

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Six months interim period ended 31
December 2023

	2023 \$ '000	Up / Down	Movement %
Revenue from operating activities	3,900	Up	100%
Loss before interest and income tax	1,438	Down	83%
Net financing loss	2,361	Up	4,718%
Income tax benefit	-	-	-
Loss from ordinary activities after tax attributable to members of the parent	3,799	Down	54%
Net loss for the period attributable to members	3,799	Down	54%

Cents

Loss per share – basic	0.4	Down	1.3
Loss per share – diluted	0.4	Down	1.3

Dividends	Amount per security (cents)	Franked amount per security (cents)
2024 interim dividend	-	-
2023 final dividend paid	-	-
Record date for determining entitlements to the interim dividend:	-	-

Brief explanation of any figures reported above or other items of importance not previously reported to the market:

Refer to the Directors' Report included in the interim financial statements for explanations.

Discussion and Analysis of the results for the six months ended 31 December 2023:

Refer to the Directors' Report included in the interim period financial report for commentary.

	Current Period	Previous corresponding period
Net Tangible Assets (Deficiency) per ordinary share - NTA Shortfall	6.8 cents	6.4 cents

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DIRECTORS' REPORT

The directors of Group 6 Metals Limited (Company) and its subsidiaries (together referred to as the Group) present their report, together with the consolidated financial statements for the six months ended 31 December 2023 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Johann JOOSTE-JACOBS	(Chairman)	Appointed 30 November 2012
Christopher ELLIS	(Executive Director)	Appointed 8 November 2012
Gregory HANCOCK	(Non-Executive Director)	Appointed 26 February 2019
Keith MCKNIGHT	(Managing Director and Chief Executive Officer)	Appointed on 24 January 2022 as Chief Executive Officer and appointed to the Board on 31 August 2022

REVIEW OF OPERATIONS

Dolphin Tungsten Project

Key Points

- Commercial concentrate production commenced on 1 July 2023, signalling the move from a pre-production phase to production.
- The first shipment of tungsten concentrate was made in July 2023. Eight additional shipments were produced and sold during the six months ending 31 December 2023.
- Operational progress was made throughout the six months with increased production rates of higher-grade ore and improved processing plant performance, including the achievement of a new daily ore processing record in early December 2023.
- Exploration drilling was completed on Investigator 24 and Investigator 22, which successfully intersected skarn mineralisation in the mine series, further validating the exploration potential of the Grassy region. Further exploration is required to fully validate the opportunity.
- No environmental incidents occurred during the period.

Further detail can be found on the Company's website www.g6m.com.au

DIRECTORS' REPORT (continued)

Tungsten Market

- Ammonium Paratungstate (APT) CIF Rotterdam prices have remained strong at a range of US\$300 - \$335 per mtu (10kg of WO₃) despite lower trading volumes over the period.
- APT prices are regularly quoted in industry journals and are the basis of the pricing used as a benchmark for selling WO₃ concentrate, prices are always quoted in a range, low - high.
- The concentrate acquired by the APT processors is conventionally a 65% WO₃ concentrate; therefore, the net price back to producers is somewhat lower, generally around 80% of the reported APT price, for the same quantity of contained WO₃.
- As of 31 December 2023, Tungsten APT Price CIF Rotterdam was US\$300 - \$325, albeit on lower volumes as APT users continued to reduce inventories into the end of the year.
- Market conditions look strong for the remainder of the 2024 calendar year, with growth in demand expected to continue from the defence, construction, mining and energy sectors, and supply continuing to look subdued. The Dolphin Tungsten Mine (DTM) is the only new significant supply source entering the market in 2023.

Corporate

Key Points

- The Company successfully raised \$4.2 million (net of transaction costs) through a Share Purchase Plan (SPP) in July 2023 at \$0.14 per share.
- The Company submitted a Research & Development (R&D) tax incentive application for the year ended 30 June 2023 with AusIndustry in September 2023, resulting in a cash refund of \$14.3 million (inclusive of interest) in January 2024.
- Major shareholders continue to provide unwavering support of the Company and the DTM by providing two tranches of short-term finance in the six month period ending 31 December 2023.
- Short-term loan funding was secured via unsecured loan facilities with three of the Company's major shareholders raising \$7.0 million in September 2023. The funds will be used to fund the project during the ramp-up period.
- An additional \$8.0 million was provided via major shareholders and previous lenders in bridge finance funding to support the ramp-up activities at the DTM.
- The Company changed its registered office and principal place of business in December 2023 to Level 7, 157 Ann Street, Brisbane, Queensland, 4000.

Capital Raising

The Company successfully raised \$4.2 million (net of transaction costs) of capital via the Share Purchase Plan (SPP) announced on 8 May 2023, issuing 30,797,893 shares at \$0.14 per share.

The SPP was strongly supported by eligible shareholders, with the Company accepting valid applications totalling \$3.7 million. The Company finalised the SPP, having raised an additional \$0.6 million by placing approximately half of the remaining SPP allocation to professional and sophisticated investors.

DIRECTORS' REPORT (continued)

Loan Funding

\$15.0 million of short-term debt funding was received in the six months ending 31 December 2023. An additional \$1.9 million unsecured loan was received to fund the insurance premium through to March 2024. A summary of the new loan funding is set out below in order of funds received.

On 18 August 2023, the Group executed a \$1.9 million unsecured loan agreement with Monument Premium Funding. The key terms of the facility are summarised below:

	Monument Premium Funding
Commitment	Debt facility of \$1,893,123
Term	9 months
Termination Date	30 March 2024
Repayment	Monthly instalments
Applicable Interest rate	8.48% per annum
Security	Unsecured
Purpose	Insurance premium funding

As at 31 December 2023, the Momentum loan is fully drawn. Further details regarding this loan are set out in Note A19.

On 8 September 2023, the Group executed a \$3.0 million unsecured loan agreement with Abex Limited. The key terms of the facility are summarised below:

	Abex Limited
Commitment	Cash advance of \$3,000,000
Term	12 months after commencement date
Termination Date	11 September 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12% per annum
Security	Unsecured
Purpose	Funding for general working capital requirements to support the ramp-up of tungsten concentrate production at DTM or such other purpose as the Lender may from time to time approve in writing

As at 31 December 2023, the Abex loan is fully drawn. Further details regarding this loan are set out in Note A19.

DIRECTORS' REPORT (continued)

On 11 September 2023, the Group executed a \$3.0 million unsecured loan agreement with CJRE Maritime Pty Ltd. The key terms of the facility are summarised below:

	CJRE Maritime Pty Ltd
Commitment	Cash advance of \$3,000,000
Term	12 months after commencement date
Termination Date	22 September 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12% per annum
Security	Unsecured
Purpose	Funding for general working capital requirements to support the ramp-up of tungsten concentrate production at DTM or such other purpose as the Lender may from time to time approve in writing

As at 31 December 2023, the CJRE loan is fully drawn. Further details regarding this loan are set out in Note A19.

On 22 September 2023 the Group executed a \$1.0 million unsecured loan agreement with Elphinstone Holdings Pty Ltd. The key terms of the facility are summarised below:

	Elphinstone Holdings Pty Ltd
Commitment	Debt facility of \$1,000,000
Term	12 months after commencement date
Termination Date	22 September 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12% per annum
Security	Unsecured
Purpose	Partially fund deposits required to be paid by the borrower under its equipment finance facility for truck refinancing

As at 31 December 2023, the Elphinstone loan is fully drawn. Further details regarding this loan are set out in Note A19.

On 8 November 2023, the Group executed a \$2.0 million unsecured loan agreement with Abex Limited. The key terms of the facility are summarised below:

	Abex Limited
Commitment	R&D bridge facility of \$2,000,000
Term	From 8 September 2023 to 31 March 2024
Termination Date	31 March 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Unsecured (security is subject to shareholder approval at General Meeting).
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the Abex loan is fully drawn. Further details regarding this loan are set out in Note A19. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

DIRECTORS' REPORT (continued)

On 16 November 2023, the Group executed a \$2.0 million secured loan agreement with D.A.CH.S Capital AG. The key terms of the facility are summarised below:

	D.A.CH.S Capital AG
Commitment	R&D bridge facility of \$2,000,000
Term	From 16 November 2023 to 31 March 2024
Termination Date	31 March 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Secured
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the D.A.CH.S loan is fully drawn. Further details regarding this loan are set out in Note A19. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

On 16 November 2023, the Group executed a \$2.0 million secured loan agreement with Elphinstone Holdings Pty Ltd. The key terms of the facility are summarised below:

	Elphinstone Holdings Pty Ltd
Commitment	R&D bridge facility of \$2,000,000
Term	From 16 November 2023 to 31 March 2024
Termination Date	31 March 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Secured
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the Elphinstone loan is fully drawn. Further details regarding this loan are set out in Note A19. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

On 16 November 2023, the Group executed a \$2.0 million unsecured loan agreement with CJRE Maritime Pty Ltd. The key terms of the facility are summarised below:

	CJRE Maritime Pty Ltd
Commitment	R&D bridge facility of \$2,000,000
Term	From 16 November 2023 to 31 March 2024
Termination Date	31 March 2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Unsecured (security is subject to shareholder approval at General Meeting)
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the CJRE loan is fully drawn. Further details regarding this loan are set out in Note A19. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

DIRECTORS' REPORT (continued)

OUTLOOK

The short-term objective of the Group is to achieve steady-state operations at DTM on King Island. The next steps are to:

- (1) Increase production of high-grade concentrate and achieve targeted shipments of concentrate.
- (2) Optimise the mine plan to bring tungsten production forward and enhance cashflows during ramp up to steady state production.
- (3) Finalise defect and modification work in the process plant to achieve consistent and stabilised run times.

In addition to the above operational matters, the Company is reviewing its short to medium term funding requirements and are in discussion with parties as to the optimum structure to adopt. Further information is provided in the Subsequent Events note of this report.

The medium-term objective is to investigate opportunities to value-add the product for supply into the upstream tungsten industry.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The operation commenced commercial production on 1 July 2023, signalling the move from a pre-production phase to production.

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this Financial Report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, except for the following:

On 4 January 2024, the Company executed an unsecured short-term loan agreement with CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis, for an advance of \$1.5 million. The purpose of the loan was to support the Company's short-term working capital requirement pending the receipt of the cash refund from the Research Development (R&D) Tax Incentive Application for the 2023 financial year. This amount was repaid following receipt of the R&D funds on 31 January 2024.

During the week commencing 11 March 2024, the Company entered into the following agreements:

- (1) Loan Agreements with two of the major shareholders under which the lenders provided a short-term facility of \$1.5 million each. The lenders include:
 - Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis

The agreements are identical with the major terms being:

Commitment	Loan standby facility of \$1,500,000
Term	From 12 March 2024 to 30 June 2024
Termination Date	30 June 2024
Repayment	The earlier of 30 June 2024 or when a minimum of \$15 million funding is sourced
Applicable Interest rate	12.5% per annum
Security	Unsecured
Purpose	Funding for general working capital and corporate purposes

As at 15 March 2023, both of the loans have been drawn to \$1,000,000.

DIRECTORS' REPORT (continued)

- (2) Agreements with the following lenders who each provided a \$2.0 million R&D bridge facility in November 2023, as more fully described in Borrowing disclosure of Note A19, whereby repayment, which was due on 31 March 2024 has been deferred to 31 August 2024, with the remaining conditions remaining the same.
- Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis
 - Elphinstone Holdings Pty Ltd
 - D.A.CH.S Capital AG
- (3) Waivers have been signed with the following lenders for relief of a financial covenant in the Loan Agreements which were in technical breach:
- Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis
 - Elphinstone Holdings Pty Ltd
 - D.A.CH.S Capital AG
 - Pure Asset Management

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 44.

ROUNDING OFF

The company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

COMPETENT PERSON'S STATEMENT

The information in this report relating to Mineral Reserves, Resources and Exploration Results is extracted from reports lodged as market announcements and available to view on the Company's website www.g6m.com.au.

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Signed in accordance with a resolution of the Board of directors:



Johann Jacobs
Chairman
Sydney
15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SIX MONTHS ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Revenue from contracts with customers	A11	3,900	-
Cost of sales		(10,846)	-
Gross loss		(6,946)	-
Other income	A12	14,426	-
Selling and distribution expenses		(318)	-
Depreciation and amortisation		(5,038)	(392)
Administration ¹		(3,562)	(1,541)
Construction expenses		-	(5,722)
Employee expenses		-	(532)
Exploration and evaluation expenses		-	(84)
Operating loss		(1,438)	(8,271)
Finance income		296	29
Finance expense		(2,657)	(77)
Loss before income tax expense		(3,799)	(8,319)
Income tax expense		-	-
Net loss attributable to members of the parent		(3,799)	(8,319)
Other comprehensive income for the half-year, net of income tax		-	-
Total comprehensive income for the interim period		(3,799)	(8,319)
		Cents	Cents
Basic earnings/(loss) per share		(0.4)	(1.3)
Diluted earnings/(loss) per share		(0.4)	(1.3)

¹ Prior period non-cash expenses have been reclassified as administration expenses to facilitate comparison with current year presentation

The notes on pages 14 - 42 are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31 December 2023	30 June 2023
		\$'000	\$'000
Current assets			
Cash and cash equivalents		595	9,032
Trade and other receivables	A13	15,826	588
Inventories	A14	4,634	2,711
Deposits		127	50
Total current assets		21,182	12,381
Non-current assets			
Property, plant and equipment	A15	111,314	99,903
Right of use assets	A16	13,478	11,167
Mine development costs	A17	-	12,803
Mine properties	A17	13,572	-
Deposits		2,910	3,378
Total non-current assets		141,274	127,251
Total assets		162,456	139,632
Current liabilities			
Trade and other payables	A18	15,285	12,756
Borrowings	A19	49,835	5,002
Lease liabilities	A16	2,617	5,236
Provisions		835	385
Other		76	80
Total current liabilities		68,648	23,459
Non-current liabilities			
Borrowings	A19	7,996	35,425
Lease liabilities	A16	6,953	3,349
Provisions		6,330	6,186
Other		220	245
Total non-current liabilities		21,499	45,205
Total liabilities		90,147	68,664
Net assets		72,309	70,968
Equity			
Issued capital	A6	157,087	152,901
Reserves	A9	22,077	21,123
Accumulated losses		(106,855)	(103,056)
Total Equity		72,309	70,968

The notes on pages 14 - 42 are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 31 DECEMBER 2023

	Issued capital \$'000	Equity component of compound instrument \$'000	Share-option reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	103,100	-	1,964	(81,190)	23,874
Total comprehensive loss for the year	-	-	-	(8,319)	(8,319)
	-	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>	-	-	-	-	-
Movements in financial instruments	-	16,080	-	-	16,080
Share-based payment reserve	-	-	524	-	524
Capital raising	15,080	-	-	-	15,080
Capital raising costs	(925)	-	-	-	(925)
Balance at 31 December 2022	117,255	16,080	2,488	(89,509)	46,314
Balance at 1 July 2023	152,901	16,080	5,043	(103,056)	70,968
Total comprehensive loss for the year	-	-	-	(3,799)	(3,799)
	-	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>	-	-	-	-	-
Employee expenses	-	-	692	-	692
Share-based payments reserves	-	-	262	-	262
Capital raising	4,312	-	-	-	4,312
Capital raising costs	(126)	-	-	-	(126)
Balance at 31 December 2023	157,087	16,080	5,997	(106,855)	72,309

The notes on pages 14 - 42 are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Cash flows used in operating activities			
Receipts from customers		3,465	-
Other income		284	-
Payments to suppliers and employees		(12,808)	(4,863)
Interest paid		23	29
Interest received		(1,176)	(69)
Net cash used in operating activities		(10,212)	(4,903)
Cash flows used in investing activities			
Payments for capitalised development costs		(617)	(507)
Payments for property, plant and equipment ¹	A15	(14,494)	(32,973)
Net cash used in investing activities		(15,111)	(33,480)
Cash flows from financing activities			
Proceeds from issue of shares	A7	4,312	15,080
Payments for capital raising costs	A7	(126)	(924)
Interest paid on borrowings		-	(518)
Proceeds from borrowings		16,954	32,770
Repayment of borrowings		(1,368)	-
Repayment of lease liabilities		(2,886)	(480)
Net cash generated from financing activities		16,886	45,928
Net increase in cash and cash equivalents		(8,437)	7,545
Cash and cash equivalents at 1 July		9,032	4,529
Cash and cash equivalents at 31 December		595	12,074

¹ Payments for property, plant and equipment include a \$1.2 million deposit paid for leased equipment under the EOM mobile fleet facility

The notes on pages 14 - 42 are an integral part of these consolidated interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

The Notes to the consolidated interim financial statement are set out in the following main sections:

SECTION A – KEY FINANCIAL INFORMATION AND PREPARATION BASIS

SECTION B – KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES

SECTION A KEY FINANCIAL INFORMATION AND PREPARATION BASIS

A1 REPORTING ENTITY

Group 6 Metals Limited (**Company**) is a company domiciled in Australia. These consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily focused on mining and processing the high-grade ore from the Dolphin Tungsten Mine (DTM) on King Island.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company's registered office at Level 7, 157 Ann Street, Brisbane, Queensland, 4000, or the Company's website at www.g6m.com.au.

A2 BASIS OF PREPARATION

These consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and with IAS 34 Interim Financial Reporting.

They do not include all of the information required for a full annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2023.

These interim financial statements were approved by the Board of Directors on 15 March 2024.

The Company is not of a kind referred to in ASIC Corporations Instrument 2016/191 dated 1 April 2016 and, in accordance with the Class Order, amounts in these interim financial statements and directors' report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise stated.

A3 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Revenue and other income

The Group recognises sales revenue related to the transfer of promised goods when the performance obligations under the contract have been satisfied. The amount of revenue reflects the consideration to which the Group expects to be entitled to satisfy the performance obligation.

Sale of commodities

Sales contracts for commodities often incorporate provisional pricing.

Sales of tungsten concentrate are initially measured at the estimated sales value when control and the risks of ownership of the product are passed to the customer. The final sales value may change due to movements in commodity prices, assays, moisture content and weight between the commodity's delivery time and the end of the quotation period ('QP') stipulated in the sales contract.

Sales revenue includes revenue from contracts with customers, accounted for in accordance with AASB 15 'Revenue from contracts with customers'.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MATERIAL ACCOUNTING POLICIES (continued)

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Trade and other receivables

Trade receivables

Trade receivables are initially measured at the transaction price as disclosed in the revenue accounting policy and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses (ECLs), except for provisionally priced receivables which are subsequently measured at fair value through profit or loss. Refer to the revenue accounting policy for more information regarding provisional pricing arrangements. Provisional invoices for commodity sales are due for settlement within five business days against presentation of the required documentation. Final invoices are issued within 75 days from arrival of a shipment at the Port of Destination and once all relevant factors are known, which can range from 30 to 180 days following shipment. Final invoices are due for settlement within five business days of being issued.

Collectability of trade receivables is reviewed on an ongoing basis. At the reporting date, an allowance for ECLs is recognised for receivables which are not expected to be collected. The amount of any allowance is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. When a trade receivable for which an allowance has been recognised becomes unrecoverable, it is written off against the allowance.

The Group measures the loss allowance for trade and other receivables at an amount equal to the lifetime ECL, except where the credit risk is considered low or has not increased significantly since initial recognition, in which case the loss allowance is based on a 12 month ECL. A simplified approach is taken to accounting for trade and other receivables and records the loss allowance at the amount equal to the lifetime ECL. In applying this simplified approach, the Group uses its historical experience, external indicators and forward looking information to calculate the ECL.

Other receivables

Other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost less impairment losses.

Prepayments

Prepayments are recognised at cost.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MATERIAL ACCOUNTING POLICIES (continued)

Inventory

Material extracted from the mine is classified as either ore or waste. Ore represents material that, at the time of extraction, is expected to be processed into a saleable form and sold at a profit.

Stockpiled ore is subsequently processed into commodities in a saleable form of tungsten concentrate. Concentrate ready for shipment is the concentrate available for sale stored on site. Concentrate shipped is concentrate that has been shipped from King Island but has yet to arrive at the Port of International Dispatch.

Inventories are valued at the lower of cost or net realisable value. The cost of stockpiled ore, concentrate ready for shipment, and concentrate shipped is determined using a weighted average basis. Costs will include the relevant direct material, mining, processing, labour, freight, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining and processing activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. Periodic surveys verify stockpile tonnages.

Net realisable value is the estimated future sales price of the product produced based on the estimated commodity price less the estimated costs of completion.

Stores and spares represent commodity consumables and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as capital items and are valued at a lower cost or net realisable value.

Overburden in advance

Overburden in advance (OBIA) is the overburden in excess of the overburden-to-ore ratio that must be removed in order to mine the ore.

Expenditure incurred to remove overburden or waste material during the production phase of an open cut mining operation is deferred to the extent it gives rise to future economic benefits. It will be recognised when the overburden removal activity is performed on each block of the mine, and these costs can be reliably measured on a block-by-block basis.

The cost of OBIA is determined using a weighted average basis. Costs will include the relevant direct material, overburden removal, mining, processing, labour, freight, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining and processing activities. The movement in OBIA is measured by estimating the bank cubic metres (BCMs) added and removed from OBIA based on survey data.

OBIA is classified as a non-current asset. For the purposes of assessing impairment, OBIA assets are grouped with other assets of the relevant cash generating unit (CGU).

Expenditure is charged to the statement of profit or loss and other comprehensive income on a units of production basis using the estimated average stripping ratio for the block being mined. Changes in estimate of average stripping ratios are accounted for prospectively.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MATERIAL ACCOUNTING POLICIES (continued)

Mine development costs and mine properties

Mine development costs include aggregate expenditure in relation to mine construction and mine development where a development decision has been made. Mine development costs are accumulated separately for each area of interest in which economically recoverable reserves have been identified, and a decision to develop has occurred. This expenditure includes direct costs, an appropriate allocation of related overheads having a specific connection with the mine development and, where applicable, borrowing costs capitalised during development. Mine development costs are only amortised once construction is completed, and the assets are available for their intended use. This is determined by the formal commissioning of the mine for production.

Once mining commences, the aggregate capitalised costs are re-classified under non-current assets as Mine Properties or an appropriate class of property, plant and equipment.

The Group undertakes regular impairment reviews incorporating an assessment of recoverability of cash generating assets. Cash generating assets relate to specific areas of interest in the Group's mine property assets. The recoverable value of specific areas of interest are assessed by value in use calculations determined with reference to the project's new (net) cash flows estimated under the Life of Mine Plan.

A4 USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, the Company's management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2023, other than those outlined below.

Commercial production date

Commercial production of concentrate commenced on 1 July 2023, signalling the move from a pre-production phase into production. In accordance with the Group's accounting policy on Mine Development Costs, aggregated capitalised mine development costs have been re-classified under non-current assets as Mine Properties from that date. Given the assets are now available for use, amortisation has commenced on a Units of Production basis using the life of mine ore tonnes as a basis.

Provisional pricing arrangements

Judgement (based on external assays and measuring equipment) is required to determine the provisional transaction price for each shipment, having regard for variability in the precise quantity and quality of the commodity being delivered and estimated forward market prices at the end of quotation periods.

Value has been determined using the "expected value" method.

Further judgement will be required to determine whether variable consideration is subject to significant change. This might be relevant where the final quality of products will not be confirmed until testing at its destination.

Provisionally priced sales may be repriced, where the movement is present, at each reporting period until final pricing and settlement are agreed upon based on the final quality of products delivered and tested at their destination.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A5 GOING CONCERN

These financial statements have been prepared on a going concern basis, which contemplates the continuity of standard business activities, the realisation of assets, and the discharge of liabilities in the ordinary course of business.

The Group incurred a pre-tax operating loss of \$3.8 million during the six month period ended 31 December 2023 (the period).

Included in the operating loss for the year is the fair value of 12,000,000 performance options (\$0.3 million) granted and vested to directors as non-cash consideration for market-based remuneration and options (\$0.7 million) granted to employees in July 2023.

During the period, the Group raised \$4.2 million (net of transaction costs) of capital via the Share Purchase Plan announced to market on 8 May 2023.

At 31 December 2023, the Group had a cash balance of \$0.6 million and a net current asset deficiency of \$47.5 million. During the period, the Group had operating cash outflows of \$10.2 million and investing cash outflows of \$15.1 million.

At 31 December 2023, the Company had undrawn loan facilities of \$2.6 million under the EOM mobile fleet facility. Total drawn debt is \$57.8 million with \$49.8 million due to mature in the next twelve months.

Subsequent to period-end, the following events occurred which have a financial impact, or potential financial impact, on the Group:

- On 4 January 2024, the Company executed an unsecured short-term loan agreement with CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis, for an advance of \$1.5 million. The loan was repaid on 31 January 2024. The purpose of the loan was to support the Company's short-term working capital requirement pending the receipt of the cash refund from the R&D Tax Incentive Application for the 2023 financial year.
- During the week commencing 11 March 2024, the Company entered into the following agreements:
 1. Loan Agreements with two of the major shareholders under which the lenders provided a short-term facility amount of \$1.5 million each. The lenders include:
 - Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis

The agreements are identical with the major terms being:

Commitment	Loan standby facility of \$1,500,000
Term	From 12 March 2024 to 30 June 2024
Termination Date	30 June 2024
Repayment	The earlier of 30 June 2024 or when a minimum of \$15 million funding is sourced
Applicable Interest rate	12.5% per annum
Security	Unsecured
Purpose	Funding for general working capital and corporate purposes

As at 15 March 2024, both of the loans have been drawn to \$1,000,000.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. Agreements with the following lenders who each provided a \$2.0 million R&D bridge facility in November 2023, as more fully described in Borrowing disclosure of Note A19, whereby repayment, which was due on 31 March 2024 has been deferred to 31 August 2024, with the remaining conditions remaining the same:
 - Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis
 - Elphinstone Holdings Pty Ltd
 - D.A.CH.S Capital AG
3. Waivers have been signed with the following lenders for relief of a financial covenant in the Loan Agreements which were in technical breach:
 - Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis
 - Elphinstone Holdings Pty Ltd
 - D.A.CH.S Capital AG
 - Pure Asset Management

Management recently updated the Life of Mine (LoM) model. The 12-month cash flow included in the LoM underpins the basis of preparation as a going concern. There is uncertainty regarding the projected sales quantities and the associated timing of cash generated by operating activities as commercial production ramps up however the Group is focussed on executing operational strategies to achieve steady state production.

Management has prepared a cashflow forecast that supports the ability of the Group to continue as a going concern, using the following assumptions:

- Securing additional funding in the next quarter to maintain operations through to steady state production and positive cashflows;
- Mine performance and operating cash flows being achieved in accordance with the assumptions used by management in the LoM model and cashflow forecast;
- The Group maintaining expenditure within available fundings; and
- Refinancing debt that matures within the next 12 months to better match the cashflow profile of the business.

The going concern basis is critically dependent upon an appropriate combination of the above funding and operational solutions being achieved. This represents a material uncertainty as to whether the Group will continue as a going concern.

Given the history of successfully negotiating previous solutions, the directors continue to deem the going concern basis as the most appropriate basis to adopt in preparing these Financial Statements.

The directors consider that the Group will continue to be able to fulfil all obligations as and when they fall due for the foreseeable future and that the realisation of assets and settlement of liabilities will occur in the ordinary course of the business. No adjustments have been made to the financial information relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Judgement about the future is based on information available at the date of this report. Subsequent events may result in outcomes that are inconsistent with reasonable judgements at the time they were made.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A6 ISSUED CAPITAL

	Note	31 December 2023 \$'000	30 June 2023 \$'000
Ordinary fully paid shares	A7	<u>157,087</u>	<u>152,901</u>

A7 ORDINARY FULLY PAID SHARES

	Note	Number	\$'000
Balance 1 July 2022		630,754,715	103,100
Exercise of unquoted options		4,375,000	370
Share placements		86,529,409	14,710
Capital raising costs		-	(925)
Balance 31 December 2022		<u>721,659,124</u>	<u>117,255</u>
Balance 1 July 2023		972,626,827	152,901
Share placements		30,797,893	4,312
Capital raising costs		-	(126)
Balance 31 December 2023	A6	<u>1,003,424,720</u>	<u>157,087</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A8 OPTION MOVEMENTS

	Exercise Price per share	Expiry Date	Opening 1 July Number	Issued Number	Exercised Number	Expired Number	Closing 31 December Number
Half year ended 31 December 2022							
Unquoted	6 cents	31/12/2022	1,000,000	-	(1,000,000)	-	-
Unquoted	8 cents	31/12/2022	1,375,000	-	(1,375,000)	-	-
Unquoted	10 cents	31/12/2022	2,000,000	-	(2,000,000)	-	-
Unquoted	11 cents	15/10/2024	1,000,000	-	-	-	1,000,000
Unquoted	13 cents	15/10/2024	1,000,000	-	-	-	1,000,000
Unquoted	15 cents	15/10/2024	1,000,000	-	-	-	1,000,000
Unquoted	11 cents	07/09/2024	1,000,000	-	-	-	1,000,000
Unquoted	13 cents	07/09/2025	1,000,000	-	-	-	1,000,000
Unquoted	15 cents	07/09/2026	1,000,000	-	-	-	1,000,000
			10,375,000	-	(4,375,000)	-	6,000,000
Half year ended 31 December 2023							
Unquoted	11 cents	15/10/2024	1,000,000	-	-	-	1,000,000
Unquoted	13 cents	15/10/2024	1,000,000	-	-	-	1,000,000
Unquoted	15 cents	15/10/2024	1,000,000	-	-	-	1,000,000
Unquoted	10 cents	07/09/2024	1,000,000	-	-	-	1,000,000
Unquoted	12 cents	07/09/2025	1,000,000	-	-	-	1,000,000
Unquoted	15 cents	07/09/2026	1,000,000	-	-	-	1,000,000
Unquoted	28 cents	31/01/2025	50,852,909	-	-	-	50,852,909
Unquoted	28 cents	31/01/2025	13,157,494	-	-	-	13,157,494
Unquoted	28 cents	31/01/2025	617,647	-	-	-	617,647
Unquoted	28 cents	31/01/2025	7,352,942	-	-	-	7,352,942
Unquoted	28 cents	31/01/2026	29,411,765	-	-	-	29,411,765
Unquoted	21 cents	30/06/2025	-	146,483,992	-	-	146,483,992
Unquoted	18 cents	14/07/2026	-	2,500,000	-	-	2,500,000
Unquoted	20 cents	14/07/2027	-	2,500,000	-	-	2,500,000
Unquoted	22 cents	14/07/2028	-	2,500,000	-	-	2,500,000
Unquoted	18 cents	14/07/2026	-	1,000,000	-	-	1,000,000
Unquoted	20 cents	14/07/2027	-	1,000,000	-	-	1,000,000
Unquoted	22 cents	14/07/2028	-	1,000,000	-	-	1,000,000
Unquoted	21 cents	30/06/2025	-	2,333,333	-	-	2,333,333
Unquoted	21 cents	30/06/2025	-	476,627	-	-	476,627
			107,392,757	159,793,952	-	-	267,186,709

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A9 RESERVE

	31 December 2023 \$	30 June 2023 \$
Share option reserve	22,077,160	21,123,072

	31 December 2023 \$	31 December 2022 \$
Share option reserve movements		
Balance at 1 July	21,123,071	1,963,831
Derivative financial instruments	-	11,859,135
Compound financial instruments - equity	-	4,220,875
Equity settled share-based payments for the interim period	262,314	524,628
Employee expenses	691,775	-
Balance at 31 December	22,077,160	18,568,469

Options

During the half year ended 31 December 2023, 159,793,952 unquoted options were issued and vested.

During the period, the Group issued 149,293,952 free attaching options for the Placement and Share Purchase Plan announced on 8 May 2023 (two free attaching options for every three new shares, rounded) including 24,119,051 free attaching options issued to the Directors who participated in the Placement. The free attaching options have an exercise price of \$0.21 and expire on 30 June 2025.

Employee Expenses

On 14 July 2023, the Group issued 7,500,000 options to the nominees of Managing Director and CEO, Keith McKnight and 3,000,000 unquoted options to a Key Management Personnel (KMP). The options were granted at no cost to the recipient. The fair value of the options at the Grant Date is determined using the Black Scholes model. The options expense relating to KMP options for the interim period to 31 December 2023 totals \$691,775 (2022: nil). The basis of valuation assumes the share price at Grant Date of \$0.125, whilst if valued at the 31 December 2023 share price of \$0.081, the expense would have been \$369,775.

No terms of equity settled share-based payment transactions (including options granted as compensation to key management persons) have been altered or modified by the Group during the interim period or the prior period.

There are no entitlements for the Company's option holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

The Group prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such an arrangement is prohibited by law.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RESERVE (continued)

Details of the total options held by Directors in the Company are shown in the following table.

Group 6 Metals Limited Unquoted Options

Exercise Price per Share	Vesting Date	Expiry Date	Johann Jacobs Number	Chris Ellis Number	Gregory Hancock Number	Keith McKnight Number	Total Number
30 June 2023							
Options							
\$0.11	15/10/2019	24/10/2024	-	-	1,000,000	-	1,000,000
\$0.13	15/10/2019	24/10/2024	-	-	1,000,000	-	1,000,000
\$0.15	15/10/2019	24/10/2024	-	-	1,000,000	-	1,000,000
\$0.28	23/01/2023	31/01/2025	147,059	7,352,942	-	88,235	7,588,236
			147,059	7,352,942	3,000,000	88,235	10,588,236
Performance Options							
\$0.00	30/09/2021	30/06/2026	3,000,000	3,000,000	3,000,000	-	9,000,000
\$0.00	19/07/2023	19/07/2028	4,000,000	4,000,000	4,000,000	-	12,000,000
			7,000,000	7,000,000	7,000,000	-	21,000,000
Warrants							
\$0.20	18/11/2021	31/03/2026	-	24,107,143	-	-	24,107,143

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RESERVE (continued)

Exercise Price per Share	Vesting Date	Expiry Date	Johann Jacobs Number	Chris Ellis Number	Gregory Hancock Number	Keith McKnight Number	Total Number
31 December 2023							
Options							
\$0.11	15/10/2019	15/10/2024	-	-	1,000,000	-	1,000,000
\$0.13	15/10/2019	15/10/2024	-	-	1,000,000	-	1,000,000
\$0.15	15/10/2019	15/10/2024	-	-	1,000,000	-	1,000,000
\$0.28	23/01/2023	31/01/2025	147,059	7,352,942	-	88,235	7,588,236
\$0.21	11/07/2023	30/06/2025	166,667	23,809,527	-	142,857	24,119,051
\$0.18	14/07/2023	14/07/2026	-	-	-	2,500,000	2,500,000
\$0.20	14/07/2023	14/07/2027	-	-	-	2,500,000	2,500,000
\$0.22	14/07/2023	14/07/2028	-	-	-	2,500,000	2,500,000
			313,726	31,162,469	3,000,000	7,731,092	42,207,287
Performance Options							
\$0.00	30/09/2021	30/07/2026	3,000,000	3,000,000	3,000,000	-	9,000,000
\$0.00	19/07/2023	19/07/2028	4,000,000	4,000,000	4,000,000	-	12,000,000
			7,000,000	7,000,000	7,000,000	-	21,000,000
Warrants							
\$0.20	18/11/2021	31/03/2026	-	24,107,143	-	-	24,107,143

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RESERVE (continued)

Share based payments

No new performance options were granted during the period.

The fair value of performance options previously issued to directors was determined at the Grant Date using the Black Scholes model. The options expense relating to performance options is recognised incrementally at each reporting date over the vesting period. The option expense for the interim period to 31 December 2023 totals \$262,314 (2022: \$524,628).

No terms of equity settled share-based payment transactions (including options granted as compensation to key management persons) have been altered or modified by the issuing entity during the interim period or the prior period.

There are no entitlements for the Company's option holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

The Group prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such an arrangement is prohibited by law.

No terms of equity settled share-based payment transactions have been altered or modified by the issuing entity during the interim period or the prior period.

No new warrants were granted during the six months to 31 December 2023.

The warrants granted to Pure Asset Management in previous periods were granted at no cost to the recipient. The fair value of the warrants at the Grant Date is determined using the Black Scholes valuation model.

No terms of warrants have been altered or modified by the issuing entity during the interim period or the prior period.

There are no entitlements for the Company's warrant holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RESERVE (continued)

Details of the total options made as share-based payment transactions of the Company are shown in the following table.

Group 6 Metals Limited Unquoted Options and Warrants

Exercise Price per share	Vesting Date	Expiry Date	KMP Number	Pure Number	Other Number	Total Number
31 December 2023						
Options						
\$0.11	15/10/2019	15/10/2024	1,000,000	-	-	1,000,000
\$0.13	15/10/2019	15/10/2024	1,000,000	-	-	1,000,000
\$0.15	15/10/2019	15/10/2024	1,000,000	-	-	1,000,000
\$0.10	07/09/2021	07/09/2024	-	-	1,000,000	1,000,000
\$0.12	07/09/2021	07/09/2025	-	-	1,000,000	1,000,000
\$0.15	07/09/2021	07/09/2026	-	-	1,000,000	1,000,000
\$0.18	14/07/2023	14/07/2026	3,500,000	-	-	3,500,000
\$0.20	14/07/2023	14/07/2027	3,500,000	-	-	3,500,000
\$0.21	11/07/2023	30/06/2025	24,285,718	-	122,198,274	146,483,992
\$0.21	26/07/2023	30/06/2025	-	-	2,333,333	2,333,333
\$0.21	03/08/2023	30/06/2025	-	-	476,627	476,627
\$0.22	14/07/2023	14/07/2028	3,500,000	-	-	3,500,000
\$0.28	23/01/2023	31/01/2025	7,588,236	-	43,264,673	50,852,909
\$0.28	22/02/2023	31/01/2025	-	-	13,157,494	13,157,494
\$0.28	22/02/2023	31/01/2025	-	-	617,647	617,647
\$0.28	27/03/2023	31/01/2025	-	-	7,352,942	7,352,942
\$0.28	23/01/2023	31/01/2026	-	-	29,411,765	29,411,765
			45,373,954	-	221,812,755	267,186,709
Performance Options						
\$0.00	30/09/2021	30/09/2026	9,000,000	-	-	9,000,000
\$0.00	19/07/2023	19/07/2028	12,000,000	-	-	12,000,000
			21,000,000	-	-	21,000,000
Warrants						
\$0.21	18/11/2021	31/12/2025	-	46,428,571	-	46,428,571
\$0.20	18/11/2021	31/03/2026	24,107,143	-	77,678,572	101,785,715
			24,107,143	46,428,571	77,678,572	148,214,286

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RESERVE (continued)

Equity component compound financial instruments

No new warrants were granted during the six months to 31 December 2023.

At 31 December 2022, the convertible loan facilities were fully drawn. The derivative liabilities were derecognised and the equity component of compound financial instruments are recognised.

Compound financial instruments are recognised at the draw down date of the loans (2023 \$4.2 million).

Group 6 Metals Limited - Unquoted Warrants

Exercise Price per share	Vesting Date	Expiry Date	Chrysalis Number	Abex Number	Elphinstone Number	D.A.CH.S Number	Total Number
31 December 2023							
19.6 cents	18/11/2021	Various	24,107,143	34,821,429	26,785,714	16,071,429	101,785,715
			<u>24,107,143</u>	<u>34,821,429</u>	<u>26,785,714</u>	<u>16,071,429</u>	<u>101,785,715</u>

A10 DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year reporting period.

A11 REVENUE

	31 December 2023	31 December 2022
	\$'000	\$'000
Revenue from contracts with customers	3,900	-

Revenue from contracts with customers represents \$3.8 million of sales of tungsten concentrate on the first 9 shipments to offtake partners and \$0.1 million on gravel sales to King Island Council. Products are transferred at a point in time and the primary geographic market of the customer is Europe.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A12 OTHER INCOME

	31 December 2023 \$'000	31 December 2022 \$'000
R&D refunds	14,350	-
Other income	76	-
	14,426	-

R&D refunds represents \$0.2 million received for the 2022 refundable tax offset on eligible R&D expenditure and \$14.1 million of income recognised in relation to the 2023 refundable R&D tax offset. Other income represents refunds of freight expenditure received through the Tasmanian Freight Equalisation Scheme.

A13 TRADE AND OTHER RECEIVABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Trade receivables	511	4
R&D refunds and associated interest receivable	14,301	-
Prepayments	871	166
Other receivables	143	418
	15,315	584
Trade and other receivables	15,826	588

A14 INVENTORIES

	31 December 2023 \$'000	30 June 2023 \$'000
Stores and spares	3,727	2,612
Concentrate ready for shipment	820	99
Stockpiled ore	87	-
	4,634	2,711

The Group expensed \$3.8 million of inventories during the period (2022: \$0 million) as a result of the write-down to net realisable value and \$3.4 million as cost of goods sold (2022: \$0 million).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A15 PROPERTY, PLANT AND EQUIPMENT

	31 December 2023 \$'000	30 June 2023 \$'000
Land and buildings - at cost	5,598	5,125
Less: Accumulated depreciation	(978)	(862)
	<u>4,620</u>	<u>4,263</u>
Plant and equipment - at cost	96,039	95,558
Less: Accumulated depreciation	(2,301)	(541)
	<u>93,738</u>	<u>95,017</u>
Overburden in advance	11,247	-
Assets under construction	1,709	623
	<u>111,314</u>	<u>99,903</u>

Movements in property, plant and equipment

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Assets under construction \$'000	Overburden in advance \$'000	Total \$'000
Balance at 1 July 2023	3,263	1,000	95,017	623	-	99,903
Additions	474	-	481	1,086	11,545	13,586
Expensed to P&L	-	-	-	-	(298)	(298)
Depreciation expense	-	(117)	(1,760)	-	-	(1,877)
Balance at 31 December 2023	<u>3,737</u>	<u>883</u>	<u>93,738</u>	<u>1,709</u>	<u>11,247</u>	<u>111,314</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A16 LEASES

	31 December 2023 \$'000	30 June 2023 \$'000
Right of use assets		
Right of use assets	15,936	13,899
Less: Accumulated amortisation	(2,458)	(2,732)
	13,478	11,167
	31 December 2023 \$'000	30 June 2023 \$'000
Movements in right of use assets		
Balance 1 July	11,168	2,531
Additions	6,522	11,368
Terminations	(1,415)	-
Depreciation charge for the period	(2,797)	(2,731)
Balance 31 December	13,478	11,168
	31 December 2023 \$'000	30 June 2023 \$'000
Lease liabilities		
Current Liability	2,617	5,236
Non-Current Liability	6,953	3,349
	9,570	8,585

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A17 MINE DEVELOPMENT COSTS AND MINE PROPERTIES

	31 December 2023 \$'000	30 June 2023 \$'000
Mine development costs	-	12,803
	-	12,803

	31 December 2023 \$'000	31 December 2022 \$'000
Movements in mine development costs		
Balance 1 July	12,803	296
Transfers in	515	-
Transfers out	(13,318)	-
Additions	-	375
Environmental rehabilitation	-	345
Balance 31 December	-	1,016

	31 December 2023 \$'000	30 June 2023 \$'000
Mine properties	13,572	-
	13,572	-

	31 December 2023 \$'000	31 December 2022 \$'000
Movements in mine properties		
Balance 1 July	-	-
Transfers in	13,318	-
Additions	618	-
Depreciation charge for the period	(364)	-
Balance 31 December	13,572	-

Commercial production of concentrate commenced on 1 July 2023 and moved from a pre-production phase into production. In accordance with the Group's accounting policy on mine development costs (refer to Note A3), aggregated capitalised mine development costs have been re-classified as Mine Properties under non-current assets from that date. Given the assets are now available for use, amortisation has commenced on a Units of Production basis using the life of mine ore tonnes as a basis.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A18 TRADE AND OTHER PAYABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Trade payables	7,512	5,570
Accruals and other payables	7,773	7,161
Other payables	-	25
	15,285	12,756

A19 BORROWINGS

	31 December 2023 \$'000	30 June 2023 \$'000
Current liability	49,835	5,002
Non-Current liability	7,996	35,425
	57,831	40,427

During the half year ended 31 December 2023, unsecured loan funding of \$1,893,123 was provided to the Group by Monument Premium Funding. The purpose of the loan is to fund the 2023 insurance premiums through to 30 March 2024.

Terms	Monument Premium Funding
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	Debt facility of \$1,893,123
Term	Nine months
Termination Date	30 March 2024
Repayment	Monthly instalments
Applicable Interest rate	8.48% per annum
Security	Unsecured
Purpose	Insurance premium funding

As at 31 December 2023, the loan is fully drawn.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

BORROWINGS (continued)

During the half year ended 31 December 2023, an unsecured cash advance of \$3,000,000 was provided to the Group by Abex Limited. The purpose of the loan is to fund general working capital requirements to support the ramp-up of tungsten concentrate production at DTM.

Terms	Abex Limited
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	Cash advance of \$3,000,000
Term	12 months after commencement date
Termination Date	11/09/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12% per annum
Security	Unsecured
Purpose	Funding for general working capital requirements to support the ramp-up of tungsten concentrate production at DTM or such other purpose as the Lender may from time to time approve in writing

As at 31 December 2023, the loan is fully drawn.

During the half year ended 31 December 2023, an unsecured cash advance of \$3,000,000 was provided to the Group by CJRE Maritime Pty Ltd. The purpose of the loan is to fund general working capital requirements to support the ramp-up of tungsten concentrate production at DTM.

Terms	CJRE Maritime Pty Ltd
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	Cash advance of \$3,000,000
Term	12 months after commencement date
Termination Date	11/09/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12% per annum
Security	Unsecured
Purpose	Funding for general working capital requirements to support the ramp-up of tungsten concentrate production at DTM or such other purpose as the Lender may from time to time approve in writing

As at 31 December 2023, the loan is fully drawn.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

BORROWINGS (continued)

During the half year ended 31 December 2023, unsecured loan funding of \$1,000,000 was provided to the Group by Elphinstone Holdings Pty Ltd. The purpose of the loan is to partially fund deposits required to be paid to Caterpillar Financial Australia Limited for the truck refinancing.

Terms	Elphinstone Holdings Pty Ltd
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Facility	Debt facility of \$1,000,000
Term	12 months after commencement date
Termination Date	22/09/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12% per annum
Security	Unsecured
Purpose	Partially fund deposits required to be paid by the borrower under its equipment finance facility for truck refinancing

As at 31 December 2023, the loan is fully drawn.

During the half year ended 31 December 2023, an unsecured cash advance of \$2,000,000 was provided to the Group by Abex Limited. The purpose of the loan is to fund general working capital and corporate purposes.

Terms	Abex Limited
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	R&D bridge facility of \$2,000,000
Term	From 8 September 2023 to 31 March 2024
Termination Date	31/03/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Unsecured (security is subject to shareholder approval at General Meeting)
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the loan is fully drawn. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

BORROWINGS (continued)

During the half year ended 31 December 2023, a secured cash advance of \$2,000,000 was provided to the Group by D.A.CH.S Capital AG. The purpose of the loan is to fund general working capital and corporate purposes.

Terms	D.A.CH.S Capital AG
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	R&D bridge facility of \$2,000,000
Term	From 16 November 2023 to 31 March 2024
Termination Date	31/03/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Secured
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the loan is fully drawn. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

During the half year ended 31 December 2023, a secured cash advance of \$2,000,000 was provided to the Group by Elphinstone Holdings Pty Ltd. The purpose of the loan is to fund general working capital and corporate purposes.

Terms	Elphinstone Holdings Pty Ltd
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	R&D bridge facility of \$2,000,000
Term	From 16 November 2023 to 31 March 2024
Termination Date	31/03/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Secured
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the loan is fully drawn. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

BORROWINGS (continued)

During the half year ended 31 December 2023, a unsecured cash advance of \$2,000,000 was provided to the Group by CJRE Maritime Pty Ltd. The purpose of the loan is to fund general working capital and corporate purposes.

Terms	CJRE Maritime Pty Ltd
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited
Commitment	R&D bridge facility of \$2,000,000
Term	From 16 November 2023 to 31 March 2024
Termination Date	31/03/2024
Repayment	On termination date. Early repayment of the facility is permitted at any time without penalty
Applicable Interest rate	12.5% per annum
Security	Unsecured (security is subject to shareholder approval at General Meeting)
Purpose	Funding for general working capital and corporate purposes

As at 31 December 2023, the loan is fully drawn. Subsequent to period end, the term and termination date was extended to 31 August 2024. Refer to the Subsequent Event note A23 for further detail.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A20 COMMITMENTS

	31 December 2023 \$'000	30 June 2023 \$'000
Other liability commitment		
Within one year	1,937	100
One to five years	-	275
	<u>1,937</u>	<u>375</u>

Other liability commitments within one year includes the \$1.9 million commitment for stage 2 of the Whyalla Beef land purchase.

A21 CONTINGENT LIABILITIES

Purchase price

North Mining Limited and Australian Tungsten Pty Ltd entered into a Sale Agreement on 18 February 2002 to purchase the Dolphin tenement. The Sale Agreement was subsequently assigned to BCKP Limited (BCKP) by a Deed of Assignment dated 28 December 2012. A Deed of Variation was signed on 11 December 2015 which revised the purchase price to be the lesser of \$500,000 and 2% of capital expenditure to mine minerals from the tenement, payable 12 months after the commencement of mining of any mineral from the tenement. The \$500,000 has been recorded as a current liability in the 30 June 2023 Financial Statements. Under the Deed of Variation, the Group has a contingent liability as BCKP may elect to relinquish the purchase price in return for an amount payable of \$250,000 if the decision to mine is taken and there is receipt of sufficient finance (at least \$1,000,000).

King Island Council

On 1 July 2011, the Group entered into two agreements with King Island Council that have since been registered under Part 5 of the Land Use Planning Approvals Act 1993 (TAS). These agreements provide that the Group pay, upon commencement of operations, in each financial year, the amounts of \$50,000 inclusive of GST to the King Island Council for upgrading and improvement of Grassy infrastructure; and \$50,000 inclusive of GST to a Trust Fund, mainly for the purpose of upgrading and developing the community facilities in Grassy and surrounding areas. The Group paid the first instalments of these in advance, a total of \$100,000 inclusive of GST, on 1 July 2011. These advances are to be deducted from future payments over five years at the rate of \$20,000 per annum inclusive of GST. A current liability has been recognised in the period ended 31 December 2023 for the FY24 amounts owing to the KI Council. Future payments will be made over the operational life of the mine.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A22 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities whose operating results are reviewed regularly by the Group's Board and for which discrete financial information is available.

The Group is involved solely in the mining and processing of the high-grade ore from the DTM and thus has a single operating segment.

Business and geographical segments

The results and financial position of the Group's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Group's product and services and geographical areas are detailed below.

Products and services

The Group provides a single product of tungsten concentrate for sale.

Geographical areas

The Groups' activities are located solely in Australia with sales being made to Europe.

A23 SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this Financial Report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, except for the following:

On 4 January 2024, the Company executed an unsecured short-term loan agreement with CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis, for an advance of \$1.5 million. The purpose of the loan was to support the Company's short-term working capital requirement pending the receipt of the cash refund from the Research Development (R&D) Tax Incentive Application for the 2023 financial year. This amount was repaid following receipt of the R&D funds on 31 January 2024.

During the week commencing 11 March 2024, the Company entered into the following agreements:

- (1) Loan Agreements with two of the major shareholders under which the lenders provided a short-term facility of \$1.5 million each. The lenders include:
 - Abex Limited
 - CJRE Maritime Pty Ltd, an entity related to Director Chris Ellis

NOTES TO THE INTERIM FINANCIAL STATEMENTS

The agreements are identical with the major terms being:

Commitment	Loan standby facility of \$1,500,000
Term	From 12 March 2024 to 30 June 2024
Termination Date	30 June 2024
Repayment	The earlier of 30 June 2024 or when a minimum of \$15 million funding is sourced
Applicable Interest rate	12.5% per annum
Security	Unsecured
Purpose	Funding for general working capital and corporate purposes

As at 15 March 2023, both of the loans have been drawn to \$1,000,000.

- (2) Agreements with the following lenders who each provided a \$2.0 million R&D bridge facility in November 2023, as more fully described in Borrowing disclosure of Note A19, whereby repayment, which was due on 31 March 2024 has been deferred to 31 August 2024, with the remaining conditions remaining the same.
- Abex Limited
 - CJRE Maritime Pty Ltd, a company associated with Director Chris Ellis
 - Elphinstone Holdings Pty Ltd
 - D.A.CH.S Capital AG
- (3) Waivers have been signed with the following lenders for relief of a financial covenant in the Loan Agreements which were in technical breach:
- Abex Limited
 - CJRE Maritime Pty Ltd, a company associated with Director Chris Ellis
 - Elphinstone Holdings Pty Ltd
 - D.A.CH.S Capital AG
 - Pure Asset Management

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SECTION B KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES

B1 RELATED PARTY TRANSACTIONS

The following related party transaction charges for directors' fees, consulting fees and loans advanced to the Group were made with the Group on normal terms and conditions and in the ordinary course of business:

Johann Jacobs

As previously reported, on 27 June 2023, 250,000 fully paid ordinary shares were issued to an entity related to Mr Jacobs at \$0.14 per share to raise \$35,000 under the share placement announced to market on 8 May 2023 (**Placement Shares**). On 11 July 2023, 166,667 free attaching unquoted options to the Placement Shares (exercise price \$0.21, expiry date 30 June 2025) were issued to an entity related to Mr Jacobs following the closure of the Share Purchase Plan. Shareholder approval of the issue of the Placement Shares and unquoted options was obtained at the Company's Extraordinary General Meeting held on 15 June 2023.

The option Vesting Condition B of 4,000,000 Category B performance Options was satisfied following the first shipment of WO₃ concentrate announced to the market on 19 July 2023.

Christopher Ellis

During the period, the Group issued drawdown notices on an unsecured short-term debt facility of \$3,000,000 and a bridge finance debt facility of \$2,000,000 from CJRE Maritime Pty Ltd, a company related to Mr Ellis. The two facilities are fully drawn on 31 December 2023.

Subsequent to period end, the Group issued a drawdown notice on a further unsecured short-term debt facility of \$1,500,000 from Chrysalis Investments Pty Ltd, a company related to Mr Ellis. The loan was drawn on 4 January 2024 and repaid on 31 January 2024.

The loans were negotiated on an arm's length basis. The terms of the loan agreements are detailed in Note A19.

As previously reported, in April 2023, an entity related to Mr Ellis provided \$1,000,000 to the Group by way of an interest free unsecured loan to assist with the cashflow requirements of the Group. On 27 June 2023, 7,142,862 fully paid ordinary shares were issued to an entity related to Mr Ellis at \$0.14 per shares upon the conversion of the loan (**Conversion Shares**).

A further 28,571,428 fully paid ordinary shares were issued to an entity related to Mr Ellis on 27 June 2023 at \$0.14 per share to raise \$4,000,000 under the share placement announced to market on 8 May 2023 (**Placement Shares**).

On 11 July 2023, 23,809,527 free attaching unquoted options to the Conversion & Placement Shares (exercise price \$0.21, expiry date 30 June 2025) were issued to an entity related to Mr Ellis following the closure of the Share Purchase Plan. Shareholder approval of the issue of the Conversion Shares, Placement Shares and unquoted options was obtained at the Company's Extraordinary General Meeting held on 15 June 2023.

The option Vesting Condition B of 4,000,000 Category B performance Options was satisfied following the first shipment of WO₃ concentrate announced to the market on 19 July 2023.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RELATED PARTY TRANSACTIONS (continued)

Gregory Hancock

The option Vesting Condition B of 4,000,000 Category B performance Options was satisfied following the first shipment of WO₃ concentrate announced to the market on 19 July 2023.

Keith McKnight (Managing Director and Chief Executive Officer)

As previously reported, on 27 June 2023, 214,286 fully paid ordinary shares were issued to entities related to Mr McKnight at \$0.14 per share to raise \$30,000 under the share placement announced to market on 8 May 2023 (**Placement Shares**). On 11 July 2023, 142,857 free attaching unquoted options to the Placement Shares (exercise price \$0.21, expiry date 30 June 2025) were issued to an entity related to Mr McKnight following the closure of the Share Purchase Plan. Shareholder approval of the issue of the Placement Shares and unquoted options was obtained at the Company's Extraordinary General Meeting held on 15 June 2023.

On 14 July 2023, 2,500,000 unquoted options (exercise price of \$0.18, expiry 2026), 2,500,000 unquoted options (exercise price of \$0.20, expiry 2027) and 2,500,000 unquoted options (exercise price of \$0.22, expiry 2028) were issued to an entity related to Mr McKnight as non-cash remuneration for being the Chief Executive Officer of the Group. Shareholder approval of the issue of the unquoted options was obtained at the Company's Extraordinary General Meeting held on 15 June 2023.

Michael Zannes (Chief Financial Officer)

On 15 May 2023, 142,857 fully paid ordinary shares were issued to Mr Zannes at \$0.14 per share to raise \$20,000 under the share placement announced to market on 8 May 2023 (**Placement Shares**). On 11 July 2023, 95,238 free attaching unquoted options to the Placement Shares (exercise price \$0.21, expiry date 30 June 2025) were issued to Mr Zannes following the closure of the Share Purchase Plan.

Megan McPherson (Company Secretary)

On 15 May 2023, 107,143 fully paid ordinary shares were issued to Ms McPherson at \$0.14 per share to raise \$15,000 under the share placement announced to market on 8 May 2023 (**Placement Shares**). On 11 July 2023, 71,429 free attaching unquoted options to the Placement Shares (exercise price \$0.21, expiry date 30 June 2025) were issued to Ms McPherson following the closure of the Share Purchase Plan.

On 14 July 2023, 1,000,000 unquoted options (exercise price of \$0.18, expiry 2026), 1,000,000 unquoted options (exercise price of \$0.20, expiry 2027) and 1,000,000 unquoted options (exercise price of \$0.22, expiry 2028) were issued to Ms McPherson as non-cash remuneration for her tenure as Chief Financial Officer/Company Secretary of the Group.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

RELATED PARTY TRANSACTIONS (continued)

Summary of related party transactions

The following related party transaction charges for Directors' fees, consulting fees and loans advanced to the Group were made with the Group on normal terms and conditions and in the ordinary course of business:

	Transaction value for six months ended		Balance Outstanding		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	30 June 2023	Terms
	\$	\$	\$	\$	
Directors' fees	148,066	46,138	-	16,965	Payable at call
Consulting fees	172,834	267,934	-	158,835	Payable at call
	320,900	314,072	-	175,800	
Loan funding					
Principal	9,000,000	4,000,000	9,000,000	8,500,000	Refer to Note A19
Compound financial instrument - debt	3,527,785	3,527,785	3,527,785	3,527,785	Refer to Note A19
Compound financial instrument - equity	972,215	972,215	972,215	972,215	Refer to Note A19
Interest	1,025,087	235,027	1,025,087	534,904	Refer to Note A19
	14,525,087	8,735,027	14,525,087	13,534,904	

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

DIRECTORS' DECLARATION

In the opinion of the directors of Group 6 Metals Limited and its subsidiaries ("the Group"):

- (a) the consolidated financial statements and notes set out on pages 10 - 42, are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six-month period ended on that date; and
 - ii. complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Johann Jacobs
Chairman

Sydney
15 March 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors Group 6 Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Group 6 Metals Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'E. Neville-Stanley'.

Erin Neville-Stanley

Partner

KPMG

15 March 2024



Independent Auditor's Review Report

To the shareholders of Group 6 Metals Limited

Report on the Interim Financial Statements

Conclusion

We have reviewed the accompanying **Interim Financial Statements** of Group 6 Metals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Group 6 Metals Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*

The **Interim Financial Statements** comprises:

- Consolidated statement of financial position as at 31 December 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes A1 to B1 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Group 6 Metals Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2023.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We

have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note A5, "Going Concern" in the Interim Financial Statements. The events or conditions disclosed in Note A5, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Statements. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Statements

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Statements that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Statements

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Statements does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Erin Neville-Stanley
Partner
Brisbane
15 March 2024

SECURITY HOLDER INFORMATION

At 29 February 2024, issued capital was 1,003,424,720 ordinary fully paid shares held by 6,261 holders and 415,400,995 unquoted options (with various exercise prices and expiry dates – refer SECTIONS B, C & D below).

SECTION A Quoted Shares

The 20 largest shareholders at 29 February 2024 were:

Rank	Beneficial Shareholder	Number of Shares	% of Issued Capital
1	MRS GWENDA CHADWICK	151,304,877	15.08%
2	MR CHRISTOPHER ELLIS (DIRECTOR)	140,298,596	13.98%
3	D.A.CH.S. CAPITAL AG	91,693,710	9.14%
4	ELPHINSTONE HOLDINGS PTY LTD <ELPHINSTONE HOLDINGS A/C>	61,880,406	6.17%
5	MR ANTHONY JAMES HAGGARTY	18,540,960	1.85%
6	HSBC CUSTODY HOMINEES (AUSTRALIA) LIMITED	15,631,810	1.56%
7	MRS CATHERINE JEANNE MORRITT	11,752,299	1.17%
8	CITICORP NOMINEES PTY LIMITED	10,938,240	1.09%
9	BELGRAVIA STRATEGIC EQUITIES PTY LTD	9,862,000	0.98%
10	MR JOHANN JACOBS (DIRECTOR)	8,741,973	0.87%
11	MR GIUSEPPE CORONICA & MRS YVONNE PRICE <G CORONICA PTY S/F A/C>	8,446,470	0.84%
12	INVIA CUSTODIAN PTY LIMITED <AJ & LM DAVIES FAMILY A/C>	7,208,011	0.72%
13	NATIONAL NOMINEES LIMITED	6,870,925	0.68%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,776,848	0.68%
15	CAROLINE HOUSE SUPERANNUATION FUND PTY LTD <THE CAROLINE HOUSE S/F A/C>	6,414,706	0.64%
16	GEKKO SYSTEMS PTY LTD	6,401,210	0.64%
17	BNP PARIBAS NOMS PTY LTD <DRP>	5,158,556	0.51%
18	INVIA CUSTODIAN PTY LIMITED <THE RANAMOK FAMILY A/C>	5,170,590	0.52%
19	HUNAN NONFERROUS METALS CORPORATION LIMITED	4,450,000	0.44%
20	NORFOLK ENCHANTS PTY LTD <TROJAN RETIREMENT FUND A/C>	4,200,000	0.42%
Totals: Top 20 holders of ORDINARY SHARES (TOTAL)		581,742,187	57.98%

Distribution of shareholders and holdings at 29 February 2024:

Range	Total holders	Number of Shares	% of total Issued Capital
1 - 1,000	82	11,498	0.00
1,001 - 5,000	1,703	5,572,326	0.56
5,001 - 10,000	1,038	8,346,119	0.83
10,001 - 100,000	2,562	93,683,995	9.34
100,001 Over	876	895,810,782	89.28
Rounding	-	-	-0.01
Total	6,261	1,003,424,720	100.00%

SECURITY HOLDER INFORMATION (continued)

Unmarketable Parcels	Minimum Parcel Size	Holders	Number of Shares
Minimum \$500.00 parcel at \$0.0550 per Share	9,091	2,442	10,160,062

SECTION B Unquoted Options

Unquoted option holders at 29 February 2024 were:

			Various	Joint Lead Managers	KMP	Total
Exercise Price per share	Vesting Date	Expiry Date	Number	Number	Number	Number
11 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	1,000,000
13 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	1,000,000
15 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	1,000,000
10 cents	7 Sept 2021	7 Sept 2024	1,000,000	-	-	1,000,000
12 cents	7 Sept 2021	7 Sept 2025	1,000,000	-	-	1,000,000
15 cents	7 Sept 2021	7 Sept 2026	1,000,000	-	-	1,000,000
18 cents	14 Jul 2023	14 Jul 2026			3,500,000	3,500,000
20 cents	14 Jul 2023	14 Jul 2027			3,500,000	3,500,000
21 cents	Various	30 Jun 2025	125,008,234		24,285,718	149,293,952
22 cents	14 Jul 2023	14 Jul 2028			3,500,000	3,500,000
28 cents	Various	31 Jan 2025	64,392,756		7,588,236	71,980,992
28 cents	24 Jan 2023	31 Jan 2026	-	29,411,765	-	29,411,765
			192,400,990	29,411,765	45,373,954	267,186,709

SECTION C Performance Options

At 29 February 2024, there were 21,000,000 performance options with various vesting and expiry dates, held by three holders.

Exercise Price	Vesting Date	Expiry Date	Holder			Total
			Finmin Solutions Pty Ltd	Chrysalis Investments Pty Ltd	Hancock Corporate Investments Pty Ltd	
			Number	Number	Number	Number
\$0.00	30 Sept 2021 [^]	30 Sept 2026	3,000,000	3,000,000	3,000,000	9,000,000
\$0.00	19 Jul 2023	19 Jul 2028	4,000,000	4,000,000	4,000,000	12,000,000
TOTAL			7,000,000	7,000,000	7,000,000	21,000,000

[^] Vested

SECURITY HOLDER INFORMATION (continued)

SECTION D Warrants

At 29 February 2024, there were 148,214,286 warrants with various vesting and expiry dates, held by five holders.

Exercise Price	Vesting Date	Expiry Date	Holder					Total
			Pure Asset Management Pty Ltd	Elphinstone Holdings Pty Ltd	D.A.CH.S Capital A G	Abex Limited	Chrysalis Investments Pty Ltd	
			Number	Number	Number	Number	Number	Number
\$0.210	18 Nov 2021	31 Dec	46,428,571	-	-	-	-	46,428,571
\$0.196	18 Nov 2021	Various	-	26,785,714	16,071,429	34,821,429	24,107,143	101,785,715
TOTAL			46,428,571	26,785,714	16,071,429	34,821,429	24,107,143	148,214,286