

Successful \$20m Placement to Fund Dolphin Tungsten Mine into Production

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Key Highlights

- The Company has received binding commitments in excess of \$20 million to fund Dolphin Tungsten Mine into production
- Funds raised at \$0.17 per share, representing a 10.5% discount to last traded price on Wednesday 23 November, and 11.4% discount to the 15-day VWAP.
- Placement strongly supported by new and existing shareholders including the Company's top 4 shareholders
- Proceeds from the Placement will be used for:
 - Dolphin Tungsten Mine Capital Expenditure;
 - Dolphin Tungsten Mine Pre-Production Costs; and
 - General Working Capital
- Construction continues at the Dolphin Tungsten Mine with Group 6 Metals on track to achieve first concentrate production in Q1 2023
- Managing Director 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 of its fundraising, securing binding commitments from new and existing investors in excess of its targeted placement to raise \$20 million (before costs) (the “**Placement**”) to primarily fund ongoing construction and operating activities at the Dolphin Tungsten Mine (“**Dolphin**” or the “**Project**”) on King Island, Tasmania. The Placement has been strongly supported by existing shareholders, including those among the Company's top investors with \$8.0 million in funds raised from the Company's top 4 shareholders.

Following the Placement, the Company will offer existing eligible shareholders the opportunity to participate in a non-underwritten Share Purchase Plan (“**SPP**”) capped at \$3.0m, on the same terms as the Placement.

Funds raised under the Placement & SPP will be applied towards capital expenditure (\$7 million) and pre-production costs (\$6 million) at Dolphin, and for general working capital (\$7-10 million).

The Company remains on track to achieve first tungsten concentrate production at Dolphin in Q1 2023.

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

“We are delighted to have secured the support of the new and existing investors who have participated in this \$20 million equity raise as we move closer to a major milestone in the Company’s history. The commitments from investors are a strong endorsement of the progress G6M has made to date at the Dolphin Tungsten Mine which will enter the final stages of construction in the coming months. We are also delighted by the ongoing support that our major shareholders continue to provide the Company after they were again heavily involved in this Placement”.

“As we near the commencement of production at Dolphin, this equity raising provides funding certainty for the Company at a critical time in our development. Despite several industry-wide challenges faced by construction projects, such as escalations in capital and operating costs, our team has worked tirelessly to ensure the Project remains on schedule to reach this milestone in Q1 2023. As recently announced, we have updated our project financial metrics in this environment, significantly increasing the Net Present Value from \$241 million to \$300 million pre-tax”.

“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. With Dolphin on track to come online in 2023, a shortage of tungsten concentrate has been forecast due to increasing demand and limited new supply set to become available in the marketplace.”

Group 6 Metals Chairman, Johann Jacobs further commented,

“On behalf of the board, I would like to thank our major shareholders for their unwavering support and trust in the Company and the Project. It is testament to the faith they have in the project, and commitment to bringing the project back into operation in the first half of next year. We look forward to regularly updating the market on what is certain to be a very exciting period for the Company and its shareholders”.

Details of the Placement

Group 6 Metals has successfully undertaken a \$20 million equity raising which will result in the issue of 117,647,059 new shares at an offer price of \$0.17 per share (**“New Shares”**), a 10.5% discount to the last traded price of \$0.19 per share. Approximately 87,764,704 New Shares will be issued in accordance with the Company’s placement capacity with ASX Listing Rule 7.1.

The remainder of the New Shares will be issued to Managing Director and CEO Keith McKnight, Chairman Johann Jacobs and Executive Director Chris Ellis, who intend to subscribe for new shares issued under the Placement (**“Director Placement”**), which will be subject to shareholder approval at an Extraordinary General Meeting (**“EGM”**).

The Company received pre-commitments of \$8.0 million from existing investors including \$2.5 million which will be subject to Foreign Investment Review Board (**“FIRB”**) approval.

Each investor in the Placement and SPP will also be allocated an attaching option on a 1-for-2 basis, at a strike price of \$0.28 per share with a two-year term (**“Options”**). This price represents a 65% premium to the placement price of \$0.17 per share. The Company will seek shareholder approval for the Options being issued at the EGM.

The issue price of \$0.17 per share represents a discount of:

- 10.5% to last traded price of \$0.1900 per share
- 10.2% to the 5-day VWAP of \$0.1894 per share
- 11.4% discount to the 15-day VWAP of \$0.1918 per share
- 11.4% discount to the 30-day VWAP of \$0.1918 per share

PAC Partners Securities Pty Ltd, Jett Capital Advisors LLC and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement.

Indicative Timetable for Placement

Set out below is an indicative timetable for the Placement. 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	Monday, 28 November 2022
DVP Settlement	Thursday, 1 December 2022
Allotment of New Shares	Friday, 2 December 2022
Notice of EGM sent	Tuesday, 6 December 2022
EGM approving issue of Options and Director Placement	Thursday, 5 January 2023
Allotment of Options and shares issued under the Director Placement	Wednesday, 11 January 2023

Details of the share purchase plan (SPP)

Under the SPP, eligible G6M shareholders, being shareholders with a registered address in Australia or New Zealand on G6M register as at 7.00pm (Sydney time) on Friday 25 November 2022 will have the opportunity to apply for up to A\$30,000 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 same as those under the Placement.

The Company may accept applications (in whole or in part) that result in the SPP raising up to a maximum of A\$3m in its absolute discretion. Applications are subject to scale-back. The SPP offer period will open on Tuesday 6 December and close on Friday 6 January 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 on Tuesday, 6 December 2022. The SPP will be subject to the terms set out in the SPP offer booklet.

Indicative Timetable for SPP

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

TIMETABLE		
Description	Date	Activity
Record Date	Friday 25, November 2022	Date for determining Eligible Shareholders
Offer Announcement	Monday 28, November 2022	Offer is announced to the market
Offer Date	Tuesday 6, December 2022	Offer opens and Offer documentation dispatched
Extraordinary General Meeting	Thursday 5, January 2023	General Meeting to approve Options and Director participation
Closing Date	Friday 6, January 2023	Applications must be received by 5.00pm Sydney time
Announce results	Friday 13, January 2023	Announcement date of funds raised and shares to be issued
Allotment Date	Friday 13, January 2023	New Shares and Options allotted
Trading Date	Monday 16, January 2023	New Shares commence trading on the ASX
Dispatch Date	Tuesday 17, January 2023	New Shares and Option Statements sent to Shareholders

Trading Halt

This is the announcement that was referred to in the Company's request for a Trading Halt on 24 November 2022 and that trading Halt can now be lifted.

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.

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