

Production set to begin at world-class Dolphin Tungsten Mine supported by a successful \$30m capital raising

Key Highlights

- **The Company has received commitments for c.\$27 million (“Placement”) and \$3 million in underwriting for a Share Purchase Plan (“SPP”) to raise a minimum of \$30 million, providing the runway to progress operations towards positive cash flow**
- **Project commissioning is significantly advanced, with first Tungsten concentrate production imminent, followed by a period of project ramp-up to steady state operations at attractive expected operating margins over the initial 13-year mine life**
- **Funds were raised at \$0.14c per share, representing a 15.2% discount to the last traded price on 28 April 2023 and a 16.6% discount to the 5-day VWAP**
- **The Placement received strong support from major shareholders, with the Company's top 4 shareholders committing to subscribe for 69% of the total raising**
- **The Company is also embarking on a partially underwritten Share Purchase Plan to allow existing eligible shareholders to participate on the same terms to raise up to an additional A\$5 million (“SPP”), subject to shareholder approval. Eligible shareholders can subscribe for up to A\$50,000 of new shares in the SPP.**
- **Proceeds from the Placement and SPP will be used to progress construction, commissioning and ramp-up towards steady state production at the Dolphin Tungsten Mine. Additionally, the funds will provide the Company with balance sheet flexibility to expedite feasibility studies on Bold Head mine development, downstream processing, and integration of renewable energy**
- **Participants in the Placement and SPP will receive 2 free options for every 3 New Shares subscribed for, with an exercise price of A\$0.21 and an expiration date of 30 June 2025**
- **MD and CEO Keith McKnight, Chairman Johann Jacobs and Executive Director Chris Ellis to participate in the Placement, subject to shareholder approval**

Group 6 Metals Limited (**ASX: G6M**, "**Group 6**" or the "**Company**") is pleased to announce it has received strong support for its fundraising, securing binding commitments from new and existing sophisticated, professional and institutional investors to raise \$27 million (before costs) (the "**Placement**"). Placement proceeds will primarily fund operating activities to progress operations towards positive cash flow at the Dolphin Tungsten Mine ("**Dolphin**") on King Island, Tasmania.

The Placement and the SPP have been strongly supported by existing shareholders, including those among the Company's top investors, with c.\$21 million in funds raised from the Company's top 4 shareholders.

The Placement will comprise cash consideration of \$24 million and conversion of \$3 million of unsecured debt provided by entities of the key shareholders Chris Ellis, Richard Chadwick and Dale Elphinstone since 31 March 2023, resulting in aggregate issuance of 193.1 million new shares.

Following the Placement, the Company proposes to offer existing eligible shareholders the opportunity to participate in a partially underwritten Share Purchase Plan ("**SPP**") to raise up to \$5.0m on the same terms as the Placement.

Three of the Company's top shareholders intend to collectively sub-underwrite \$3 million of the funds to be raised under the SPP. The intended sub-underwriting by Chris Ellis (as Group 6 Metals director) will be subject to shareholder approval at a forthcoming EGM under ASX Listing Rule 10.11. The SPP is detailed further in this announcement.

Funds raised under the Placement and SPP will strengthen the Company's balance sheet, supporting the Dolphin Tungsten Mine ahead of the first concentrate shipment planned for June 2023. Funds raised will be applied towards progressing the commissioning and ramp-up of the mining and process plant operations, creditor payments, and to accelerate the feasibility studies for the Bold Head mine development, downstream processing and the integration of renewable energy to the current power supply for the mine. These funds will strengthen the Company's balance sheet and working capital position as it progresses the initial ramp-up phase of production ahead of anticipated steady-state production expected in Q3 CY23.

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

"Securing the backing of our existing and new investors, who have participated in this minimum \$30million equity raise, assists the Company in fulfilling the commitment to recommence tungsten production at the Dolphin Tungsten Mine. We are grateful for the commitments from investors, which underscores the progress achieved at the project and its imminent restart of operations. We also appreciate the ongoing support of our major shareholders who subscribed for the majority of this raising."

"As we move into the production phase at Dolphin, this equity raising provides a funding runway to progress operations through to positive cash flow at a critical time in our development. Despite several industry-wide challenges construction projects face, such as escalation in capital and operating costs, our team has worked diligently to minimise operating costs and safeguard against further equity requirements. While the project continues to have very attractive margins, the Company will continue to evaluate opportunities to optimise mine and process plant productivity further to increase output and lower unit costs."

"The market fundamentals for tungsten continue to be very positive for G6M, and we look set to become a significant supplier of tungsten at a very favourable time. We have secured nearly 60% of estimated production for the first 4 years through offtake agreements with Traxys and Wolfram (Sandvik) and have received additional solid demand for our product.

"Beyond the Dolphin Tungsten Mine, this financing provides G6M with the capacity to add value through the development of Bold Head mine operations, exploration at the Investigator prospect, renewable energy deployment and potential downstream processing to increase WO₃ recovery."

Group 6 Metals Chairman Johann Jacobs further commented:

"On behalf of the board, I would like to thank our major shareholders for their strong continued support and trust in the Company and the Mine. It is a testament to our investors' faith in the Mine and our commitment to resuming production at Dolphin soon. I would also like to take the opportunity to welcome new holders to the G6M register. We eagerly anticipate updating the market through what promises to be an exciting production ramp-up period for the Company."

Details of the Placement Financing

Group 6 Metals has successfully undertaken a minimum c.\$27 million equity raising, comprised of:

- An unconditional placement tranche to issue 156.9 million New Shares at \$0.14 per share ("Offer Price") to raise c.\$21.9 million, utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A
- A conditional placement tranche to Chris Ellis, Johann Jacobs and Keith McKnight (for whom, as Group 6 Metals directors, shareholder approval is needed at a forthcoming EGM under ASX Listing Rule 10.11) to issue 36.2 million shares at \$0.14 per share to raise \$5.1 million

The success of the Placement is a testament to strong leadership from G6M shareholders Chris Ellis, Richard Chadwick and Dale Elphinstone ("**Cornerstones**"), having provided since 31 March 2023, \$1 million each (\$3 million in aggregate) of unsecured debt, which is now to be converted to equity on the same basis as the Placement. They also intend to partially sub-underwrite the SPP up to \$3 million, demonstrating their ongoing commitment to the Company and ensuring that the Dolphin Tungsten project is sufficiently funded through the ramp-up phase.

Of the remaining \$24 million to be raised from the Placement through the issuance of new shares, the Cornerstones have committed a further \$4 million each (\$12 million in aggregate).

Major shareholder D.A.CH.S. Capital AG has also committed \$2.8 million as part of the Placement.

All participants in the Placement and Share Purchase Plan (detailed further in this announcement) will receive two free options for every three new shares subscribed for with an exercise price of A\$0.21 and an expiration date of 30 June 2025. The Options are free attaching such that they are being issued for nil cash consideration, and their issuance will be subject to shareholder approval at a forthcoming EGM.

The issue price of \$0.14 per share represents a discount of:

- 15.2% to the last closing price of \$0.165 per share on 28 April 2023
- 16.6% to the 5-day volume weighted average price ("VWAP") of \$0.168
- 17.9% to the 10-day VWAP of \$0.171

Canaccord Genuity (Australia) and Ord Minnett acted as Joint Lead Managers to the Placement and partial underwriters of the SPP.

Indicative Timetable

Set out below is an indicative timetable for the capital raising. The Company may change these dates and times at its discretion, subject to the ASX Listing Rules and Corporation Act.

Activity	Date
G6M recommences trading	8 May 2023
Settlement of New Shares issued	12 May 2023
Allotment of New Shares	15 May 2023
Notice of EGM sent to approve Conditional Placement and SPP	15 May 2023
Extraordinary General Meeting	15 June 2023
Allotment of Options and shares issued under the SPP and Conditional Placement	27 June 2023

Details of the Share Purchase Plan (SPP)

Under the proposed SPP, eligible G6M shareholders, being shareholders with a registered address in Australia or New Zealand on the G6M register as at 7.00 pm (Sydney time) on Friday, 5 May 2023, will have the opportunity to apply for up to A\$50,000 of additional shares per eligible shareholder without incurring brokerage or transaction costs.

The issue price of the new shares and terms of the options under the SPP will be the same as those under the Placement.

G6M may accept applications (in whole or in part) that result in the SPP raising up to \$5.0 million in its absolute discretion. Applications may be subject to scale-back. The SPP offer period is anticipated to open on Monday, 15 May 2023 and close at 5pm on Thursday, 22 June 2023. Full details of the SPP will be set out in the SPP offer booklet, which is expected to be released to the ASX and dispatched to eligible shareholders in early May 2023. The SPP will be subject to the terms in the SPP offer booklet.

Indicative Timetable for SPP

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TIMETABLE		
Description	Date	Activity
Record Date	Friday, 5 May 2023	Date for determining Eligible Shareholders
Offer Announcement	Monday, 8 May 2023	Offer is announced to the market
Opening Date	Monday, 15 May 2023	Offer opens, and Offer documentation dispatched
Extraordinary General Meeting	Thursday, 15 June 2023	General Meeting to approve SPP, Options and Director participation
Closing Date	Thursday, 22 June 2023	Applications must be received by 5.00 pm Sydney time
Announce results	Tuesday, 27 June 2023	Announcement date of funds raised and shares to be issued
Issue Date	Tuesday, 27 June 2023	SPP Shares and Options issued
Trading Date	Wednesday, 28 June 2023	SPP Shares commence trading on the ASX
Dispatch Date	Wednesday, 28 June 2023	SPP Shares and Option Statements sent to Shareholders

Voluntary Suspension

This is the announcement that was referred to in the Company's request for a Voluntary Suspension on 3 May 2023 and that voluntary suspension can now be lifted.

Approved by the Board of Group 6 Metals Limited.

For more information:

Johann Jacobs

Chairman

johannj@g6m.com.au

+61 (0) 416 125 449

Keith McKnight

Managing Director & CEO

keithm@g6m.com.au

+61 (0) 410 635 251

Tim Dohrmann

Media & Investor Relations

tim@nwrcommunications.com.au

+61 (0) 468 420 846

About Group 6 Metals

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

The Company is focused on redeveloping its 100%-owned Dolphin Mine on King Island, Tasmania. Initially, the focus is on producing a high grade of tungsten concentrate; however, the Company plans to value-add the product for supply into the upstream tungsten industry.