ASX ANNOUNCEMENT

21 June 2022

G6M remains on track for first concentrate production in Q1 2023 – Construction Update for Dolphin Tungsten Mine

Key Highlights

- **Construction activities at Dolphin Tungsten Mine on King Island are progressing steadily against project schedule**
- **This is despite a challenging construction environment which has impacted the availability of materials and labour**
- **Process Plant earthworks have been completed, with installation of main haul roads and plant access roads ongoing**
- **Civil works for crushing circuit area are nearing completion, with handover to Gekko Systems (Gekko) for mechanical installation works expected by June end**
- **Installation of overhead power line connecting to the King Island electrical grid completed, providing grid connected power for construction activities**
- **Delivery of OEM equipment and materials has started, with majority of deliveries expected to be received on site by end July**
- **Single Person Quarters (SPQ) modular accommodation buildings have arrived on site and construction has commenced**
- **Approval for the Tailings Storage Facility has been received and construction works are scheduled to commence in July 2022**
- **APT (tungsten concentrate) prices remain high, with strong demand in Europe and USA**

Group 6 Metals Limited (ASX: G6M, "Group 6 Metals" or "the Company") is pleased to release a construction update regarding ongoing progress at the Company's wholly owned Dolphin Tungsten Mine, located on King Island, Tasmania. Group 6 Metals remains on target to produce first concentrate from the Dolphin Tungsten Mine in Q1 2023.

Group 6 Metals CEO, Keith McKnight, said:

"We are very pleased with the progress made at the Dolphin site as we continue to ramp up construction activities in line with our schedule. The recent completion of the earthworks and commencement of civil works are hugely important activities that will allow Gekko to commence the process plant construction works. By placing orders for major OEM equipment mid last year, we have ensured that equipment will be delivered on time and within budget, mitigating significant cost escalation and delays. Once most of the major components are delivered to site by the end of July,

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it will significantly de-risk the project's delivery schedule and we are happy to report we are still on track to deliver first concentrate in Q1 of 2023.

G6M staff and contractors have worked very hard to achieve the progress to date and we would like to thank them for their efforts. The next 6 months will be a very busy time for the Company and our team on the ground at Dolphin. We look forward to regularly updating the market as we progress."

Dolphin Construction Activities Update

Earthworks for the Process Plant were completed at the end of April and the area was handed over for installation of civil structures required to support the process plant equipment. The crusher circuit is expected to be completed by the end of June, which will then allow Gekko to commence mechanical installation works for this area.

Major mechanical equipment started arriving at the beginning of June and all equipment has either arrived at Gekko's facilities at Ballarat in Victoria for factory acceptance testing or is currently in transit. Most of these deliveries are expected on site by July end.

Figure 1. *Concrete Installation Works for Fine Ore Bin Slewing Conveyer*

The overhead power line connecting the mine site to the King Island grid has been installed (See Fig 3) and trenching for the electrical conduits required to deliver power from the main switch board to the process plant equipment has commenced (See Fig 4). Power from the King Island grid for construction activities is expected to be made available in July, which has been coordinated with the commencement of major installation works for the Process Plant.

Significant progress has been made for the re-alignment and leveling of the run of mine (ROM) haul road which will be used to haul ore mined from the Dolphin open pit to the ROM stockpile. Due to the non-acid forming nature of the overburden, road base materials are being recovered from site which reduces mining costs. Installation of the process plant access roads has commenced which is required for mechanical installation works due to start in July.

Single Person Quarter (SPQ) accommodation modular buildings have been delivered to site and installation of SPQ West (Campus Village) is well advanced and expected to be available for use in July. Construction of SPQ East (Club Village) will commence in July, and once both are completed, will accommodate over 50% of the peak construction workforce.

Approval for the Tailings Storage Facility (TSF) which is located at the site of the historic tailings storage facility has been received and construction will commence in July. By locating the TSF at the historic site, disturbance to native vegetation is considerably minimised, in line with the Company's policy to redevelop the Dolphin Tungsten Mine in a sustainable and responsible manner.

Tungsten Market

The ammonium paratungstate (APT) price has held up strongly despite a reduction in demand from China due to COVID restrictions impacting economic activity. With restrictions easing and the downstream process industry recovering, Chinese demand is expected to increase again in the second half of CY 2022.

One of the key issues in China is that mines located in COVID-unaffected areas have continued production; however, the end users, mostly located in COVID-affected areas, suspended operations causing an oversupply. It is anticipated that this oversupply will correct itself in the near-term.

There is also strong demand for concentrate material in Europe and USA, with APT producers looking to secure more concentrate than is currently available. Therefore, the Company expects that medium to longer term demand will remain strong.

Figure 2. *ROM Haul Road Alignment and Leveling Works*

Figure 3. *Overhead Power Connection from the King Island Grid*

Figure 4. *Process Plant Electrical Conduit Installation*

Approved by the board of Group 6 Metals Limited.

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About Group 6 Metals

Group 6 Metals Limited (ASX: G6M), previously known as King Island Scheelite Limited (ASX: KIS), is an Australian resources exploration 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 the redevelopment of its 100%-owned Dolphin Mine located 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.