and assumptions. According to response to RFI#1[4] prices in the model are based on "Management best estimate, confirmed against peers such as EQR and Almonty". Actual prices achieved from January to August 2024 range between US$300 – US$335/mtu. Recent published pricing for Tungsten APT fob China (per $WO_3$ mtu) range from US$330 to US$340/mtu.[27]

The price in the Model is US$340/mt in 2025 and $365/mtu from January 2026 onwards. The Impairment model has reduced the forecast for 2025 to $325/mtu however has maintained the long-term forecast of $365/mtu.

The long-term price forecasts appear optimistic based on the above data points, and it is recommended to align with the Impairment Model in 2025 and also amend long-term price to US$325/mtu for the Base case. This ensures that pricing is in line with what has already been achieved. It is also recommended to run a sensitivity for an Alternative Case at US$300/mtu which is at the lower end of recent price received.

The Model exchange rate assumptions for AUD:USD is 0.67 throughout the mine life. This impacts revenue calculations and Xenith's review of market consensus[28] most recent forecast suggests higher exchange rates as listed in Table 21 below. The Impairment Model has assumed an exchange rate of 0.7 which is more in line with recent consensus forecast.

**Table 21 - Exchange rate AUD:USD**

| Source | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|
| Base Model | 0.670 | 0.670 | 0.670 | 0.670 | 0.670 | 0.670 |
| Impairment model | 0.700 | 0.700 | 0.700 | 0.700 | 0.700 | 0.700 |
| Consensus (Nominal) | 0.657 | 0.680 | 0.710 | 0.720 | 0.712 | 0.712 |

Xenith's Base case adopts the most recent Consensus Economics forecast for AUD:USD exchange rate relative to the Effective date of this Report.

[27] httpps//www.argusmedia.com/metals-platform/price/assessment/tungsten-apt-fob-china -per-mtu-wo3-PA001450200000
[28] Consensus Economics, FXDec2024; "Year average Forecasts"

## 8.5 Royalties

Royalties are calculated according to legislation for Tasmanian mineral resources[29]. The formula considers Net sales and Yearly Profit and there is a cap at 5.35% of Net Sales.

Xenith's Base Case and Alternative Case will amend the maximum rate to 5.35% and calculate royalty liabilities on nominal dollars.

## 8.6 Cost saving assumptions

The Model summary output sheet includes assumptions for cost savings for both operating costs and capital costs.

### 8.6.1 Operating costs

For operating costs this is labelled "Efficiency gains/Cost reduction program – Ops" and "Efficiency Gains/Cost Reduction program – Overheads" and is set to 5% saving across all operating costs. The RFI#1[30] indicated that this was based on "best estimate of site management on what costs savings are available on the modelled costs and anticipated savings based on what has been achieved in the past 3-4 months." The Impairment Model has deferred the 5% efficiency gains to commence in 2026. Xenith's Base Case and Alternative case have excluded the 5% cost savings since there is not a dedicated program to achieve the savings nor substantial historical data to base it on.

The AusIMM Cost estimate guidelines for a Project in execution phase (Section 2.5, Table 7) is +/-5% or better and up to +/-5% to +/-10% for new operations or novel technology. This is a new operation and it is recommended to run sensitivities of +/- 10%.

### 8.6.2 Capital costs

For capital costs there is also a 5% saving across all capital cost labelled "savings factor". The RFI#1[7] indicated that this was based on "best estimate of what cost savings are available on the modelled costs. Generally assumed that the estimated capital costs are EPCM estimate and include opportunities for savings". The Impairment model has deferred the 5% savings factor to commence in 2025. Xenith's Base Case and Alternative case have excluded the 5% cost savings since there is not a dedicated program to achieve the savings nor substantial historical data to base it on.

The AusIMM Cost estimate guidelines for a Project in execution phase (Section 2.5, Table 7) is +/-5% to +/-10%. There is also a suggestion that there may be contingency applied, albeit of <10%. No contingency is evident in the capital estimate and it is recommended to run sensitivities +/- 10% on capital cost.

## 8.7 Sensitivities

Xenith undertook sensitivities on the Unlevered Total Free Cash Flow from the provided Model to demonstrate the relative influence of the various Model Assumptions as summarised in Table 22 and Figure 26 below.

Price and exchange rate assumptions have the greatest impact on the free cash flow, and also the 5% saving assumption on operating cost is material. Table 22 below highlights the changes to total free cash flow. It is worth noting that with the Model Assumptions the project will reach cumulative cash flow net zero

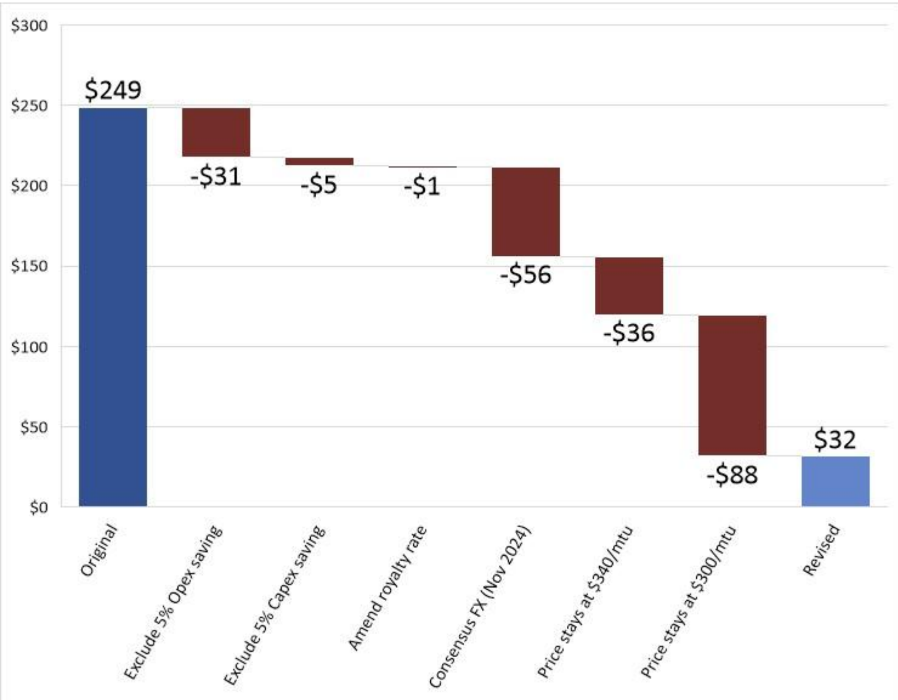
[29] Model ("Project Stone-LOM Operating Model – 12 September 2024 vF") sheet labelled Royalty Calculation
[30] E-mail from Michael Zannes, 2 December 2024

in June 2029, whereas for the downside case highlighted below this would not be achieved until June 2034. These are all unlevered pre-tax undiscounted cash flows.

**Table 22 - Total FCF Sensitivities**

| Case | Total FCF (A$M) | Variance (A$M) |
|---|---|---|
| Original | $249 | - |
| Exclude 5% Opex saving | $217 | -$31 |
| Exclude 5% Capex saving | $212 | -$5 |
| Amend Royalty rate | $211 | -$1 |
| Consensus FX (Nov'24) | $156 | -$56 |
| Long-term price stays at US$340/mtu | $120 | -$36 |
| Long-term price stays at US$300/mtu | $32 | -$88 |

**Figure 26 Free Cash Flow Sensitivities**



# 9. Dolphin Project – Environmental Approvals

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Xenith note the Updated Model Assumptions provided no new information in respect to the Environmental Approvals area and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in the Section below.*

The following section provides a summary of Xenith's review of the status of Environmental approvals. This summary aims to provide guidance into any risks associated with environmental compliance and obligations.

## 9.1 Environmental Approvals overview

Xenith has assessed the adequacy of the processes followed by G6M in relation to environmental approvals and compliance from a perspective of the Tasmanian State and Federal Commonwealth legislation.

All State approvals are current and approved, including mine closure. This allows for continued operations. No environmental exceedances or major breaches of conditions have occurred. All tenements are secured and fees are paid to relevant authorities. All security deposits for mining activities on mineral tenements have been paid under the Mineral Resources Act.

Federal approvals are currently being assessed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). G6M has submitted an EPBC Referral (2023/09653), that requires further information as the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) deemed the submission inadequate. This inadequacy relates to additional mining activities for the broader project not being considered by G6M in the submission. Therefore, the likelihood of an Environmental Impact Statement (EIS) and lengthy approval timeframes is increased. Further information is required for Xenith to make a substantiated comment as we have not received key advice or information from the Company at the time of this Report. However, it appears that approvals have been approved or are progressing in a reasonable manner.

## 9.2 State Approvals

All Tasmanian approvals for the Project under the State legislation below and found in Table 2318 (excerpt from G6M approvals document[31]), are current and approved. This aligns with the Project status as approved, compliant and operational. A condition of the Environmental Protection Notice (**EPN**) 7442/3[32] is to conduct an Annual Environmental Review to inform the Director and the public of the environmental performance of the activities. G6M completed the review for the 2023 calendar year[33] and found that all approvals are secured, no environmental exceedances occurred and only a minor reporting error was recorded. This reporting error has since been updated to align with requirements.

### 9.2.1 Relevant Legislation

- **Environmental Management and Pollution Control Act 1993 (EMPCA)**

31 Australian Tungsten G6M Dolphin Tungsten Mine Approvals 230302
32 EPN 7442_3 Permit Variation Dolphin Tungsten Mine Group 6 Metals
33 Annual Environmental Review G6M 2023 update 240826

  - The EPN regulates the majority of the environmental impacts associated with the construction and operation of the Project.
  - Mining activities requiring a permit may need to be assessed under the EMPCA as Level 2 activities (those with significant environmental risks).
  - Legislation under which the Tasmanian Environmental Protection Authority (**EPA**) issues the EPN7442/4.
- **Mineral Resources Development Act 1995 (MRDA)**
  - Legislation under which Mining Lease 2080P/M and 2136P/M are issued.
  - Regulates the exploration and development of mineral resources.
  - Outlines requirements for obtaining mining leases, exploration licenses, and retention licenses.
  - Environmental considerations, such as rehabilitation obligations, are addressed through lease conditions.
- **Land Use Planning and Approvals Act 1993 (LUPAA)**
  - Legislation under which King Island Council approved the development application for the Mine as per DA 0506/2006.
  - Provides the framework for land use planning and development approvals.
  - Mining projects may require a Permit Authority assessment under LUPAA, often in conjunction with EMPCA.
- **Threatened Species Protection Act 1995**
  - Protects listed threatened species and habitats in Tasmania.
  - Mining project must assess and mitigate impacts on threatened flora and fauna.

### 9.2.2 Conservation Covenant

In December 2022, G6M committed 37.28 ha of land towards a Conservation Covenant area of notable sects of Blue Gum Eucalyptus forests which provides habitat for threatened flora and fauna[34]. This was acquired to offset the clearing of listed threatened native vegetation communities. The agreement was executed in December and registered with the Tasmanian Land Titles Office on 19 May 2023[35].

### 9.2.3 Rehabilitation and Closure Planning

On 18 June 2021, G6M received approval for the Project's Mine Closure, Decommissioning and Rehabilitation Management Plan (**MCDRMP**)[36]. The approval of the MCDRMP was a condition as per the requirements of Condition DC3 of Permit DA 26/0506 as varied by EPN 7442/2 for the development of the Project[37]. The MCDRMP requires annual updating and approval from the EPA. The document outlines the standards and rehabilitation methodologies to be met for operations and ultimate closure.

The MCDRMP is EPA approved and current. G6M has stated that all Security Bonds have been paid in full to the Minister administering the MRDA to cover all obligations on granted mineral tenements. This aligns with the overall State approvals being met allowing for operations to continue.

34 Conservation Covenant Offset Australian Tungsten 220131
35 G6M Conservation Covenant Land Title Dealing - E228879 - 19 May 2023
36 Annual Environmental Review G6M 2023 update 240826
37 G6M Annual Report 2023

**Table 23 - State and Federal Approvals (current 2023)**

| Approval | Date | Approval Authority | Provides for | Expiry |
|---|---|---|---|---|
| DA 26/0506 | 22 May 2009 | King Island Council | Expansion of existing open cut mine, reclamation of Grassy Bay, construction of tailings dam & mine processing plant along with all ancillary structures and site facilities. 1.6 Mt of raw material processed. | Current.<br>Does not expire |
| EPN 7442/2 | 9 Oct 2017 | Environment Protection Authority | Amended mining operation – Open Cut mining resource extraction. Construction of tailings dam and mine processing plant. 1.3Mt of material processed per annum. | Amended to EPN 7442/3 |
| DA 2018/41 | 30 Nov 2018 | King Island Council | Processing Plant and Associated Mine Infrastructure.<br>2-year extension granted in Oct 2020.<br>New DA in process of being approved to replace existing permit of Processing Plant and to include Portside Links within the approved Dolphin Tungsten Mine. | Current<br>Substantially commenced does not expire |
| EL 19/2001<br>Exploration Licence | 24 Dec 2001 | Mineral Resources Tasmania | Exploration for minerals over 67 square kilometres.<br>2-year extension approved as before. | Renewed<br>Expires 14 Dec 2024 |
| CML 2080P/M<br>Mining Lease | 6 Apr 2020 | Mineral Resources Tasmania | Mining operations approved over 566ha of combined Mining Lease ML 1M/2006 and ML 2060 P/M | Current<br>Expires 5 Jun 2029 |
| WL 8766<br>Water License | 26 Jul 2020 | DPIPWE Tasmania<br>Water Resources | Water extraction license for commercial use from Lower Grassy Dam.<br>Summer: 200ML Surety5 1/12-30/4 + Winter: 297ML Surety5 1/5-31/11 | Current<br>December 2057 |
| Numerous Management Plans for EPA & KI Council | 2021 & 2022 | Environment Protection Authority | Fulfilled conditions of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 to commence construction. | Current<br>Updates every 5 yrs. |

| Approval | Date | Approval Authority | Provides for | Expiry |
|---|---|---|---|---|
| | | | | |
| Mine Closure Decommissioning and Rehabilitation Management Plan | 18 June 2021 | Environment Protection Authority | as per the requirements of Condition DC3 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit) | Current |
| Raised Beach and Geoheritage Management Plan. | 18 December 2021 | Environment Protection Authority | as per the requirements of Condition X1 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit | Current |
| Dust Management Plan, | 21 December 2021 | Environment Protection Authority | as per the requirements of Condition A1 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit). | Current |
| Weed and Soil Disease Management Plan | 4 January 2022 | Environment Protection Authority | as per the requirements of Condition FF7 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit). | Current |
| Noise Management Plan | 14 January 2022 | Environment Protection Authority | as per the requirements of Condition N2 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit). | Current |
| Procedure – Monitoring of Coastal Processes | 19 January 202 | Environment Protection Authority | as per the requirements of Condition M7 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit) | Current |
| Orange Bellied Parrot Habitat Management Plan Addendum | 21 January 2022 | Environment Protection Authority | as per the requirements of Condition FF5 of Permit DA 26/0506 as varied by Environment Protection Notice (EPN) No. 7442/2 (the Permit). | Current |

| Approval | Date | Approval Authority | Provides for | Expiry |
|---|---|---|---|---|
| ENVIRONMENT PROTECTION NOTICE NO. 7442/3 & CONDITION FF1 AND FF3 AMENDMENT APPROVAL | 24 Jan 2022 | Environment Protection Authority | Amended mining operation – Open Cut mining resource extraction. Construction of tailings dam and mine processing plant. 1.3Mt of material processed per annum. Amended to accommodate the conservation covenant and the seabird handling permit. | Current<br>Substantially commenced does not expire |
| TSF FOOTPRINT INCREASE APPROVAL | 23 My 2022 | Environment Protection Authority | Approval to increase the footprint of the tailings storage facility (TSF) associated with the Dolphin Tungsten Mine at Grassy, King Island in accordance with Condition G5 of Permit DA 26/0506 as varied (the Permit). | Current |
| EPN 11190/1 | 26 May 2022 | Environment Protection Authority | The carrying out of dam works in respect of Stage 1 of the Tailings Storage Facility (ACTIVITY TYPE: EPN only) DOLPHIN TUNGSTEN MINE, | Current<br>No expiration date |
| SEABIRD MANAGEMENT PLAN | 11 April 2022 | Environment Protection Authority | Approval for management of Little Penguins (Eudyptula minor) and their burrows; and Short-tailed Shearwaters (Ardenna tenuirostris) | Current |
| Permit to take threatened species No. DA 22306 | 7 April 2022 | Department of Natural Resources and Environment | Authorisation to take wildlife and products of wildlife, being Little Penguins (Eudyptula minor) and their burrows; and Short-tailed Shearwater (Ardenna tenuirostris) | Current |
| DA2022/05 Single Persons Quarters West | 14 April 2022 | King Island Council | Construction of 34 Single Persons Accommodation Quarters at 2871 Grassy Road Grassy | Substantially Commenced |
| TSF UPDATED TAILINGS STORAGE | 29 August 2022 | Environment Protection Authority | Approval of 'Dolphin Project TSF Design', related to design improvements for the tailings storage facility (TSF) | Current |

| Approval | Date | Approval Authority | Provides for | Expiry |
|---|---|---|---|---|
| FACILITY DESIGN IMPROVEMENTS | | | associated with the Dolphin Tungsten Mine at Grassy, King Island. | |
| DA2022/05 Single Persons Quarters East | 22 December 2022 | King Island Council | Construction of 22 Single Persons Accommodation Quarters at 2889 Grassy Road Grassy | Substantially Commenced |
| Conservation Covenant | 23 December 2022 | The Crown in the State of Tasmania | INSTRUMENT creating Restrictive Covenants pursuant to section 34 Nature Conservation Act 2002 Lodged by PLCP on 23-Dec-2022. Registration of Conservation Covenant over 34ha of land and high value conservation vegetation | Awaiting Minister's Signature |
| Permit to take threatened species – DA 22473 | 7 February 2023 | Department of Natural Resources and Environment | Authorisation to take threatened flora Blueberry ash Elaeocarpus reticulatus - up to 6 individuals, Australian mulberry Hedycarya angustifolia - up to 2 individuals, bootlace bush Pimelea axiflora subsp. axiflora - up to 3 individuals | Current |

## 9.3 Federal Approvals

### 9.3.1 EPBC Referral (2023/09653)

Commonwealth approvals are regulated under the *Environment Protection and Biodiversity Conservation Act 1999* (**EPBC**). This is enacted when there is predicted impact upon potential habitat for the listed species under the EPBC Act or impacts to Matters of National Ecological Significance (**MNES**). Construction of Stage 2 of the Tailings Storage Facility (**TSF**) for the Project impacts upon potential habitat of two listed species.

An Ecological Assessment, a Significant Impact Assessment (**SIA**) and detailed botanical, ecological and bird surveys have been undertaken over the course of the project. The proposed action within ML 2080P/M, involves the clearance of 6.7ha of potential habitat for:

- King Island Scrubtit *Acanthornis magnus greenianus* (Scrubtit);
- King Island Brown Thornbill *Acanthiza pusilla archibaldi* (Thornbill); and
- King Island Green Rosella *Platycercus caledonicus subsp brownii.*

This has triggered G6M to submit the EPBC Referral (2023/09653)[38], which commenced on 15 September 2023. The referral decision is currently active, however, the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) issued a letter to G6M[39] requesting further information to be provided due to reasons listed below.

DCCEEW has requested for further information due to concern that the following related referral actions may comprise the larger aspects of the Project including:

- Stage 1 (and its operation);
- Tailings Dam and Stage 2;
- Development of the Bold Head Tungsten deposit;
- Possible renewable energy infrastructure to power the Dolphin tungsten mine; and
- Any other proposed stages or alterations to the larger Project.

DCCEEW then issued a *Notification of suspension of referral and assessment approach decision timeframe*[40] on 20 March 2024 accompanied with the following statement:

*"The referral decision timeframe has been suspended with the statutory timeframe for a referral decision and assessment approach starting after the department receives the additional information requested by a delegate of the Minister for the Environment under Section 76(2)."*

G6M has stated that ongoing consultation with DCCEEW on this matter continues whilst it remains in active assessment. However, G6M states that they have spoken to DCCEEW and they have been informed that processing the referral may take time as the Department is very busy. This was received in anecdotal form[41] (in email) by Xenith. G6M provided DCCEEW the report on the impact of vegetation clearing on EPBC Act (1999) listed bird species[42] as additional information to support the Referral and to reply to the allegations of illegal clearing, which is discussed in the next section. No further information has been provided on this matter to gain additional understanding on the referral status. Xenith has viewed the publicly available EPBC Referral portal that shows the Referral assessment as "Active".

38 00-2023-09653 Referral
39 EPBC 2023-09653 - Letter to Proponent - Request for further information
40 EPBC 2023-09653 - Referral - Stop Clock - RFI - Decision Notice
41 EPBC Referral_Latest Communication
42 20240919_Dolphin Tungsten Mine final report_Dr Ross Crates

Given the nature and extent of the RFI from DCCEEW, there is a considerable risk that that an Environmental Impact Statement (EIS) will be required to encompass all aspects of the operation.

### 9.3.2 Illegal clearing allegation

Separate to the EPBC Referral, G6M was issued a letter advising that DCCEEW had received an allegation of illegal clearing related to the Project[43]. It was alleged that between January 2022 and March 20, approximately 80 ha of vegetation was cleared and DCCEEW was concerned that this may have impacted MNES protected under the EPBC Act. DCCEEW issued a request for information regarding the alleged incident with a response required by 1 November 2023 and notified G6M that a site inspection may be carried out.
G6M responded[44] to DCCEEW on 23 November 2023 refuting the claim of illegal clearing by stating that no MNES has been surveyed on the site and that prior disturbance is related to the lack of vegetation, despite rehabilitation efforts.

DCCEEW subsequently issued a Monitoring Warrant[45] for the alleged clearing to be carried out on 29 August 2024[46].

G6M received a letter from DCCEEW[47] outlining the results of the Monitoring Warrant and that the Department has taken into consideration all the available information, including the attached ecological report from Dr Ross Crates, dated September 2024 prepared following an assessment of the Site on 29 August 2024. The Report concludes that the Alleged Action does not or is unlikely to have the potential to represent a significant impact to MNES that this matter is resolved.

## 9.4 Conclusion

The Project is currently operational and approved under Tasmanian State legislation. This includes rehabilitation and closure requirements whereby the MCDRMP is approved by the EPA and all security bonds are paid in full.

Assessments are still underway at a Federal level with the EPBC Referral (2023/09653) currently active. G6M states that ongoing consultation is being held with Commonwealth Government (DCCEEW) to progress the referral. However, DCCEEW has already raised concerns that the referral is inadequate due to a lack of information for G6M not considering all aspects of operations. Whilst this is reasonable part of the referral process, this may extend approval timeframes. Xenith has not received any additional information at the time of this Report to gain further understanding of the matter. However, it is expected that an EIS will be required.

An additional Federal matter has been raised with allegations of illegal clearing of 80 ha of vegetation which has been resolved with DCCEEW.

Excluding this, Xenith believes that all State approvals are approved and Federal approvals are progressing in a reasonable manner (albeit slowly), at the time of this Report.

43 231018_RFI
44 231123 G6M Response EPBC Allegation 231120 Final
45 240828_Monitoring warrant
46 Site inspection under monitoring warrant
47 20241008_Outcome of investigation

# 10. Dolphin Project – Land Access and Stakeholder Engagement

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Xenith note the Updated Model Assumptions provided no new information in respect to Land Access and Stakeholder Engagement and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in the Section below.*

The following section provides a summary of Xenith's review of the status of land access and stakeholder engagement. This summary aims to provide guidance into any risks associated with land access and stakeholder engagement compliance and obligations.

## 10.1 Land Access Overview

An exploration licence will be granted subject to the restriction of providing a landowner 14 days written notice prior to entering private land. In some instances, where a landowner objects to the grant of the lease, their land may be removed from the exploration licence. Exploration work must also be undertaken in accordance with the Minerals Exploration Code of Practice (the **MECOP**), including approval from Mineral Resources Tasmania.

A mining lease may only be granted over private land where a compensation agreement has been made between the landowner and the mining company. Similar to exploration licences, where a landowner objects to the grant of the lease, in some cases their land may be removed from the mining lease.

The Minister may impose any further conditions deemed appropriate to exploration licences and mining leases.

Exploration licence EL 19/2001 is granted. Mining Lease 2080P/M is granted.

Mining lease application 2136P/M has been submitted over the Bold Head exploration area and G6M have provided information relating to the property acquisition process.

Xenith requested a full list of properties that fall within the mining and exploration leases to review. Xenith have not received advice or information relating to this request from the Company at the time of this Report.

In Xenith's opinion, land access is currently managed at a level considered to be Reasonable.

## 10.2 Stakeholder Overview

G6M reported in their Annual Report 2022[48] their commitment to Environmental, Social and Governance (ESG) by establishing an Environmental Social Governance Committee Charter, formalising an Environmental Social Governance Policy, community and government consultation efforts and community engagement programs. Xenith requested to sight these documents. G6M have provided the "POLICY – Code of Conduct"[49] which does not explicitly include ESG but includes sections and clauses relating to these areas. G6M demonstrate community and government consultation and engagement through their Grassy Community Consultative Committee meeting minutes as discussed below in section 10.2.1.

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[48] G6M Annual Report 2022
[49] DTM-ADMIN-POL-001 220128 Code of Conduct Policy

The G6M Annual Report 2023[50] mentions the adoption of Socialsuite for ESG reporting disclosure. Xenith inquired if reports may be generated, or information shared relating to the social reporting areas. Xenith have not received advice or information relating to this request from the Company at the time of this Report.

Xenith have not received any further additional advice or information from the Company to demonstrate stakeholder engagement for the Project at the time of this Report.

### 10.2.1 Development Consent

Conditions and commitments relating to the wider community are included under DA 26/0506 (see Table 18) as follows:

- Section 7: conditions relating to Social and Community
  - Including the establishment of a Grassy Mine Consultative Committee
- Section G9: Complaints register
  - For public complaints

G6M have established a Grassy Community Consultative Committee and have provided the required parties listed on the development consent with the opportunity to participate. G6M have provided the associated minutes for meeting dates as follows:

- 9 October 2014
- 15 April 2015
- 7 April 2022
- 11 August 2022
- 24 November 2022
- 9 March 2023
- 1 June 2023
- 12 October 2023
- 8 February 2024
- 9 May 2024

The minutes present open and ongoing dialogue of community concerns, and the review did not identify any exceptional community issues or disputes.

In Xenith's opinion, stakeholder engagement is currently managed at a level considered to be reasonable.

[50] G6M Annual Report 2023

# 11. Dolphin Project – Native Title and Cultural Heritage

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Xenith note the Updated Model Assumptions provided no new information in respect to Native Title and Cultural Heritage and accordingly our opinion remains consistent with that determined as set out in the Model Findings of this Report in the Section below.*

The following section provides a summary of Xenith's review of the status of native title and cultural heritage. This summary aims to provide guidance into any risks associated with native title and cultural heritage compliance and obligations.

## 11.1 Native Title and Cultural Heritage Overview

G6M have provided a draft "POLICY – Aboriginal Native Title & Cultural Heritage"[51] with commitments including, but not limited, to:

› Embedding cultural heritage and native title considerations into the concept and planning phases of projects and activities,
› Identify, initiate, and maintain contact with any potential indigenous groups which may hold rights and interests in the relevant area,
› Conduct appropriate site assessment of cultural heritage and native title, consult relevant databases and any applicable Indigenous Land Use Agreements,
› Use best practice guidelines as soon as is practicable after the company is granted approval to commence any activity or project holding a potential cultural heritage and native title implication,
› Ensure records are captured detailing all activities undertaken in relation to the conduct of cultural heritage identification, cultural heritage and native title impact risk assessment, site inspections and ongoing project monitoring activities.

G6M provided the following document as part of this review process:

› Desktop Historical Cultural Heritage Assessment (see Section 11.3.1).

## 11.2 Native Title

The *Native Title Act 1993 (Commonwealth)* sets out processes that must be followed for any "future act" on land or waters that may affect Aboriginal and Torres Strait Islander peoples' native title rights and interests. Under the *Native Title Act 1993 (Commonwealth)* certain acts are attributable to the State. The purpose of the *Native Title (Tasmania) Act 1994* is to validate past acts, and to confirm certain rights for related purposes.

No documents were provided to demonstrate native title considerations or assessments that have been developed for the Project. Xenith requested a full list of properties (and their tenure class, i.e. freehold, leasehold, etc) that fall within the mining and exploration leases to review. Xenith have not received advice or information relating to this request from the Company at the time of this Report. A cursory review of the tenure underlying the mine shows it as largely Freehold land which has likely extinguished native title.

[51] DOL-ADM-POL-008 Aboriginal Native Title and Cultural Heritage Policy

For personal use only

At the date of writing, native title is not a significant aspect of the legal and policy landscape in Tasmania. There are no current native title applications, no accepted native title registrations, no native title determinations (and therefore no registered native title bodies corporate) and no native title representative bodies in Tasmania.

In Xenith's opinion, taking into consideration the native title legal and policy landscape, and provided G6M are following their policy, the native title risk can be managed at a level considered to be Reasonable. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy
- Keep detailed written records of native title assessments completed for the Project.

## 11.3 Cultural Heritage

### 11.3.1 Historical Cultural Heritage Overview

The *Historic Cultural Heritage Act 1995* is the primary legislation relating to historical cultural heritage in Tasmania. Recently the *Historic Cultural Heritage Amendment Bill 2024* was passed, introducing amendments to further protect historic heritage, address anomalies and improve processes.

A Desktop Historical Cultural Heritage Assessment[52] was prepared by SEMF Ltd and provides an overview of the historical context of the King Island Scheelite mine (now Dolphin tungsten mine operated by G6M). This assessment was included as an Appendix to the King Island Sheetlite Ltd Development Proposal and Environment Management Plan (**DPEMP**) 2006[53]. It recommends the engagement of a qualified archaeologist to undertake site inspection and incorporate those results with the desktop study to satisfy best practice. No further evidence is provided to support this recommendation was actioned.

#### 11.3.1.1 Development Consent

Conditions and commitments relating to historical cultural heritage are included under Development Consent DA 26/0506 (see Table 18) as follows:

- Section 2: conditions relating to Historic Cultural Heritage
  - Report to be based on an on-site investigation
- Section X2: Mining Heritage Survey conditions
- Attachment 3: Commitments from DPEMP
  - No 49: Minimise impacts on the existing crusher foundations and acknowledge the status of the crusher and the mine history.

Environment Protection Notice No. 7442/2 varies the conditions of permit DA 26/0506 to further include conditions relating to historical cultural heritage as follows:

- CN1 Construction Environmental Management Plan
  - 2.6 cultural (Aboriginal and non-Aboriginal) heritage considerations
- X2 Mining Heritage Survey

No additional reports were provided to Xenith to demonstrate the compliant on-site assessment was developed for the Project.

In Xenith's opinion, the Desktop Historical Cultural Heritage Assessment may not be compliant with the requirements of the DA 26/0506 and may present a Project risk if challenged. Xenith recommends G6M:

[52] Kostoglou, P. (2005). *Desktop historic cultural heritage assessment: Final, King Island Scheelite Mine*. Archaeological Services Tasmania. Prepared for S.E.M.F. Pty Ltd. Hobart, Tasmania.
[53] S.E.M.F. Pty Ltd. (2006) King Island Scheelite Ltd: development proposal and environmental management plan. Hobart, Tasmania.

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy,
- Review and action the Historic Cultural Heritage conditions of DA 26/0506 and Environment Protection Notice No. 7442/2 as soon as practicable,
- Keep detailed written records of historical heritage assessments completed for the Project.

### 11.3.2 Aboriginal Cultural Heritage Overview

Archaeological investigations have been undertaken on the wider King Island area and provide evidence for tangible Aboriginal cultural sites on the island. In 1979 Rhys Jones[54] identified three archaeological sites across King Island, collectively containing hundreds of artefacts. The artefacts identified were primarily made from quartzite, quartz and hard grey calcrete. Jones identified that the quartz and dark grey metamorphic rocks had been transported to the island, suggesting that the materials were manuports. Further, Robin Sim[55] surveyed King Island between 1987 and 1988 resulting in the identification of 22 prehistoric stone artefact sites, including dense stone artefact scatters and midden material, and four (4) historical archaeological sites.

The *Aboriginal Heritage Act 1975* (amended from the *Aboriginal Relics Act 1975*) is the primary legislation for the protection of Aboriginal cultural heritage in Tasmania. The *Aboriginal Heritage Act 1975* binds all persons to report findings of relics and prevent harm to relics.

Aboriginal Heritage Tasmania has developed Standards and Procedures[56] to assist proponents in navigating the statutory requirements for identifying risks, and appropriately manage impacts, to Aboriginal cultural heritage. At a minimum, an Aboriginal Heritage Property Search, or Before You Dig Australia, search request should be undertaken for small scale proposals. An Aboriginal Heritage Desktop Review should be requested where an activity is of a large scale, is occurring on public land, or intersects with registered Aboriginal heritage or is a risk to impacting Aboriginal heritage.

There is no evidence to support that any requests have been made to Aboriginal Heritage Tasmania to identify the presence of Aboriginal cultural heritage within the Project.

Xenith requested G6M provide any records relating to Aboriginal cultural heritage searches, desktop reviews or assessments. G6M have referred Xenith to the "POLICY – Aboriginal Native Title & Cultural Heritage" and have advised:

*There has never been an Aboriginal Heritage Assessment completed as the site was already considered a disturbed site from the historical mining and rehabilitation activities that occurred from 1917 to 2007.*

No supporting documentation was provided to Xenith to assess and confirm the boundaries of the historical mining and rehabilitation footprints relative to the current Project.

In Xenith's opinion, this approach does not show due diligence with the Standards and Procedures developed by Aboriginal Heritage Tasmania and may present a Project risk if challenged. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy,
- Request the Aboriginal Heritage searches and review (applicable to activity and scale) as soon as practicable,
- Keep detailed written records of Aboriginal heritage assessments completed for the Project.

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[54] Jones, R. (1979). A Note on the Discovery of Stone Tools and a Stratified Prehistoric Site on King Island, Bass Strait. *Australian Archaeology*, *9*, 87–94. http://www.jstor.org/stable/40286323

[55] Sim, R. (1990). Prehistoric Sites on King Island in the Bass Strait: Results of an Archaeological Survey. *Australian Archaeology*, *31*, 34–43. http://www.jstor.org/stable/40287003

[56] Department of Natural Resources and Environment Tasmania. (2024). *Aboriginal heritage standards and procedures*. Aboriginal Heritage Tasmania.

#### 11.3.2.1 Development Consent

Conditions and commitments relating to Aboriginal cultural heritage are included under DA 26/0506 as follows:

- Attachment 3: Commitments from DPEMP
  - No 50: Stop operations in the area of Aboriginal artefacts if uncovered.

Environment Protection Notice No. 7442/2 varies the conditions of permit DA 26/0506 to further include conditions relating to Aboriginal cultural heritage as follows"

- CN1 Construction Environmental Management Plan
  - 2.6 cultural (Aboriginal and non-Aboriginal) heritage considerations
- LO3 Aboriginal relics requirements

The Environment Protection Notice reiterates the legislative protection of Aboriginal heritage sites under *Aboriginal Heritage Act 1975.* Adherence to the Development Consent Conditions and Environment Protection Notice will provide Reasonable cultural heritage risk management.

#### 11.3.2.2 EBPC Referral 2023/09653

G6M has lodged EPBC Referral 2023/09653[57]. Section 3.3 of the referral relates to Heritage. Section 3.3.2 asks to describe any Indigenous heritage values that apply to the project area and the response is "King Island has been unoccupied by homo sapiens since prior to the previous last glaciation 12,000 years ago." Lack of human occupation does not negate the presence of Aboriginal heritage as evidence by archaeological investigations and does not show due diligence with the Standards and Procedures developed by Aboriginal Heritage Tasmania.

## 11.4 Conclusion

In Xenith's opinion, taking into consideration the native title legal and policy landscape, and provided G6M are following their policy, the native title risk can be managed at a level considered to be Reasonable. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy
- Keep detailed written records of native title assessments completed for the Project.

In Xenith's opinion, the Desktop Historical Cultural Heritage Assessment may not be compliant with the requirements of the DA 26/0506 and may present a Project risk if challenged. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy,
- Review and action the Historic Cultural Heritage conditions of DA 26/0506 and Environment Protection Notice No. 7442/2 as soon as practicable,
- Keep detailed written records of historical heritage assessments completed for the Project.

In Xenith's opinion, G6M's approach to Aboriginal heritage assessments does not show due diligence with the Standards and Procedures developed by Aboriginal Heritage Tasmania and may present a Project risk if challenged. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy,
- Request the Aboriginal Heritage searches and review (applicable to activity and scale) as soon as practicable,

[57] 00-2023-09653 Referral

- Keep detailed written records of Aboriginal heritage assessments completed for the Project.

# 12. Dolphin Project – Market Value of Resources not included in Model

*As set out at Section 1.2 above, the Model Findings, including the content of this chapter, represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Accordingly, this chapter does not contain any updated information provided with the Updated Model, and attention is drawn to the Executive Summary of this Report for a comprehensive summation of the Updated Findings.*

As set out in the Letter of Instruction. Xenith are required to assess the market value of any resources and reserves not incorporated in the Model, and any other exploration tenements.

Accordingly, Xenith has considered:

3. Ore Reserves not consumed through mining in the LOMP reflected in the Model;
4. Mineral Resources not consumed through mining in the LOMP reflected in the Model;
5. Exploration Tenement EL19/2001; and
6. Other mineral assets – consisting of potential resources contained within the TSF.

The results of our assessment are set out in the subsections below.

Xenith highlight, for the reasons set out in this section, the value assessed should be considered a Technical Value and accordingly can only be considered the potential Market Value of the assessed mineral assets.

## 12.1 Summary of Value

The value of Ore Reserves and Mineral Resources not included in the Model is estimated to $71,500 (Technical Value).

Table 24 below summarise Xenith's assessment of the potential value of the various mineral assets not consumed by the Model.

Table 24 - Summary of potential Value of Resources not in Model

| Item | Low | High | Preferred |
|---|---|---|---|
| Remnant Reserves | nil | nominal | nil |
| Remnant Resources | nil | nominal | nil |
| EL19/2001 | nominal | $22,000 | $11,000 |
| Tailings | $36,500 | $84,500 | $60,500 |
| **Total** | **$36,500** | **$106,500** | **$71,500** |

## 12.2 Valuation Methodology

There are a number of valuation approaches available to assess the value of a mineral asset. These valuation approaches comprise:

- Income approach (e.g. discounted cash flow methodology)
- Market approach (e.g. comparable transactions methodology)
- Cost approach (e.g. sunk costs or current replacement cost methodologies).

Under each valuation approach, there are a number of different valuation methodologies. In selecting an appropriate valuation approach and methodology with which to undertake the Valuation, we have had regard to:

- the purpose of the Valuation;
- the nature of the assets being valued;
- the extent and reliability of the available information; and
- the development status of the assets and the corresponding guidance from the VALMIN Code, summarised in Table 24 below.

Table 25 - VALMIN Code guidance on applicable valuation methodologies

| | Exploration Projects | Pre-Development Projects | Development Projects | Production Projects |
|---|---|---|---|---|
| **Income Approach** | No | In some cases | Yes | Yes |
| **Market Approach** | Yes | Yes | Yes | Yes |
| **Cost Approach** | Yes | In some cases | No | No |

*Source: VALMIN code, 2015 edition, page 29*

Xenith has reviewed the Ore Reserves and Mineral Resources outside of the Dolphin LOMP and have determined that the most appropriate valuation method is the Market approach using comparable transactions. A cost-based approach was also considered for the exploration tenement however lack of cost information rendered this unsuitable. The Income approach is appropriate for the LOMP but not considered suitable for the remaining resources due to the absence of relevant technical studies to support potential future production schedules.

### 12.2.1 Comparable Transactions

The comparable transactions methodology is based on the principal of substitution (i.e. that a buyer will pay no more for the subject project than would be sufficient to purchase a comparable project) and contribution (i.e. that specific characteristics add value to a project).

For the purposes of a mineral asset valuation, a valuer compiles and analyses 100% equity acquisitions of, or market driven enterprise values, of projects of a similar nature, time and circumstance with a view to establishing a range of values that the market is likely to pay for a project.

In determining the comparable sales transactions for the Project's Ore Reserves and Mineral Resources outside of the Model, Xenith identified and considered 5 separate sales transactions within the preceding 6 years involving tungsten assets having regard to:

a) Assets in production or pre-production stage, with all approvals in place (consistent with the Project);
b) Tenements in exploration stage;
c) Tungsten being the main metal mined;
d) Existence of a declared Ore Reserve and/or Mineral Resource (tonnes, (t)).
e) Location of the asset in respect to access to rail, port and other infrastructure.
f) Date (relevancy) of the transaction.

Of the 5 transactions considered, 3 were considered reasonably comparable to a producing asset, and 1 was comparable to EL19/2001 (exploration stage). One transaction for an exploration tenement was excluded as there was no declared resource for the tenement. Details of the relevant comparable transactions are listed in the tables below and a summary of all considered transactions is included in **Appendix C**.

Table 26 below summarises the EV/t Resource multiple for the 3 reasonably comparable Production/Pre-Production transactions asset containing Mineral Resources.

Table 27 below summarises the EV/t Contained Metal multiple for the 3 reasonably comparable Production/Pre-Production transactions asset containing Mineral Resources.

For the Production/Pre-Production assets, Xenith considers the contained metal $WO_3$ multiple (EV/t Contained Metal) more relevant since the Resource multiple (EV/t Resource) does not take into account the large variation in ore grades between the different subject assets.

We also note the Project has particularly high grade relative to other tungsten producers and consider the EV/t contained metal is the most appropriate reflection of potential value.

**Table 26 - Comparable Transaction - Production/Pre-Production (Resources)**

| Announcement date | Target Asset | Transaction value (A$M) | Equity | EV 100%(A$M) | JORC Resource (Mt) | EV/t Resource |
|---|---|---|---|---|---|---|
| 5/7/24 | Mt Carbine (Australia) | $7.5 | 50% | $15 | 59.3 | 0.253 |
| 15/8/23 | Barruecopardo (Spain) | $25 | 100% | $25 | 24.4 | 1.026 |
| 1/5/18 | Watershed (Australia) | $15 | 100% | $15 | 49.3 | 0.304 |
| | | | | | **Mean** | **0.528** |

*Source: Xenith Analysis*

**Table 27 - Comparable Transaction - Production/Pre-Production ($WO_3$)**

| Asset | Target Asset | Transaction value (A$M) | Equity | EV 100%(A$M) | Grade ($WO_3$%) | $WO_3$ (kt) | EV/kt $WO_3$ |
|---|---|---|---|---|---|---|---|
| 5/7/24 | Mt Carbine (Australia) | $7.5 | 50% | $15 | 0.07-0.14% | 68.8 | 0.218 |
| 15/8/23 | Barruecopardo (Spain) | $25 | 100% | $25 | 0.195% | 47.5 | 0.526 |
| 1/5/18 | Watershed (Australia) | $15 | 100% | $15 | 0.14% | 70 | 0.214 |
| | | | | | | **Mean** | **0.320** |

*Source: Xenith Analysis*

Table 28 below summarises the EV/t Resource multiple for the single comparable exploration tenement transaction.

**Table 28 - Comparable Transactions - Exploration tenement**

| Announcement date | Target Asset | Transaction value (A$M) | Equity | JORC Resource (Mt) | EV/t Resource |
|---|---|---|---|---|---|
| 20/11/2024 | Mt Mulgine (Australia) | $3.3 | 100% | 259 | 0.013 |
| | | | | **Mean** | **0.013** |

*Source: Xenith Analysis*

Xenith highlights that it is common practice to adjust comparable transactions for market sentiment factors such as price variations and exchange rates.  All the transactions in this evaluation were in Australian dollars and the limited public information on price movements for $WO_3$ suggest little variation. Accordingly, and in the absence of the availability of specific commodity price information for the date of each transaction, Xenith have not undertaken a market adjustment to the multiples.

## 12.3 Remnant Ore Reserves and Mineral Resources

### 12.3.1 Ore Reserves

As outlined in section 1.3.9 above the LOMP consumes 4.49Mt of the JORC Probable Reserves (including actuals to date) of 4.87Mt, leaving approximately 0.4Mt of Ore Reserves not consumed by mining.

In considering the potential value of the remnant Ore Reserve Xenith have considered the following:

- Discussions with Management confirmed that they did not believe any Ore Reserves not consumed by the current LOMP were recoverable; and
- Our review of the mine plans confirmed any remnant Ore reserves consist of small, isolated quantities on the peripheral of the mining designs.

Based on the above considerations, Xenith do not consider the remnant Ore Reserve to be of significant quantity or concentration to permit safe or efficient extraction and accordingly do not consider it reasonable that the remnant Ore Reserves hold any material Market Value.

Our assessment of the Market Value of the remnant Ore Reserves is therefore nil to nominal only.

### 12.3.2 Mineral Resources

As summarised in Table 14 of Section 5.3.2 above. The Projects Mineral Resource consist of 11.2Mt at an average grade of 0.91 $WO_3$. Accordingly, excluding the 4.87Mt of Ore Reserves discussed above, and excluding the 1.76Mt of Resources contained in EL19/2001, there remains approximately 4.57Mt of remnant Mineral Resource not consumed by the LOMP included in the Model.

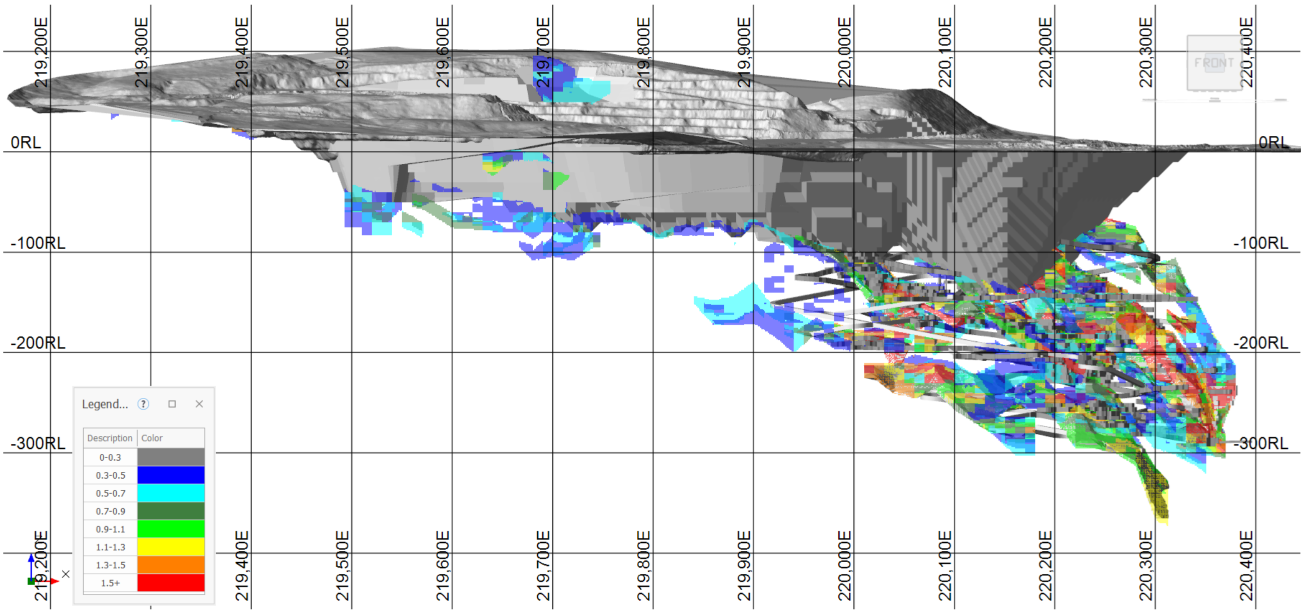
In considering the potential value of the remnant Ore Reserve Xenith have considered the following:

- Discussions with Management confirmed that they did not believe any Mineral Resources not already within the LOMP were recoverable;
- Our review of the mine plans confirmed:
  - any remnant Mineral Resources consist of small, isolated quantities on the peripheral of the mining designs;
  - some areas of Mineral Resources were not included in the Ore Reserves and LOMP due to predicted ground conditions following previous underground mining;
  - some underground stope dimensions/limitations limited the ability to recover all Mineral Resources;
  - the grade distribution of the Dolphin Mineral Resource demonstrates the majority of the remnant areas of Mineral Resource are of lower grades of around 0.0 to 0.7% as illustrated by the blue shades of Figure 27 below (LOMP mined areas are shown by the grey area);
  - some stope designs have been contemplated for the lower-level high grade blocks but no design exists for development of access or extraction drives to access these areas;
  - the grade profile for the Dolphin Resource post mining depletion, as shown in Figure 28 below, illustrates that at a grade cut-off of 1% (horizontal access) the Mineral Resource tonnes above this grade is approximately 1.4Mt (left hand access).

Based on the above considerations, Xenith do not consider the remnant Mineral Resource to likely be of significant quantity or concentration to permit conversion to Ore Reserve for economic extraction, and accordingly do not consider it reasonable that the remnant Mineral Resources hold any material Market Value.

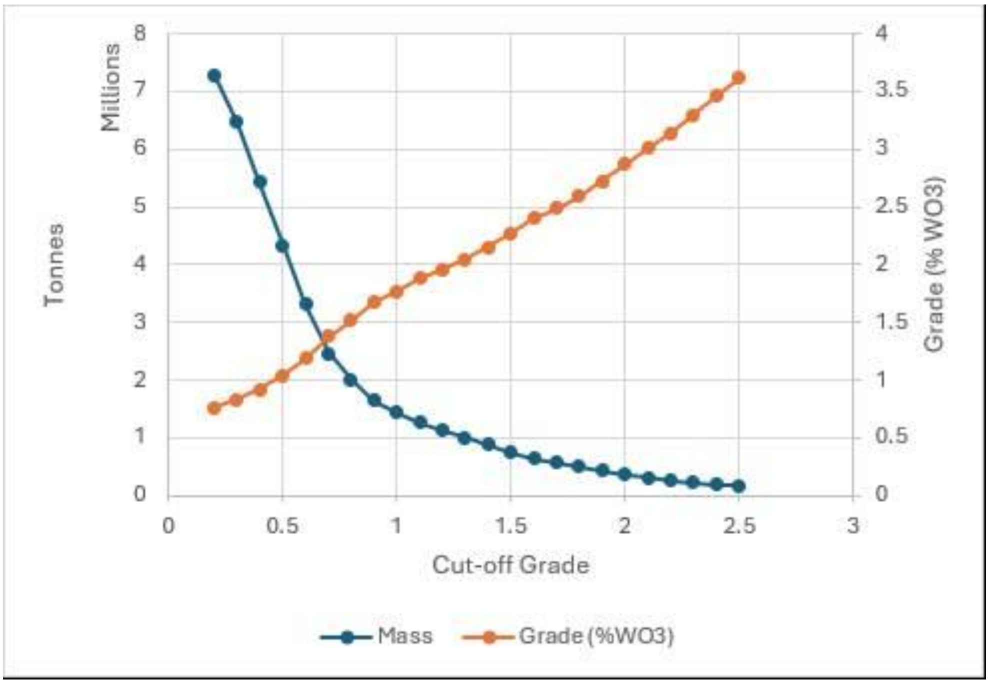
Our assessment of the Market Value of the remnant Mineral Resources is therefore nil to nominal only.

**Figure 27 Dolphin mine design grade block profile**




*Source: Mining Information*

**Figure 28 Dolphin Project's Mineral Resource tonnes and grade curves post mining depletion**




*Source: Mining Information*

## 12.4 Exploration Tenements

As listed in section 3.1 the Dolphin mine has one exploration lease (EL19/2001).

Our discussions with Management during the Site Inspection confirmed that based on existing data it is unlikely that there are significant unidentified deposits within EL19/2001. As set out at Table 10 in Section 4.3.1 above, a JORC Mineral Resource of 1.76 Mt, at an average $WO_3$ grade of 0.91% has been estimated for EL19/2001.

Table 29 below demonstrates that applying the EV/t Resource multiple from the recent comparable Exploration asset transaction implies a potential Market Value for EL19/2001 of approximately $22,000.

Xenith note the relatively small size of the Mineral Resource, approximately 15% of the total Dolphin Project's Mineral Resource, may constrain the perceived viability of the Mineral Resource as a standalone project and accordingly Xenith considers a lower range value of nil to nominal reasonable.

**Table 29 - Market Value - EL19/2001**

| Asset | JORC Resource (Mt) | EV/t Resource | EV (A$) |
|---|---|---|---|
| EL19 | 1.76 | 0.013 | $22,000 |
| Low | | 0.000 | Nominal |
| High | | | $22,000 |
| **Preferred** | | | **$11,000** |

G6M has recently lodged an application for a 24 month extension to EL19 with an expected spend of $300,000 over the two years. Historical exploration spend was not available at the time of writing this Report. Holding cost for the lease is negligible. Hence, it has not been possible to value the exploration tenement on a cost basis.

Based on this information, Xenith considers the expected market value of EL19/2001 to be a relatively immaterial value of "nominal to $22,000", with a preferred figure representing the midpoint of our range of $11,000.

## 12.5 Other Mineral Assets

In considering other potential mineral assets not included in the Model, Xenith have assessed the potential value that may exists in any tailings contained with the TSF on site.

This consideration is based on the fact:

› It is not uncommon for tailings to be re-treated where improved technologies allow for recovery of historic quantities of minerals suspended in tailings;

› The Projects tailing $WO_3$ grade remains higher than many tungsten producers and higher than all of the 3 comparable transactions identified in our analysis;

› Substantial historic and recent tailings tonnages are contained on site.

According to Site management, since the plant was commissioned, there have been 277,000 tonnes of tailings deposited with a grade of 0.3% $WO_3$.

In addition, there are substantially higher tonnages of tailings in place from the historic mining operation. Management was unable to confirm the volume or grade of these historic tailings and they have not been included in our assessment but Xenith note they represent a potential opportunity subject to further technical studies.

Xenith have considered the potential market value of the recent tailings as set out in Table 30 below.

Our assessment considers:

- the tonnage and grade of the existing tailings;
- an assumed discount of 50% to the tailings tonnage to reflect the lack of any defined JORC Resource and certainty in respect to continuity of grade;
- the Resource EV/t of $0.528kt $WO_3$ as set out at Table 26 above;
- the contained metal EV/t of $0.32kt $WO_3$ as set out at Table 27 above;
- a discount to the implied values of 50% to reflect the complexities and limits of current technologies in recovering metal from the fine/slime tailings material, as demonstrable from the processing plants current challenges in respect to the treatment of fines.

Based on the above assumptions, the existing tailings have a potential value of $36,500 to $84,500, with a preferred value representing the mid-point of the assessed range of $60,500 as set out at Table 30 below.

Xenith stress this valuation should not be considered a Market Value and is more representative of a Technical Value since in the absence of appropriate technical studies and JORC Resources the assessment is reliant on the assumptions assumed as set out above.

**Table 30 – Potential value of Tailings (Technical Value)**

| Asset | Tailings (t) | Grade (% WO3) | WO (kt) | EV/t Resource | EV Resource (A$) | EV/kt $WO_3$ | EV $WO_3$ (A$) |
|---|---|---|---|---|---|---|---|
| Tailings | 138,500 (representing 50% of the known tailings) | 0.30% | 0.415 | 0.528 | $73,000 | 0.320 | $169,000 |
| Fines Recovery Discount (50%) | | | | | $36,500 | | $84,500 |
| Low | | | | | $36,500 | | |
| High | | | | | | | $84,500 |
| **Preferred** | | | | | | | **$60,500** |

# 13. Model Findings conclusion

*The following summary of the Model Findings is provided for purposes of transparency, traceability and comparison against the Executive Summary of this Report.*

*As set out at Section 1.2 above, the Model Findings represent Xenith's assessment of the Model and Impairment Model, and other Mining Information prior to receipt of the Updated Model from G6M.*

*Accordingly, this concluding summary is superseded by the Executive Summary to this Report which provides Xenith's Updated Findings, inclusive of the review of the Updated Model and associated Mining Information.*

The concluding summary below should be read in conjunction with the detailed analysis contained in this Report.

## 13.1 Summary of objectives

BDO Corporate Finance Ltd (BDO) have been appointed by Group 6 Metals Limited (G6M) to prepare an independent expert's report (IER) in relation to a proposed recapitalisation transaction that will involve raising new capital and converting existing debt to equity (the Transaction).

The IER is required for inclusion within a Notice of Meeting to be provided to the shareholders of the Company. The Notice of Meeting is to provide shareholders with the information they require to make an informed decision in respect to the Transaction.

BDO have been engaged to act as the Independent Expert (IE) and provide the IER to provide an opinion on whether the proposed Transaction is fair and reasonable to non-associated shareholders.

Given the nature of the G6M assets, BDO require an Independent Technical Specialist (ITS) as defined by the Australasian Code for Public reporting of Technical Assessments and Valuations of Mineral Assets, 2015 edition (the VALMIN Code) to prepare an Independent Technical Specialist Report (ITSR) to assist BDO in assessing their opinion.

Accordingly, G6M has appointed Xenith Consulting Pty Ltd (Xenith) to undertake the ITSR under Instruction from BDO, and G6M, as set out in Section 2.3.

## 13.2 Outline of work program

The Letter of Instruction (Instructions) requires Xenith to review the technical project assumptions of the Dolphin Tungsten Mine located on King Island, Tasmania (the Project) and provide a written ITSR setting out Our opinion as to:

7. the reasonableness of each of the assumptions used in the Projects cash flow model (Model Assumptions), understood to be the Microsoft Excel document "*Project Stone - LOM Operating Model - 12 September 2024 vF*" (the Model), including the:
    a. resources and reserves incorporated into the Model, and the treatment of any residual;
    b. mining physicals (including tonnes of ore mined, quality, waste material, and mine life);
    c. processing physicals (including ore processed and produced);
    d. production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies);
    e. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency); and

f. any other relevant technical assumptions not specified above.

8. the market value of any resources and reserves not incorporated in the Model, and any other exploration tenements.

Relevant technical and financial information and material were provided to Xenith by G6M personnel (**Management**). A review of this information was undertaken, along with other publicly available data and information sourced by Xenith (collectively the **Mining Information**). The Instructions are attached in Section 14 of this Report.

## 13.3 Summary of opinion – Model Assumptions

The ITSR has considered the areas set out in the scope of work summarised in section 2.3 below.

The Model includes a range of Model Assumptions, particularly in the near-term process engineering area which based on Xenith's review and informed by the Request For Information (RFI) process, are considered unlikely to occur.

Accordingly, G6M provided Xenith with a secondary model, the 'Impairment Model' which provided an update to some of the near-term Model Assumptions, predominantly for CY25, before reverting to the original Model Assumptions and inputs from January CY26.

Based on the Mining Information and Management advice provided, and assuming areas of recognised risk are appropriately addressed by G6M, including adoption of the Impairment Model updated assumptions, Xenith have not identified any fatal flaws to the Model Assumptions, noting that the process engineering area has not performed to expectations to date, and that G6M have a range of plans in place to address various elements of performance in this area and certain risks exist in respect to some other areas of the Project as set out in this Report.

Accordingly, our Base case findings assume G6M pursue and are successful in the implementation of these process engineering improvement areas and managing other Project risks, but also highlight that in our opinion the plans proposed by G6M are largely focussed at ensuring the current plant meets operational design performance, and that in our experience additional studies, optimisation and associated expenditure may be required to achieve targeted performance.

Various other areas have also been identified across the Model Assumptions that are likely to, or may, impact the schedule over shorter term periods. Xenith have adopted the following structure in considering the reasonableness of the Model Assumptions:

9. **Xenith Base Case** – Xenith have considered the Model Assumptions for reasonableness, and where necessary have made recommended adjustments to the Models Assumptions to reflect a Xenith Base Case; and
10. **Alternative Case** – Where Xenith has identified potential risk with the Xenith Base Case assumptions, we have included these areas in an "Alternative Case" intended to appropriately reflect these risks.

Xenith's findings are summarised below by key subject matter area, and in Table 6 below. A summary schedule of Xenith's assumptions by month for CY25 in respect to both the Xenith Base Case and Alternative Case is listed in **Appendix B**.

### 13.3.1 Tenure

Australian Tungsten Pty Ltd, are the holder, and operator of the Project tenements, consisting of:

› EL 19/2001;
› 2080P/M; and
› 2136P/M

On the 11th of May 2023, Mining Lease Application MLA 2136P/M was registered over the area of land "Bold Head"[58]. The available data does not provide specific information on the progress of the application.

Exploration license EL 19/2001 has an upcoming expiry on the 14th of December 2024, however according to RFI#1 response the renewal application has been lodged for a 24-month extension.

### 13.3.2 Geology and Resources

Xenith has undertaken a review of the Project's geology and the Resource estimates as set out in Section 4 of this Report. Xenith has not independently verified the Mineral Resource or Reserve estimates by means of recalculation.

The quality of the drill hole data logging is asserted to be of high quality, however, this is solely based on the reputation of the previous mining company and has not been verified using independent means.

Whilst density data is deemed reasonable without a comprehensive data set, G6M started a campaign to collect more SG data from available and historic cores. When the SG are collected, a regression study between the SG data and the assay data will be performed to determine if there is a correlation between the SG, $WO_3$, and Mo concentrations. If SG, $WO_3$, and/or Mo correlate, then the correlation is applied to the model to estimate SG.

Applying the variogram model and subsequent search ellipse potentially smooths the mineral resource estimate and masks the variability of the $WO_3$ grade in the Mineral Resource. It is recommended that the mineralisation domains be sub-domained and the variograms be calculated and modelled according to the domain's direction of maximum continuity. The search ellipse size is then chosen to reflect the ranges of the semi-variogram models.

There are inconsistencies in the Mineral Resource estimate compared to what Xenith deems as industry best practice. These inconsistencies introduce risks to the Mineral Resource estimate that has not been evaluated and quantified. As set out in the body of this Report, to properly assess and quantify the risks, the Mineral Resource should be re-estimated using methods and practices Xenith considers the industry's best practice.

### 13.3.3 Mining

Xenith has undertaken a review of the Project's mining method and production plans as set out in Section 5 of this Report. It is recommended that the following factors be considered when considering the reasonableness of the Model Assumptions in respect to the mining schedule and costs:

- Based on the CY25 Open Cut Strategy and the CY25 Underground Strategy, assume risks related to the initial ramp-up period for the Dolphin UG such as delays in capital and interactions with open pit activities are able to be mitigated. Accordingly, we make no adjustment to the Model's assumed first production and ramp up for the Dolphin UG.
- For the reasons set out at section 5.1.1 below, we adopt the CY25 Open Cut Strategy and associated mining schedule for the Alternative Case.
- Increase the capital expenditure to remove the savings factor discounts applied to capital costs, including the 4.32% applied to the Dolphin UG and the additional 5% discount to all mining areas. In Xenith's opinion this adjustment is reasonable for the Base case and the Alternative Case.
- Increase the operating expenditure to remove the 5% efficiency gain / cost reduction program discounts applied to operating costs. In Xenith's opinion this adjustment is reasonable for the Base Case, and for the Alternative Case. Xenith reinforces uncertainty around the contractor costs adopted by G6M as set out in Section 5.8.

[58] Annual Environmental Review, 2023 Calendar Year, Dolphin Tungsten Mine, Grassy, King Island

### 13.3.4 Processing

Xenith has undertaken a review of the Project's Processing facilities and performance as set out in Section 6 of this Report.

The Model Assumptions are not considered reasonable for the reasons set out below and in section 6.

In respect to process plant throughout and processing, indicated target throughputs and recoveries from January 2025 are not reasonable. Xenith also note the alternative schedule presented in the Impairment Model provided as part of the RFI process which shows throughput and recoveries progressively ramping up to target levels by April 2025, whilst more realistic in Xenith's opinion the Impairment Schedule is also optimistic.

In Xenith's opinion:

- a more reasonable Base Case for throughput and recoveries is to extend the processing plant ramp up toward targeted rates until end Q3 CY25, reflecting the progressive process of the engineering improvement program; and
- an Alternative Case for throughput and recoveries is to assume a full twelve month ramp up from the date of this Report before targets are realised to reflect the additional uncertainties associated with the incremental nature of the engineering program with targeted rates only achieved from January CY26.

In respect to capital, Xenith anticipate the action plan to bring the plant to design will be subject to change, and the plant design will likely require flowsheet change and further development.

Based on Xenith's experience the deployment of capital is subject to various influences including access to capital, testing and confirmatory programs, availability of raw materials, supplier constraints and logistics, and installation complications and limitations. Since the ramp-up in throughput and recoveries remain contingent on the G6M's prioritised incremental capital improvement program, it is equally at risk of its timing and success in solving the progressive plant process constraints.

Accordingly, the following capital costs are considered reasonable in alignment with the forecast production ramp up schedules:

- Base Case – adopt the Impairment Model's capital forecast for 2025 of $6.2M consistent with the Xenith Base Case production ramp up, and in anticipation the action plan to bring the plant to design will be subject to change, and the plant design will likely require flowsheet change and further development, add another 50% of 2025 forecast capital cost as a contingency spread over 2026 and 2027.
- Alternative Case – assume the latest site capital estimate noted above of $8.2m for 2025 in line with the extended 12-month throughput and recovery ramp up, and in anticipation the action plan to bring the plant to design will be subject to change, and the plant design will likely require flowsheet change and further development, add another 50% of 2025 forecast capital cost spread over 2026 and 2027.

### 13.3.5 Other Model Assumptions

Xenith has undertaken a review of the Model Assumptions outside of the Mining and Processing technical inputs as discussed in Section 8 of this Report.

Xenith considers the 5% cost saving factor applied to all operating costs and all capital cost to be unreasonable, accordingly the Xenith Base case and Alternative Case excludes this discount. There are no specific programs or enough historical data to confirm these savings are reasonable over the full life of mine.

Xenith's Base Case amends support costs to align with the Impairment Model and our Alternative Case has a more conservative forecast beyond 2025. The Xenith Base Case and Alternative Case adopts the lower CY25 price forecasts of the Impairment Model for the life of mine and amends the exchange rate to reflect current market consensus forecasts. It is recommended to consider sensitivities that cover both upside and downside for price, opex and capex.

### 13.3.6 Environmental Approvals

Xenith has undertaken a review of the Project's Environmental approval status as set out in Section 9 of this Report. The Project is currently operational and approved under Tasmanian State legislation. This includes rehabilitation and closure requirements whereby the Mine Closure, Decommissioning and Rehabilitation Management Plan (**MCDRMP**) is approved by the EPA and all security bonds are paid in full.

Assessments are still underway at a Federal level with the EPBC Referral (2023/09653) currently active. G6M states that ongoing consultation is being held with Commonwealth Government Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) to progress the referral. However, DCCEEW has already raised concerns that the referral is inadequate due to a lack of information for G6M not considering all aspects of operations. Whilst this is a reasonable part of the referral process, this may extend approval timeframes. Xenith has not received any additional information at the time of this Report to gain further understanding of the matter. However, it is expected that an EIS will be required.

An additional Federal matter has been raised with allegations of illegal clearing of 80 ha of vegetation which has been resolved with DCCEEW.

Excluding this, Xenith believes at the time of this Report, all State approvals are current and Federal approvals are progressing in a reasonable manner.

### 13.3.7 Land access & Stakeholder Engagement

Xenith has undertaken a review of the Project's Land access and Stakeholder engagement status as set out in Section 10 of this Report. In Xenith's opinion, land access and stakeholder engagement is currently managed at a level considered to be reasonable.

### 13.3.8 Native Title and Cultural Heritage

Xenith has undertaken a review of the Project's Native title and Cultural heritage status as set out in Section 11 of this Report. In Xenith's opinion, taking into consideration the native title legal and policy landscape, and provided G6M are following their policy, the native title risk can be managed at a level considered to be reasonable. Xenith recommends G6M:

- Finalise and adhere to their Aboriginal Native Title and Cultural Heritage Policy; and
- Keep detailed written records of native title assessments completed for the Project.

No supporting documentation was provided to Xenith to assess and confirm the boundaries of the historical mining and rehabilitation footprints relative to the current Project. In Xenith's opinion, this approach does not show due diligence standards expected within the Standards and Procedures developed by Aboriginal Heritage Tasmania and may present a Project risk if challenged.

In Xenith's opinion, the Desktop Historical Cultural Heritage Assessment may not be compliant with the requirements of the DA 26/0506 and may present a Project risk if challenged.

### 13.3.9 Findings summary

Xenith's findings are summarised in the table below. We present our **Xenith Base Case** and **Alternative Case** as defined at Section 13.3 above.

**Table 31 - Summary of Original Technical Findings**

| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| Mineral Resource | The Dolphin Mineral Resource is dated April 2015<br>The Bold Head, Mineral Resource estimate, was updated in 2019 | The Projects Mineral Resource estimate is not unreasonable. However, Xenith note:<br>› the JORC Estimate[59] identifies an absence of quality assurance and quality control data in respect both exploration and assay testing, albeit a history of drilling confirming the presence, grade and tenor of remnant mineralisation is noted. Xenith would ordinarily expect a demonstrable and comprehensive QA/QC program be in place in best practice JORC Estimates; and<br>› the entire Mineral Resource is classified as Indicated as per the JORC Code. Whilst not in itself unreasonable, Xenith highlight that in our experience having an entire Mineral Resource of a single classification is not usual. | As per Xenith Base Case |
| Reserve | Probable Ore Reserve: 4.87 Mt @ 0.9 $WO_3$% (Dolphin OC: 2.93 Mt @ 0.76 $WO_3$%; Dolphin UG: 1.5 Mt @ 1.24 $WO_3$%; Bold Head | The Ore Reserves have not been updated in the past 12 months per the JORC Code's annual review requirements. Application of current prices and costs may cause an adjustment to the Projects estimated Ore Reserves and accordingly Xenith highlight | As per Xenith Base Case |

[59] Mr Tim Callaghan, Dolphin Mine Mineral Resource Estimate King Island, April 2015, Section 3.5, Page 21 and Table 1, Section 1 Page 42.

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| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| | OC: 0.05 Mt @ 1.0 $WO_3$%; Bold Head UG: 0.39 Mt @ 0.9 $WO_3$%) | potential risk exists in respect to reliance upon the stated Ore Reserves.<br>Xenith note that the Model's production targets, in addition to the above Probable Ore Reserves are further underpinned by materially greater volumes of Indicated Mineral Resource. Of significance, the Model's production targets are not contingent on any lower certainty Inferred Mineral Resource or Exploration Targets.<br>Accordingly, notwithstanding Xenith's emphasis of some risk in respect to the Ore Reserve estimates, Xenith consider the mine production target to be reasonable based on the combination of stated Ore Reserves, the large volume of Indicated Mineral Resource, and absence of lower certainty Mineral Resources and exploration targets. | |
| Life of Mine (LOM) Project Schedule | Dolphin OC Stage 1: May'24-Dec'26<br>Dolphin UG: Mar'26 to Feb'32<br>Dolphin OC Stage 2: Jan'30-Sep'34<br>Bold Head OC: Oct'30-Feb'31 (first ore from Oct'30)<br>Bold Head UG: May'32-Oct'35 | The Projects schedule is not unreasonable. The mining equipment rates assumed for the pit and underground are reasonable. Xenith notes that there are a number of risks that could impact production schedule as outlined in section 5.7. | For the reasons set out at section 5.1.1 below, we adopt the CY25 Open Cut Strategy and associated mining schedule for the Alternative Case.<br><br>The CY25 underground strategy underpin the reasonableness of the Model Assumptions assumed start date of first production from the Dolphin UG in March 2026. |

| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| Production | Mining 0.3 Mt per annum from FY25. Peak production in FY33 when Dolphin OC Stage 2 and Bold Head UG are mined. | Ore production volumes are reasonable. Ore tonnes planned to be mined (including provided actuals to date) total 4.49 Mt vs. Ore reserves of 4.87 Mt.<br><br>The CY25 Open Cut Strategy and the CY25 Underground Strategy, assume risks related to the initial ramp-up period for the Dolphin UG such as delays in capital and interactions with open pit activities are able to be mitigated. Accordingly, we make no adjustment to the Model's assumed first ore production and ramp up for the Dolphin UG. | The CY25 Open Cut strategy envisages variations to timing of ore production however rescheduling of these volumes is not considered material and no adjustment to the Model LOM assumptions is assumed.<br><br>The CY25 Open Cut Strategy and the CY25 Underground Strategy, assume risks related to the initial ramp-up period for the Dolphin UG such as delays in capital and interactions with open pit activities are able to be mitigated. Accordingly, we make no adjustment to the Model's assumed first ore production and ramp up for the Dolphin UG. |
| Saleable Tonnes | Total: 4.04M mtu of $WO_3$ (Jan'24 onwards) | It is reasonable to expect the Ore Reserve and Project physicals to closely match (including consideration of mining depletion). $WO_3$ mined (including actuals to date) total 4.04 Mmtu in the Project schedule versus Ore Reserves of 4.49 Mmtu and are considered within reasonable limits. | As per Xenith Base Case |
| Mining Operating Cost (**Opex**) | Total: $336million (2025 onwards)<br>Unit cost: $42.1/bcm | Adopt Impairment model for 2025 and remove the 5% operating expenditure savings factor from 2026 onwards.<br>Xenith reinforces uncertainty around the contractor costs adopted by G6M as set out in Section 5.8 below. | As per Xenith Base Case |

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| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| Mine Capital Cost (**Capex**) | Total: $103.0million<br>Dolphin OC: $40.5million<br>Dolphin UG: $42.1million<br>Bold Head OC + UG: $20.5million | Adopt Impairment model for 2025 and remove the 5% capital expenditure savings factor from 2026 onwards.<br><br>In addition remove the additional 4.32% discount applied to Dolphin UG capital costs. | As per Xenith Base Case |
| **Plant** | | | |
| Recovery rate | Average of 66% in 2025 and average of 72% 2026 onwards | Adopt a gradual increase from 50% in Q1’25, 55% in Q2’25, 68% in Q3’25 and 72% in Q4’25. Then revert to Impairment Model assumptions from Jan 2026. | Adopt the CY Open Cut Strategy forecast of a gradual increase from 50% in Q1’25, 55% in Q2’25 and Q3’25 and 60% in Q4’25. Then revert to Impairment Model assumptions from Jan 2026. |
| Processing Operating cost | Total: $196million 2025 onwards | Adopt Impairment model for 2025 and remove the 5% savings factor from 2026 onwards | As per Xenith Base Case |
| Processing Capital cost | Total: $10.4M | Adopt impairment model estimates for 2025 and add a contingency of 50% of the 2025 capex estimate. spread over 2026 and 2027 | Adopt the CY Open Cut Strategy forecast and add a contingency of 50% of the 2025 capex estimate spread over 2026 and 2027 |
| **Other** | | | |
| Support costs | $72M, ~$500k per month | Align with Impairment model and add $300k/month in corporate overhead for 2025 and $143k/month 2026 onwards | Add $300k/month 2025 onwards (i.e. no reduction in CY26) |

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| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| | | Align Admin & Accounting cost with Impairment model to $491k/month in 2025 and $292k/month 2026 onwards<br>Align Camp & Messing cost with Impairment model to $209k/month in 2025 and $94k/month 2026 onwards. | Extend the 2025 rate of $491k/month from 2026 onwards for Admin & Accounting (i.e. no reduction in CY26)<br><br>Extend the 2025 rate of $209k/month 2026 onwards for Camp & Messing (i.e. no reduction in CY26) |
| Price | 2025: $340/mtu<br>2026 onwards: $365/mtu<br>Impairment model: 2025; $325/mtu, 2026 onwards: $365/mtu | For 2025 it is recommended to align with the Impairment Model and adjust price to $325/mtu<br>Long-term price 2026 onwards of $365/mtu appear optimistic - it is recommended to amend to $325/mtu 2026 onwards. | As per Xenith Base Case<br>Run sensitivities on long-term price of $300/mtu |
| FX (AUD:USD) | Flat 0.67<br>Impairment model: flat 0.7 | Apply most recent Consensus forecast (e.g as set out in Section 8.4 below) | As per Xenith Base Case |
| Royalties | Max 5.25% of sales calculated in real dollars | Amend rate to 5.35% and calculate on nominal dollars | As per Xenith Base Case |
| Cost savings -Opex | 5% on all opex 2025 onwards<br>Impairment model: 5% on all opex 2026 onwards | Exclude the 5% cost savings factor. Assumed cost savings not backed up by targeted programs or specific capital investment<br><br>Run sensitivities on +/- 10%. | As per Xenith Base Case |

| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| Cost savings - Capex | 5% on all capex 2025 onwards<br>Impairment model: 5% on all capex 2026 onwards | Exclude 5% cost savings factor. Assumed cost savings not backed up by targeted programs.<br>Run sensitivities on +/- 10%. | As per Xenith Base Case<br><br>Run sensitivities on +/- 10%. |
| **Mine Closure** | | | |
| Mine Closure Cost | $3.6M for rehabilitation in Model, nothing for rehabilitation in Impairment Model but $5.7M in June 2036 for "dismantling" in Impairment Model | Include both rehabilitation ($3.6M) and dismantling cost ($5.7M) | As per Xenith Base Case |
| **Environmental Approvals** | | | |
| State Approvals | | All State approvals are being met | All State approvals are being met |
| Federal Approvals | | Federal approvals are currently being assessed and rely on adequate information provided by G6M to DCCEEW. Assumed to be a Controlled Action. | Federal approvals are currently being assessed and rely on adequate information provided by G6M to DCCEEW. Assumed to be a "Controlled Action".<br>Inherent risk of EIS being required. DCCEEW has notified G6M of significant information gaps in EPBC Referral. Likelihood of lengthy approval process and increased cost to clarify position i.e. technical studies to support EIS. |

| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| **Land Access & Stakeholder Engagement** | | | |
| Land Access | | Managed at Reasonable level | Xenith highlights that a full list of properties was not provided by G6M at the time of this Report to make a full assessment of the Project risk. |
| Stakeholders | | Managed at Reasonable level | Xenith highlights the stakeholder sentiments may shift and G6M should remain vigilant about their process and associated documentation relating to community and stakeholder engagement. |
| **Native Title & Cultural Heritage** | | | |
| Native title | | Managed at Reasonable level | Xenith highlights the native title landscape in Tasmania may shift and G6M should remain vigilant about their native title assessment requirements and associated documentation. |
| Historical Cultural heritage | | Managed at Reasonable level | Xenith highlights that potential risk exists in potential non-compliance with the DA conditions relating to historical cultural heritage. |
| Aboriginal Cultural heritage | | Managed at Reasonable level | Xenith highlights that potential risk exists in not undertaking Aboriginal heritage assessments or requesting searches and reviews in line with the Standards and |

| Model Input Item | Model Assumption | Xenith opinion – Xenith Base Case | Xenith opinion – Alternative Case |
|---|---|---|---|
| | | | Procedures developed by Aboriginal Heritage Tasmania. |

## 13.4 Summary of Market value of Resources not included in Model

As set out in the Letter of Instruction. Xenith are required to assess the market value of any resources and reserves not incorporated in the Model, and any other exploration tenements.

Accordingly, Xenith has considered:

11. Ore Reserves not consumed through mining in the LOMP reflected in the Model;
12. Mineral Resources not consumed through mining in the LOMP reflected in the Model;
13. Exploration Tenement EL19/2001; and
14. Other mineral assets – consisting of potential resources contained within the TSF.

The results of our assessment are set out in the Section 12 of the Report.

Xenith highlight, for the reasons set out in Section 12, the value assessed should be considered a Technical Value and accordingly may only be considered the potential Market Value of the assessed mineral assets.

## 13.5 Summary of Value

The value of Ore Reserves and Mineral Resources not included in the Model is estimated to $71,500 (Technical Value).

For the reasons set out in Section 12 of this Report, Xenith do not consider the remnant Ore Reserve, or remnant Mineral Resources to be of significant quantity or concentration to permit safe or efficient extraction or conversion to Ore Reserve, and accordingly do not consider it reasonable that the remnant Ore Reserves and remnant Mineral Resources hold any material Market Value.

Xenith have assessed a relatively immaterial value in respect the Exploration Tenement EL1/2001, and marginal Technical Value in respect to other mineral assets in the form of the sites tailings.

Table 32 below summarise Xenith's assessment of the potential value of the various mineral assets not consumed by the Model.

**Table 32 - Summary of potential Value of Resources not in Model**

| Announcement date | Low | High | Preferred |
|---|---|---|---|
| Remnant Reserves | nil | nominal | nil |
| Remnant Resources | nil | nominal | nil |
| EL19/2001 | nominal | $22,000 | $11,000 |
| Tailings | $36,500 | $84,500 | $60,500 |
| **Total** | **$36,500** | **$106,500** | **$71,500** |

# 14. Letter of Instruction

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Australia

**Private and Confidential**

Andrew Knuckey
General Manager - Advisory & Australia West
Xenith Consulting Pty Ltd
Level 31, 10 Eagle St Brisbane Qld 4000
Via email: Andrew.Knuckey@xenith.com.au

19 November 2024

Dear Andrew,

**Engagement Agreement - Independent Technical Expert Analysis for G6M**

This letter is to confirm our instructions to you on the services we are requesting you to provide.

We have been engaged by Group 6 Metals Limited ('G6M' or 'the Company') to prepare an Independent Expert's Report ('Our Report') for inclusion within a Notice of Meeting to be provided to the shareholders of the Company. The Notice of Meeting is to provide shareholders with the information they require to make an informed decision on a proposed transaction. This transaction is a recapitalisation transaction that will involve raising new capital and converting existing debt to equity ('Proposed Transaction').

Our Report is required to provide an opinion on whether the Proposed Transaction is fair and reasonable to non-associated shareholders. Given the nature of the assets of G6M, we require a Specialist, as defined by the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 Edition* ('VALMIN'), to assist us with our opinion and prepare an Independent Technical Specialist's Report ('Your Report').

We advise that we will rely on and refer to your statements and conclusions in Our Report, and we will append a copy of Your Report or a summary of Your Report to Our Report. As our reports will be public documents you will be required to provide your consent to the use of Your Report in the form and context in which it will be published.

We will also provide you with a copy of our draft report and ask that you confirm that we have accurately referred to your report and reflected any statements you have made.

## Engagement Scope

We require you to review the technical project assumptions of the Dolphin Tungsten Mine located on King Island, Tasmania and provide us with an assessment on the reasonableness of each of the assumptions used in the cash flow model ('Model'), including the:

1. resources and reserves incorporated into the Model, and the treatment of any residual;
2. mining physicals (including tonnes of ore mined, quality, waste material, and mine life);

3. processing physicals (including ore processed and produced);
4. production and operating costs (including but not limited to drilling, blasting, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies);
5. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation, and contingency); and
6. any other relevant technical assumptions not specified above.

If you determine that an assumption included in the Model is unreasonable this must be reflected in Your Report with an explanation. We also ask you to advise us of this opinion before the completion of Your Report to assist us in making any appropriate changes to the Model.

We may also ask you to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate. We will discuss this with you should it arise.

We also request that you provide us with an independent opinion on the market valuation of any resources and reserves not incorporated in the Model, and any other exploration tenements.

Terms of your Engagement

*The VALMIN & JORC Codes*

Your Report must be prepared in compliance with VALMIN, the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012* ('JORC') and ASIC Regulatory Guide 111 *Content of expert reports* ('RG 111'). Your observance of these Codes and RG must extend beyond the disclosure in Your Report and include the use of disclaimers, your fee agreement with G6M, and the preparatory work you conduct.

We have engaged you because you have assured us that you meet the requirements of a Specialist under Section 2 of VALMIN and have the required competency to report on the assets that are the subject of this engagement.

Please advise us immediately if during the engagement you find you are unable to meet the VALMIN competency requirements or there will be additional signatories or contributors to Your Report because we are required to ensure that the competency requirements for all contributors are met.

Your Report should specifically include and/or address the following VALMIN principles or recommendations:

1. A competent person statement for the author and all contributors that demonstrates your claims against the requirements of a Specialist and the competency to conduct the work you have been engaged to do (sections 2.2 and 3.1);
2. The sources of any material information or data used and whether Consent has been required (sections 5.2(c) and (d));
3. Your fee and whether it is dependent on your conclusions, success or failure of the Proposed Transaction, or time and cost restrictions that negatively affect the depth of analysis or extent

of detail required to provide shareholders with the information they require to make an informed decision (section 6.3);

4. The provision of any previous reports (section 6.4);
5. If commercially sensitive information has been excluded (section 6.5);
6. A tenure list appropriately prepared (section 7.2);
7. Quality and reasonableness statements for any mineralisation, Mineral Resources, or Ore Reserves (section 7.3), and
8. An evaluation of risks (section 10).

Where inspection of a mineral asset or tenure is likely to reveal information or data that is material, we ask you to inspect it (VALMIN 11.1). If an inspection is not made, the reasons must be disclosed within Your Report and you must be satisfied that there is sufficient current information available to allow an informed evaluation to be made without an inspection. In any event, please advise us immediately if you are unable to obtain sufficient information to form an independent and thorough opinion (VALMIN 3.2(b)).

Where a valuation is required, Your Report must include at least two valuation approaches, explain why they are appropriate, and comment on how they have been prepared. If only one approach can be used you must explain why (section 8.3 VALMIN, and RG 111.64 -68). A range of values must be given and they must be as narrow as possible. If a narrow range cannot be given because of the level of uncertainty you must explain what factor/s create this uncertainty and how you can justify your findings despite this uncertainty (section 8.6 VALMIN, and RG 111.78-79).

## Independence

Your services are required to be carried out in compliance with ASIC Regulatory Guide 112 *Independence of experts* ('RG 112'). As this engagement requires you to be independent of G6M and the financiers[1] and their subsidiaries and associates, you must advise us immediately if, within at least the last two years you have had a professional relationship or provided services to these parties or any other interested party. You must also advise us if you have prepared documentation previously (e.g. a JORC estimate) that you believe you will required to critically assess as part of this engagement.

Your Report must include statements on your independence including whether there are any:

1. Financial or other interest that could reasonably be regarded as affecting your ability to give an unbiased opinion on your services to us;
2. Fees or benefits (direct or indirect) you will receive in connection with your report; and
3. Discussions or agreements with G6M and/or their associates on future work.

[1] Pure Asset Management Pty Ltd (ACN 616 178 771) in its capacity as trustee for The PURE Resources Fund (ABN 58 252 076 178), Elphinstone Holdings Pty Ltd (ACN 009 508 105), Chrysalis Investments Pty Ltd in its capacity as trustee for the Ellis Family Trust (ACN 064 046 224), and Abex Limited Company number 51583.

By accepting this engagement you also agree not to take instructions from G6M or other interested parties on your analysis or use of methodologies as this may compromise your independence and therefore the Proposed Transaction (RG 112.47).

If at any time you believe your independence has been compromised, including when obtaining the information required to prepare Your Report, please advise us immediately. If a compromise has occurred we will discuss this with you and we reserve the right to terminate this engagement. You also agree to indemnify BDO for any loss arising out of your loss of independence.

## Required Information

As a Public Report under RG 111 and VALMIN, Your Report must contain all the information that investors and their professional advisors would reasonably require and expect to find to make an informed decision on the subject of the report. In this regard, ASIC has publicly raised its concerns with the adequacy of disclosure by Specialists on assumptions, compliance with relevant industry codes, and the demonstration of a reasonable basis for assumptions and conclusions drawn. It is important that as a Specialist, you obtain sufficient information and provide a level of disclosure that supports your assumptions and conclusions. We may ask you to provide further information on the basis of your statements.

You are to liaise with G6M to obtain the necessary information for this engagement and all of the information you receive from G6M or us is to be treated as strictly confidential unless it is already in the public domain. We request that you ensure we are copied in on all correspondence and invited to attend all meeting and calls.

In gathering the required information we ask that you not discuss your preliminary views, future business, or cross-selling opportunities with G6M or other interested parties (RG 112.47). To do so may compromise your independence.

## Deliverables

We require from you the following:

1. Draft Report, excluding valuation analysis and conclusions;
2. Draft Report, including valuation analysis and conclusions;
3. Your Final signed report; and
4. Any Supplementary report required to be issued under RG 111.119-121.

Each of your draft reports is to be provided to us for review and distribution to the relevant Client parties for factual accuracy. We will provide you with any BDO or G6M comments for your consideration and ask that you only alter Your Report if you are persuaded that there has been an error of fact (RG 112.56).

We will rely on Your Report and any information you provide as being complete and accurate and you agree not to make any claim against us for any loss, damages, costs or expenses you may suffer or incur as a result of the information you obtained or relied upon to prepare Your Report. We will not conduct verification procedures or audit Your Report however, we will bring to your attention any information or statements that we have assessed as unreliable.

## Termination

Your engagement starts on the date the below Acceptance is signed and returned to us with this engagement agreement.

Our engagement will end on the provision of all Deliverables or the day following G6M's meeting seeking approval for the transaction.

We may also terminate this engagement agreement if you breach any of the requirements within, or we form the view that you are no longer independent or competent.

If your engagement is terminated you:

1. Agree to provide any transition assistance that may be reasonably requested;
2. Will continue to maintain your obligations of confidentiality and indemnity as set out within this engagement agreement; and
3. Will return all information obtained from G6M or us to the relevant party.

## Fees

BDO Corporate Finance Ltd is responsible for selecting the Specialist and negotiating the scope of the services you are to provide. This scope is contained within this engagement letter. The fees for your work will be agreed with G6M and payable by G6M to you. We request that you contact G6M directly to settle the terms under which you have been engaged including, access to the required information, indemnities, and fees. BDO Corporate Finance Ltd is not responsible for your fees.

## Your Acceptance

By your acceptance, you agree to indemnify us against any loss we may suffer as a result of reliance on your report or as a result of a breach of this agreement. This indemnity will not apply to any loss that results from any willful misconduct or fraudulent act or omission by us.

Please agree to the terms of our instructions by signing the below acceptance and returning a copy of this engagement agreement and acceptance to us at your earliest convenience.

If you have any questions in relation to the above, please contact me on (07) 3237 5676.

**BDO Corporate Finance Ltd**

**Mark Whittaker**
Director

## ACCEPTANCE

I have read the above engagement agreement from BDO Corporate Finance Ltd, and accept the scope and terms of this engagement.

I warrant that I am properly authorised to sign the acknowledgment on behalf of Xenith Consulting Pty Ltd.

**Signed:** ..............................................................

**Full name:** ..............................................................

**Position:** ..............................................................

**Dated:** ..............................................................

# Appendix A CV of Andrew Knuckey

xenith

# ANDREW KNUCKEY

## General Manager Advisory and Metals

**MBA (Financial Management) – Central Queensland University**
**Dip Mining and Mineral Technology – Curtin University**
**FAusIMM • AAICD**

Andrew leads Xenith's Advisory service providing clients with valuation, expert witness, technical assessment, due diligence, and owners representative services.

Andrew has a portfolio of technical, operational and financial skills with over twenty years in the mining industry including Mine Management and corporate secondment to the London headquarters of global mining house Anglo American.

Andrew's extensive industry experience is complimented by twelve years company and asset valuation experience in financial advisory and equity markets as a top ranked resource sector analyst.

### Mining industry experience

- comprehensive 20 year mining industry career across a wide range of commodities including gold, base metals, mineral sands, iron ore and coal with Australian and international operations
- leadership of large and complex operations including:
  - Project management of various West Australian manganese and gold operations
  - Mine manager Moura/Dawson operations (Queensland), producing over 8 million tonnes of metallurgical coking and thermal coal, and over 60 million cubic metres of overburden material, per annum
  - Mine manager German Creek open cut mine (Queensland), producing over 2 million tonnes of PCI coal and over 20 million cubic metres of overburden material, per annum. Development of major life of mine extension
  - Mine superintendent Callide mine (Queensland), producing over 6 million tonnes of thermal coal and over 40 million cubic metres of overburden material per annum
  - Advisory role to multiple South African coal operations
- leadership of large multifunctional workforces of over 700 persons including management of operational, technical, coal quality and contractor operations
- negotiation of industrial agreements, internal development proposals and strategic business plans
- strategic relationship management, international and cross-cultural border exposure
- safety and sustainable development leader, specialist advisor to corporate and divisional executive including corporate audits of diverse operating divisions
- Senior manager strategic business development including downstream coal to liquid projects.



### Financial advisory experience

- twelve years in Financial Advisory and Institutional Equity markets specialising in the metals and mining sector
- specialist skills in financial modelling, company and project valuation, strategy and the macro commodity environment
- Expert Witness and owners' representative services, financial evaluation and specialist advisor to corporate and divisional executive of exploration, mining and infrastructure companies, and Government departments
- extensive professional relationships with executive management of mining corporates and institutional investment market
- guidance to equity sales, trading, equity capital markets and debt financing
- top three ranked analyst in leading Australian Institutional Investor (2015 Peter Lee) survey.

### Recent Assignments

Some assignments to which Andrew has undertaken and contributed to in his recent career include:

- Expert Witness for Supreme Court (NSW) matter concerning valuation of various QLD mining tenements
- Independent Technical Specialist report and valuation concerning sale of a mining project in NSW
- valuation of Queensland copper and base metal exploration tenements for Joint Venture buy out

- valuation of a manganese project for a Northern Territory indigenous land council
- due diligence and project valuation for Queensland gold mining project
- valuation of a New South Wales antimony and gold mine for transfer duty purposes
- Technical Assessment Report for Northern Territory gold project to inform companies FID requirements
- Technical Assessment Report for Queensland based Copper project to support companies ASX listing
- due diligence and investment analysis for various Western Australian gold mining projects
- lenders independent engineer, due diligence and assurance of major Australian mine development
- due diligence for debt and equity investment purposes of a Queensland coal operation
- due diligence for M&A purposes of globally significant international coal operation
- due diligence for M&A purposes of Queensland coal operation
- valuation of Indonesian coal assets for potential loss claim
- expert witness report regarding an Indonesian coal dispute for arbitration purposes
- specialist advisory for insolvency sale of Queensland metallurgical coal mine
- valuation for stamp duty purposes of a Queensland metallurgical coal operation
- expert witness report and loss quantification for Queensland base metal royalty dispute
- expert witness report and valuation for major New Zealand steel producer
- Victorian Government financial support package cash flow monitoring of major industrial installation
- expert witness report for a manganese tenement dispute before the West Australian Wardens court
- specialist advisory regarding valuation of exploration assets for audit purposes
- financial and economic review of major Australian industrial manufacturer for Victorian Government
- valuation of a farm-in and joint venture agreement over an international gold deposit
- expert determination regarding reserved mineral rights over a shared mining tenure
- due diligence of a Tasmanian base metals operation on behalf of a potential non-bank lender.

## Qualifications/Memberships

- MBA, Financial Management (Central Queensland University)
- Graduate Diploma in Management (Central Queensland University)
- Diploma in Mining and Mineral Technology (Western Australian School of Mines, Curtin University)
- Successful Acquisitions programme (Ashridge London School of Business)
- Australian (WA & QLD) Open Cut Mine Managers statutory certificates
- VALMIN Code Reporting short course (AusIMM)
- Professional Certificate in ESG and Social Responsibility (AusIMM)
- Affiliate Australian Institute of Company Directors
- Fellow of the Australasian Institute of Mining and Metallurgy

## Professional Experience

| | | |
|---|---|---|
| **Manager Advisory** | 2020 – Current | **Xenith Consulting Pty Ltd** |
| **Director Corporate Value Advisory** | 2017 – 2020 | **PwC Australia** |
| **Director Metals & Mining Equities Research** | 2008 – 2016 | **Commonwealth Bank of Australia** |
| **Senior Business Development Manager** | 2007 – 2008 | **Anglo American Plc – London** |
| **Executive Safety Adviser (Secondment)** | 2005 – 2007 | |
| **Mine Manager Moura (Dawson) Mine** | 2003 – 2005 | **Anglo Coal Australia** |
| **Mine Manager German Creek Mine** | 2001 – 2003 | |
| **Production Superintendent** | 1996 – 2001 | |
| **Project Manager** | 1990 – 1996 | **Macmahon Contractors** |
| **Mining Engineer** | 1989 – 1990 | **Leighton Contractors** |

# Appendix B Xenith Base Case and Alternative Case 2025

| Base Case | | Stage 1 | | | | | | Stage 2 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
| Mining | *UOM* | | | | | | | | | | | | |
| Total Volume | *bcm* | 35,650 | 32,200 | 35,650 | 34,500 | 35,650 | 34,500 | 35,650 | 35,650 | 34,500 | 35,650 | 34,500 | 35,650 |
| Waste mined | *bcm* | 26,621 | 30,490 | 26,905 | 26,511 | 24,822 | 21,859 | 20,211 | 25,636 | 24,183 | 25,996 | 29,841 | 35,587 |
| Ore mined | *bcm* | 9,029 | 1,710 | 8,745 | 7,989 | 10,828 | 12,641 | 15,439 | 10,014 | 10,317 | 9,654 | 4,659 | 63 |
| Ore mined | *tonnes* | 29,796 | 5,644 | 28,857 | 26,365 | 35,733 | 41,717 | 50,948 | 33,047 | 34,046 | 31,858 | 15,373 | 207 |
| Mined Grade | *WO3%* | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Processing | | | | | | | | | | | | | |
| Ore processed | *tonnes* | 16,000 | 22,680 | 22,680 | 30,240 | 31,248 | 30,240 | 31,248 | 31,248 | 30,240 | 31,248 | 30,240 | 31,248 |
| Feed grade | *WO3%* | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Recovery | *%* | 50% | 50% | 50% | 55% | 55% | 55% | 68% | 68% | 68% | 72% | 72% | 72% |
| MTU Produced | *mtu* | 6,000 | 9,356 | 9,356 | 14,850 | 18,108 | 18,922 | 22,117 | 22,262 | 21,542 | 22,260 | 21,542 | 22,260 |
| MTU shipped | *mtu* | 6,000 | 9,356 | 9,356 | 14,850 | 18,108 | 18,922 | 22,117 | 22,262 | 21,542 | 22,260 | 21,542 | 22,260 |
| Cost | | | | | | | | | | | | | |
| Total Operating costs | *A$'000* | $3,133 | $3,135 | $3,127 | $3,166 | $3,337 | $3,234 | $3,663 | $3,252 | $3,259 | $3,252 | $3,234 | $3,252 |
| Redundancy costs | *A$'000* | | | | | | | | | | | | |
| Freight cost | *A$'000* | $53 | $82 | $82 | $130 | $158 | $166 | $194 | $195 | $188 | $195 | $188 | $195 |
| Closure/Rehab | *A$'000* | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $120 | $120 | $120 |
| Royalties | *A$'000* | $114 | $179 | $181 | $462 | $563 | $588 | $688 | $692 | $670 | $692 | $670 | $692 |
| CapitalSpend | *A$'000* | $553 | $283 | $375 | $308 | $232 | $1,703 | $1,500 | $250 | $250 | $250 | $250 | $250 |
| AISC | *A$'000* | $3,852 | $3,679 | $3,765 | $4,065 | $4,290 | $5,691 | $6,044 | $4,389 | $4,367 | $4,509 | $4,462 | $4,509 |
| Revenue | | | | | | | | | | | | | |
| Price | *US$/mtu* | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 |
| Revenue | *US$/mtu* | $1,950 | $3,041 | $3,041 | $4,826 | $5,885 | $6,150 | $7,188 | $7,235 | $7,001 | $7,234 | $7,001 | $7,234 |
| FX | *AUD:USD* | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 |
| Revenue | *A$'000* | $2,847 | $4,439 | $4,439 | $7,046 | $8,591 | $8,978 | $10,494 | $10,562 | $10,221 | $10,561 | $10,221 | $10,561 |
| Payability | *%* | 75% | 75% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% |
| Revenue | *A$'000* | $2,124 | $3,346 | $3,373 | $5,355 | $6,529 | $6,823 | $7,975 | $8,027 | $7,768 | $8,027 | $7,768 | $8,027 |
| Operating cashflow | *A$'000* | -$1,061 | $129 | $165 | $2,059 | $3,034 | $3,424 | $4,119 | $4,581 | $4,320 | $4,580 | $4,345 | $4,580 |
| Cum Operating Cash flow | *A$'000* | -$1,061 | -$932 | -$768 | $1,291 | $4,325 | $7,749 | $11,868 | $16,449 | $20,769 | $25,349 | $29,695 | $34,275 |
| Total Cashflow | *A$'000* | -$1,728 | -$333 | -$391 | $1,289 | $2,240 | $1,132 | $1,931 | $3,639 | $3,401 | $3,518 | $3,306 | $3,518 |
| Cum Total Cash flow | *A$'000* | -$1,728 | -$2,061 | -$2,452 | -$1,163 | $1,076 | $2,209 | $4,140 | $7,778 | $11,179 | $14,697 | $18,003 | $21,521 |

| Alternative Case | | Stage 1 | | | | | | Stage 2 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
| Mining | *UOM* | | | | | | | | | | | | |
| Total Volume | *bcm* | 57,728 | 38,613 | 32,510 | 42,413 | 42,552 | 42,747 | | | | | | |
| Waste mined | *bcm* | 37,828 | 25,226 | 17,664 | 34,174 | 20,862 | 27,390 | | | | | | |
| Ore mined | *bcm* | 19,450 | 13,387 | 14,846 | 8,239 | 21,690 | 15,357 | | | | | | |
| Ore mined | *tonnes* | 65,043 | 44,795 | 49,631 | 27,018 | 72,656 | 51,527 | | | | | | |
| Mined Grade | *WO3%* | 1.12% | 0.67% | 0.61% | 0.68% | 0.54% | 0.49% | | | | | | |
| Processing | | | | | | | | | | | | | |
| Ore processed | *tonnes* | 17,909 | 18,782 | 20,795 | 22,680 | 23,436 | 22,678 | 23,436 | 23,436 | 22,680 | 28,272 | 27,360 | 28,272 |
| Feed grade | *WO3%* | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% |
| Recovery | *%* | 50% | 50% | 50% | 55% | 55% | 55% | 55% | 55% | 55% | 60% | 60% | 60% |
| MTU Produced | *mtu* | 6,716 | 7,043 | 7,798 | 9,356 | 9,667 | 9,355 | 9,667 | 9,667 | 9,355 | 12,722 | 12,312 | 12,722 |
| MTU shipped | *mtu* | 6,716 | 7,043 | 7,798 | 9,356 | 9,667 | 9,355 | 9,667 | 9,667 | 9,355 | 12,722 | 12,312 | 12,722 |
| Cost | | | | | | | | | | | | | |
| Total Operating costs | *A$'000* | $3,000 | $3,000 | $3,000 | $3,000 | $3,000 | $3,000 | $2,200 | $2,200 | $2,200 | $2,200 | $2,200 | $2,200 |
| Redundancy costs | *A$'000* | | | | | | | $450 | | | | | |
| Freight cost | *A$'000* | $53 | $82 | $82 | $130 | $158 | $166 | $194 | $195 | $188 | $195 | $188 | $195 |
| Closure/Rehab | *A$'000* | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $120 | $120 | $120 |
| Royalties | *A$'000* | $127 | $134 | $150 | $288 | $297 | $286 | $295 | $295 | $285 | $391 | $379 | $391 |
| Capital Spend | *A$'000* | $601 | $858 | $1,394 | $464 | $568 | $474 | $235 | $435 | $1,667 | $1,667 | $1,167 | $417 |
| AISC | *A$'000* | $3,434 | $3,691 | $4,227 | $3,297 | $3,401 | $3,307 | $2,718 | $2,468 | $3,700 | $3,700 | $3,200 | $2,450 |
| Revenue | | | | | | | | | | | | | |
| Price | *US$/mtu* | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 | $325 |
| Revenue | *US$/mtu* | $2,183 | $2,289 | $2,534 | $3,041 | $3,142 | $3,040 | $3,142 | $3,142 | $3,040 | $4,135 | $4,001 | $4,135 |
| FX | *AUD:USD* | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 |
| Revenue | *A$'000* | $3,186 | $3,342 | $3,700 | $4,439 | $4,587 | $4,439 | $4,587 | $4,587 | $4,439 | $6,036 | $5,841 | $6,036 |
| Payability | *%* | 75% | 75% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% | 76% |
| Revenue | *A$'000* | $2,378 | $2,519 | $2,812 | $3,374 | $3,486 | $3,373 | $3,486 | $3,486 | $3,373 | $4,587 | $4,440 | $4,587 |
| | | | | | | | | | | | | | |
| Operating cashflow | *A$'000* | -$622 | -$481 | -$188 | $374 | $486 | $373 | $1,286 | $1,286 | $1,173 | $2,387 | $2,240 | $2,387 |
| Cum Operating Cash flow | *A$'000* | -$622 | -$1,103 | -$1,292 | -$918 | -$432 | -$59 | $1,227 | $2,513 | $3,686 | $6,073 | $8,313 | $10,700 |
| | | | | | | | | | | | | | |
| Total Cashflow | *A$'000* | -$1,223 | -$1,339 | -$1,582 | -$90 | -$82 | -$100 | $601 | $851 | -$493 | $721 | $1,073 | $1,971 |
| Cum Total Cash flow | *A$'000* | -$1,223 | -$2,562 | -$4,144 | -$4,234 | -$4,316 | -$4,416 | -$3,815 | -$2,964 | -$3,457 | -$2,736 | -$1,664 | $307 |

# Appendix C Comparable Transactions Summary

xenith

| Transaction Date | Target Asset | Target Company | Acquirer | Transaction Value (A$M) | Equity Stake (%) | Implied 100% EV (A$m) | JORC Resource (Mt) | Contained metal (kt, $WO_3$) | Summary of Asset | Relevance to IMC |
|---|---|---|---|---|---|---|---|---|---|---|
| 20/11/2024 | Mt Mulgine project | Minjar Gold | Tungsten Mining | 3.3 | 100% | 3.3 | 259 | 290 | Mt Mulgine is an exploration project in the Murchison region in Western Australia. It is in a contiguous group of tenements that have been the subject of significant previosu exploration for tungsten and molybdenum. It has 183Mt of Indicated resources and 76Mt of Inferred resources, all at @0.11% WO3 grade. | Comparable to EL19. Very recent transaction. Grade is lower but resources substanially higher. |
| 6/08/2024 | Hatches Creek | GWR Group | Tungsten Mining | 8.6 | 80% | 10.75 | - | - | Hatches creek is a project located 325km north-east of Alice Springs in the Northern Territory. Tenements comprises of 2 existing exploration licenses and 1 explration license application. No resource has been declared. | Not comparable - no resource declared |
| 5/07/2024 | Mt Carbine | CRONIMET's JV | EQ Resources | 7.5 | 50% | 15 | 59 | 69 | The mine recommenced prosution in 2019 and prodcues 3,000 tonnes of tungsten concentrate per year. The deposit has 59MT Resources with grades varying form 0.07% to 0.14%. Currently an open-pit mine with exapnsions planned to incldue open-pit and underground operations. | Comparable - Very recent transaction and similar to the Dolphin project it is a resurrected historical mine. Same mining method (open-cut/underground) |
| 15/08/2023 | Barruecopardo mine | Saloro | EQ Resources | 25 | 100% | 25 | 24 | 48 | Barruecopardo mine is located in Spain and owned by EQ Resources who also operate Mt Carbine. Situated within a prominent tungsten cluster, the mine is the largest tungsten mine in Europe. The current open-pit mine started producing in 2019 and produces 260,000 mtus of $WO_3$ (after having ceased historical productin in the 1980s). the average grade is 0.195% of $WO_3$. | Comparable - Recent transaction and similar to the Dolphin project it is a resurrected historical mine. Same current mining method (open-cut). Higher resoources but lower grade. |
| 1/05/2018 | Watershed | Vital Metals | Tungsten Mining | 15 | 100% | 15 | 49 | 70 | The Waterhsed Project is lcoated 130km North of Cairns with granted Mining leases and Environmental Authority for open-pit development. JORC mineral resource of 49.3Mt @0.14% grade. | Possibly Comparable. Pre-production stage with all approvals in place and sold as an "Advanced project". However, still not operational 6 years after transaction. |

1300 138 991

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## Need assistance?

**Phone:**
1300 265 043 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**
www.investorcentre.com/contact

G6M

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



# Group 6 Metals Limited General Meeting

The Group 6 Metals Limited General Meeting will be held on Wednesday, 23 April 2025 at 11:00am (AEST). You are encouraged to participate in the meeting using the following options:

## MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:

**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 11:00am (AEST) on Monday, 21 April 2025.

## ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit:
https://meetnow.global/MLWLC9D

For instructions refer to the online user guide www.computershare.com.au/virtualmeetingguide

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

GROUP6 METALS LIMITED

ABN 40 004 681 734

## Need assistance?

**Phone:**
1300 265 043 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**
www.investorcentre.com/contact

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SAMPLEVILLE VIC 3030

### YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEST) on Monday, 21 April 2025.**

# Proxy Form



## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

**Corporate Representative**
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate “Appointment of Corporate Representative”. A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

### By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

### By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
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123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

# Proxy Form

**Please mark ☒ to indicate your directions**

## Step 1 Appoint a Proxy to Vote on Your Behalf

**XX**

**I/We being a member/s of Group 6 Metals Limited hereby appoint**

☐ **the Chairman of the Meeting** **OR** ____________________

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Group 6 Metals Limited to be held as a virtual meeting on Wednesday, 23 April 2025 at 11:00am (AEST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 8 (except where I/we have indicated a different voting intention in step 2) even though Item 8 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. However, if the Chairman is a person referred to in the voting prohibition statement applicable to Item 8 under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on that Item if you are enttled to vote and have specified your voting intention in the Proxy Form.
**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 8 by marking the appropriate box in step 2.



## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| | | For | Against | Abstain |
|---|---|---|---|---|
| Item 1 | Approval of the issue of Shares to Ellis Entities | ☐ | ☐ | ☐ |
| Item 2 | Approval of the issue of the Chrysalis Warrants | ☐ | ☐ | ☐ |
| Item 3 | Approval of the issue of Shares to Abex Limited | ☐ | ☐ | ☐ |
| Item 4 | Approval of the issue of Shares to Elphinstone | ☐ | ☐ | ☐ |
| Item 5 | Approval for security to be granted to the Ellis Entities | ☐ | ☐ | ☐ |
| Item 6 | Approval for security to be granted to Abex Limited | ☐ | ☐ | ☐ |
| Item 7 | Approval of issue of Shares and Warrants (ASX Listing Rule 7.1) | ☐ | ☐ | ☐ |
| Item 8 | Approval of issue of Options to Director Mr Kevin Pallas | ☐ | ☐ | ☐ |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s)

*This section must be completed.*

| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 | |
|---|---|---|---|
| | | | / / |
| Sole Director & Sole Company Secretary | Director | Director/Company Secretary | Date |

**Update your communication details** *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

**Mobile Number** **Email Address**



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