For personal use only

# Group 6 Metals Limited

**ABN 40 004 681 734**

# Annual Report

**For the year ended 30 June 2025**

# CORPORATE DIRECTORY

ABN 40 004 681 734

## DIRECTORS

| | |
|---|---|
| KEVIN PALLAS | (EXECUTIVE CHAIRMAN) |
| CHRISTOPHER ELLIS | (NON-EXECUTIVE DIRECTOR) |
| DALE ELPHINSTONE | (NON-EXECUTIVE DIRECTOR) |

## COMPANY SECRETARY

ANDREW BICKLEY

## REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

255 GRASSY HARBOUR ROAD,
GRASSY, TAS 7256

WEB SITE: www.g6m.com.au
EMAIL: info@g6m.com.au

## AUDITOR

SW AUDIT
LEVEL 18,
197 ST GEORGES TERRACE
PERTH, WA 6000
TELEPHONE: +61 8 6184 5980
WEBSITE: www.sw-au.com

## SHARE REGISTERY

COMPUTERSHARE INVESTOR SERVICES PTY LTD
YARRA FALLS
452 JOHNSTON STREET
ABBOTSFORD VIC 3067
TELEPHONE:
+61 3 9415 5000 (main switchboard)
+61 3 9415 4000 (investors)
1300 850 505 (investors within Australia)
FACSIMILE: +61 3 9473 2500
WEB SITE: www-au.computershare.com

## ASX

GROUP 6 METALS SHARES ARE LISTED ON THE AUSTRALIAN SECURITIES EXCHANGE (ASX CODE: G6M)

Lodged with the ASX

# TABLE OF CONTENTS


CORPORATE DIRECTORY ..... 2

TABLE OF CONTENTS ..... 3

CHAIRMAN'S LETTER ..... 4

DIRECTORS' REPORT ..... 5

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..... 37

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ..... 38

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ..... 39

CONSOLIDATED STATEMENT OF CASH FLOWS ..... 40

NOTES TO THE FINANCIAL STATEMENTS ..... 41

CONSOLIDATED ENTITY DISCLOSURE STATEMENT ..... 90

DIRECTORS' DECLARATION ..... 91

AUDITOR'S INDEPENDENCE DECLARATION ..... 92

INDEPENDENT AUDITOR'S REPORT ..... 93

ADDITIONAL SHAREHOLDER INFORMATION ..... 98


For personal use only

# CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Group 6 Metals Limited board of directors, I thank you for your support over the past 12 months, particular for the rescue plan that was announced in December 2024 and approved at a meeting of shareholders in April 2025. This was crucial for the survival of G6M in its current form, and facilitated a recapitalisation of the Company that has provided the support and direction required to prevent a very different and unfavourable outcome. Prior to the implementation of the recapitalisation plan, the Company was unable to release its 2024 annual report as required by ASX listing rules and as a consequence G6M shares entered a trading suspension on the Australian Securities Exchange, which remains in place at the date of this report. The Company continues to engage with ASX in pursuit of reinstatement, however the process is somewhat complicated and requires several steps to be followed. This journey is ongoing and we are confident that as a result of the actions taken in the second half of the 2025 financial year, we are on the right pathway although the exact timing of reinstatement is at the discretion of ASX and difficult to predict at this stage.

The recapitalisation plan agreed with the Company's senior lending group and certain major creditors was underpinned by the following:

- the conversion to equity of $81.2 million of principal debt, accrued interest and balances owed to major creditors;
- fresh equity provided by the Company's senior lending group of $5.9 million; and
- the issuance of 7.2 billion warrants to the senior lending group.

The plan was approved on 23 April 2025 at a general meeting when shareholders voted overwhelmingly in favour of all resolutions, albeit that the transaction resulted in significant dilution of shareholdings. Further to the above, the senior lenders had already provided, by way of pre-payment, $17.8M of the planned funding to allow for operations at the Dolphin Tungsten mine to continue pending shareholder approval of the recapitalisation plan. Finally, as part of the recapitalisation plan, the Government of Tasmania provided a loan of $7.5M on 15 May 2025. These lending arrangements have provided key sources of capital for the Company to continue towards its goal of long-term profitability and positive cashflows.

There have been several changes to the board and management since announcing the recapitalisation plan on 4 December 2024. The changes were made in early December 2024 and the board has been very active in assessing the prospects of the Company and supporting plans to remediate performance, aimed at not only securing the short-term future of the Company, but to allow Group 6 Metals to realise the full potential of tungsten mining on King Island, Tasmania.

A capital improvement program commenced with goals to remediate a significant plant maintenance debt, accelerate process plant design improvements, and bolster production resilience generally. A program such as this takes time and capital to implement, but most importantly it requires strong leadership and a resilient focus. The program is now well underway and steady incremental productivity improvements have increasingly become evident. We are encouraged by the improvement in run-rate production, and with the current focus on process plant availability driven by the numerous component upgrades, we expect total production to increase month-on-month over the next several periods. Record production in June 2025 certainly provided confidence that we are on a positive trajectory.

In the latest quarters, efficient open-cut mining activities, with good achievement of ore delivery has been a positive outcome. The final stages of the current open cut mining sequence at the Dolphin pit was completed in July 2025 and the company has built significant stockpiles of ore to feed the processing plant whilst underground mining plans are finalised and implemented in the near future. With the reduction in debt through the recapitalisation plan, the Company is now in a much-improved financial position with a stronger balance sheet and sufficient cash reserves for steady-state operations. Our plans to continuously improve process plant performance, and in a robust tungsten market with elevated APT prices, the Company is positioned to reach cashflow positive operations in coming months as we look forward to the underground phase of the project.

Our management and staff have made outstanding contributions during a turbulent time for the business, which is to be commended. Similarly, our customers have been highly supportive, whilst most of our suppliers have aided our efforts to right the ship. Importantly, the people of King Island and the Government of Tasmania are to be thanked for their support in this project, which will no doubt bring long-term benefit to the community, the state, and Australia.

We look forward optimistically with plans to process our current ore stocks whilst we finalise the implementation of the Dolphin underground mining phase to bring high-grade ore into our ore inventory, as our concentrate production rates continue to improve. The Board thanks shareholders for their continued patience and support during what was a very difficult financial year. We are now gaining greater confidence in the Company's prospects and performance improvement, whilst we progress the journey towards long-term stability and re-instatement of the Company's shares on the ASX trading platform.

Best Regards,



Kevin Pallas
Executive Chairman

# 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 year ended 30 June 2025 and the auditor's report thereon.

## DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

| | | |
|---|---|---|
| Kevin PALLAS | (Executive Chairman) | Appointed 4 December 2024. |
| Dale ELPHINSTONE | (Non-Executive Director) | Appointed 4 December 2024. |
| Christopher ELLIS | (Executive Director) | Appointed 8 November 2012, redesignated as Non-Executive Director on 4 December 2024. |
| Johann JOOSTE-JACOBS | (Chairman) | Appointed 30 November 2012, resigned 4 December 2024. |
| Gregory HANCOCK | (Non-Executive Director) | Appointed 26 February 2019, resigned 4 December 2024. |
| Keith MCKNIGHT | (Managing Director and Chief Executive Officer) | Appointed 24 January 2022 as Chief Executive Officer and appointed to the Board 31 August 2022. Resigned on 4 December 2024. |
| Tony CARUSO | (Non-Executive Director) | Appointed 22 April 2024, resigned on 4 December 2024. |

**Kevin Pallas (Executive Chairman)**
**B. Comm**
Appointed 4 December 2024
Kevin possesses senior management and leadership experience through an extensive career in engineering, mining supplies, metals and manufacturing industries. Holding a Bachelor of Commerce degree, Kevin specialised in the areas of financial and cost accounting systems' design and development, and operational and commercial management for a number of multinationals in South Africa, New Zealand, Singapore and Australia. He joined ASX-listed Engenco Limited (ASX:EGN) in 2007 where he served in the positions of Chief Operations Officer, Chief Financial Officer, and led the company from 2015 until 2022 as Managing Director and Chief Executive Officer. Kevin is a non-executive Director on the board of Drac Mechanical Pty Ltd, a packager of power generation systems, and is a Member of the Institute of Company Directors.

**Dale Elphinstone AO (Non-Executive Director)**
Appointed 4 December 2024
Dale is the Executive Chairman of the Elphinstone Group, which he founded in 1975. Dale has considerable experience in the engineering, manufacturing and heavy machinery for the mining industry and among other things is the longest-serving Caterpillar dealer principal in Australia, having acquired the Caterpillar dealership in Victoria and Tasmania in 1987. Dale was the Co-Chair of the Joint Commonwealth and Tasmanian Economic Council, a member of the Tasmanian Premier's Economic and Social Recovery Advisory Council and was a director of the Tasmanian Health Organisation North-West until 30 June 2015. He was a director of Caterpillar subsidiary, Caterpillar Underground Mining Pty Ltd until December 2008 and formerly publicly listed Queensland Gas Company Limited from October 2002 to November 2008. Dale was also a director of ASX listed National Hire Group Limited until December 2011. Dale is a Non-Executive Director of Engenco Limited.

**Christopher Ellis (Executive Director)**
**B. Sc Hons**
Appointed Executive Director on 8 November 2012, redesignated as Non-Executive Director on 4 December 2024
Chris has over 40 years' of experience in the exploration and mining industry in Australia and overseas. He was a founding member and Executive Director of coal mining company Excel Coal Limited, which became Australia's largest independent coal mining company before being acquired by Peabody Energy Inc. in October 2006. Chris commenced his career in the UK coal industry, followed by positions within Shell's exploration group in Southern Africa and CRAE in Western Australia. He has also held senior positions for BP Coal (London and USA), Agipcoal Australia and the Stratford Joint Venture. Chris has core geology, mining engineering and mineral processing skills, mainly in the coal industry, with some experience in tungsten, gold, base metals and diamonds. He was responsible for designing and engineering four new mines during his career with Excel. Chris is a Non-Executive Director of Ausquest Limited (ASX: AQD).

For personal use only

# DIRECTORS' REPORT CONTINUED

## DIRECTORS (CONTINUED)

**Johann Jacobs (Chairman)**
**B. Acc, MBL**
Appointed on 30 November 2012. Resigned 4 December 2024.
Johann has over 40 years' of experience in the resources industry in Australia, South Africa, and Indonesia. He has previously been a director of several ASX-listed companies and remains a director of several private resource-focused companies.

**Gregory Hancock (Independent Non-Executive Director)**
**BA Econs, B. Ed Hons, F. Fin**
Appointed on 26 February 2019. Resigned 4 December 2024.
Greg has over 25 years' of experience in capital markets, working in corporate finance. He has extensive experience in Australia and the UK through his close links to the stockbroking and investment banking communities. His career specialised in mining and natural resources, with a background in the finance and management of listed companies. He is chairman of Ausquest Limited (ASX: AQD), BMG Resources Limited (ASX: BMG), Cobra Resources Plc (LON: COBR), Triangle Energy (Global) Limited (ASX: TEG) and Non-Executive Director of Golden State Mining Limited (ASX: GSM). Greg continues his close association with the capital markets in Australia and the UK through his private company, Hancock Corporate Investments Pty Ltd.

**Tony Caruso (Independent Non-Executive Director)**
Appointed 22nd April 2024. Resigned 4 December 2024.
Tony is a highly accomplished mining professional with over 30 years' of experience in the Australian coal and, more recently, the metals sector. Mr. Caruso has led companies through diverse phases of the business cycle, including rapid growth and transformation. Most notably, Mr Caruso was CEO and Managing Director of ASX-listed Metarock Group Limited (formerly Mastermyne Pty Ltd). During his eighteen-year tenure, thirteen years as a public company, he oversaw the company's ASX listing in 2010 and nationwide expansion. Mr. Caruso holds a postgraduate certificate in Business Management, is a Fellow of the Australian Institute of Management, and has held multiple chair and director roles on boards of industry associations and economic development corporations.

**Keith McKnight**
**BEng (Mech) (Hons)**
Appointed on 24 January 2022 as CEO and appointed to the Board on 31 August 2022. Resigned 4 December 2024.
Keith has over 24 years' of mining and resources project delivery and company management experience in Australia and overseas in mechanical design, contract management, construction management, commissioning and operations management. He was previously Managing Director and co-founder of Kirrama Resources Limited, a commodities development company with chromite and manganese projects in Madagascar. Mr McKnight has extensive experience spanning a range of commodities and has a bachelor's degree in mechanical engineering (Honours) from the University of Limerick.

## CHIEF FINANCIAL OFFICER

**Michael Zannes**
**B Bus, CPA, Grad Cert (AICD)**
Appointed 6 March 2023. Resigned 4 December 2024.
Michael is a CPA with over 20 years' of experience in the mining industry. He has a background in managing resource companies' operational and corporate finance functions. This includes C-suite experience in listed companies. Michael has previously held the role of Chief Financial Officer with Andromeda Metals Ltd (ASX: ADN) and also previously held various commercial positions with New Gold Inc (TSX/NYSE: NGD), including Company Director and Secretary for New Gold's Australian divisions and Whitehaven Coal Ltd (ASX: WHC) as Divisional Commercial Manager.

# DIRECTORS' REPORT CONTINUED

## COMPANY SECRETARY

**Megan McPherson**
**B Com, CA**
Appointed 1 February 2022. Resigned 19 December 2024.
Megan is a Chartered Accountant and Company Secretary with over 20 years' of commercial and public practice experience. She was part of the senior executive team which successfully listed Cuesta Coal Limited on the ASX in 2012 and has been a senior executive for companies with projects in Australia, Mongolia, Tanzania and Madagascar.

**Andrew Bickley**
**LLB, FGIA**
Appointed 19 December 2024.
Andrew has more than 15 years of experience as a company secretary and governance professional for Australian and global organisations, having worked for listed companies, professional services firms and statutory agencies. He has previously provided outsourced company secretary and governance support to a range of clients, including ASX-listed junior exploration companies. He has also been accountable for ASX and JSE listing compliance and managed 40-120 group subsidiaries worldwide at DRA Global Limited and Fortescue Metals Group Ltd. Andrew holds a Bachelor of Laws from the University of Essex and is a Fellow of both the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators.

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The group's principal activity during the year was the production and sale of tungsten concentrate from Dolphin Tungsten Mine on King Island, Tasmania.

## DIVIDENDS

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

For personal use only

# DIRECTORS' REPORT CONTINUED

## REVIEW OF OPERATIONS

**Dolphin Tungsten Mine (DTM)**

### Key Points

- Several operational challenges, poor production performance and significant financing difficulties in the first half of the financial year led to the necessity of recapitalising the company.
- A program aimed at addressing severe plant maintenance debt and a focus on replacement or upgrading of key processing plant components led to more satisfactory run-rate concentrate production, particularly towards the end of the financial year.
- Completion of the Dolphin Pit open cut mining sequence soon after financial year end built significant stockpiles of ore to be processed in subsequent periods.
- Extension of the tailings storage facility to ensure long-term capacity.
- Appointment of Anton Jackowetz in the position of Processing Manager, with significant experience in tungsten processing plant operations.
- Ore sorting trials initiated.
- Record concentrate production in June 2025 providing confidence in process plant upgrade plan.

### Corporate

### Key Points

- G6M was suspended from trading on the Australian Securities Exchange on 27 September 2024, and remains suspended pending being in a position to meet ASX requirements which are actively being addressed by the Company.
- The Company submitted a Research & Development (R&D) tax incentive application for the year ended 30 June 2024 with AusIndustry during the period, resulting in a cash refund of $2.1 million (inclusive of interest) received in June 2025. In the previous period, the Company received $14.4 million of R&D tax incentive refunds which pertained to the 30 June 2023 R&D lodgment.
- Major lenders/ shareholders continued to provide unwavering support for the Company and the DTM by providing finance. As detailed further below in this Directors' Report and in Note A24, funding provided included $7.7 million in short-term finance and $17.8 million in long-term finance from the Senior Lending Group alongside $7.5M from the State of Tasmania.
- As part of the recapitalisation plan, board and senior management changes were made and a business transformation plan developed, which is under execution.
- Completed recapitalisation plan during the period.
- Brisbane corporate office closed to contain costs and to ensure strong executive engagement at operational level on King Island.
- Share consolidation completed following reconvened FY24 AGM held in August 2025.

### Capital Raising

The Company raised $5.9 million from the issuance of ordinary shares to the following entities representing the Company's senior lending group - Abex Limited, Elphinstone Holdings Pty Ltd, Chrysalis Investments Pty Ltd ATF The Ellis Family Trust and Pure Asset Management Pty Ltd ATF PURE Resources Fund - after receiving shareholder approval on 23 April 2025.

For personal use only

# DIRECTORS' REPORT CONTINUED

**Loan Funding and Recapitalisation**

During the period, amendments were made to the May 2024 Bridge Facility Agreements to include an additional $7.7 million in short-term funding on the same terms and conditions of pre-existing loans and a maturity date of 22 November 2024. The following amounts were borrowed under the original May 2024 Bridge Facility Agreements by members of the Senior Lending Group:

| Lender | Amounts Borrowed ($'000) |
|---|---|
| Abex Limited | $2,350 |
| Elphinstone Holdings Pty Ltd | $1,000 |
| Pure Asset Management Pty Ltd | $1,300 |
| Chrysalis Investments Pty Ltd | $3,050 |

All of these amounts were extended and included in the Company's recapitalisation plan as described below.

The Company's outstanding debt with Ballarat Clarendon College of $0.8 million was extended to a maturity date of 30 June 2026 and was not included in the recapitalisation.

***Recapitalisation***

As announced on 4 December 2024, the Group reached an agreement with its secured lenders and certain major creditors to recapitalise the Company. The recapitalisation included the following significant events:

*New Facilities*

On 3 December 2024, the Company entered into new facility agreements with four of its existing lenders on the terms summarised below:

| Lender | Facility available ($'000) |
|---|---|
| Abex Limited | $4,688 |
| Elphinstone Holdings Pty Ltd | $7,125 |
| Pure Asset Management Pty Ltd | $2,813 |
| Chrysalis Investments Pty Ltd | $3,188 |

All new facilities have a maturity date of 30 April 2027 and carry an annual interest rate of 12%. Interest will accrue up to 30 November 2025, with payment originally due on that date. Thereafter, interest will continue to accrue and be payable on a quarterly basis, beginning with the quarter ending 31 December 2025. However, the payment of interest accrued up to 30 November 2025 has been deferred to 31 March 2026 when interest payments will begin with accrued amounts up to that date and on a quarterly basis thereafter.

Each of these facilities was subject to a financial covenant, which was subsequently amended to state that the facilities would become immediately due and payable if, at any time from 31 March 2026, the combined total of:

(a) the Group's cash balance,
(b) any undrawn commitments under the facility, and
(c) any undrawn commitments under another Debt Facility Agreement

falls below $3 million.

All facilities were fully drawn during the reporting period.

*Conversion of Outstanding Balances with Lenders and Creditors*

The following parties agreed to convert loan principal, accrued interest and trade creditor balances into ordinary shares of the Company as summarised below.

# DIRECTORS' REPORT CONTINUED

*Lenders*

| Lender | Principal & Interest Converted ($'000) | Ordinary Shares Issued on Conversion ('000)[1] |
|---|---|---|
| Abex Limited | $19,675 | 4,651,390 |
| Elphinstone Holdings Pty Ltd | $11,389 | 2,794,535 |
| Pure Asset Management | $7,808 | 1,952,453 |
| DACHS | $6,000 | 1,200,263 |
| Chrysalis Investments Pty Ltd & CRJE Maritime Pty Ltd | $22,064 | 5,252,299 |
| State of Tasmania | $10,491 | 2,623,044 |
| **Total** | **$77,427** | **18,473,984** |

1 Prior to 100:1 share consolidation completed subsequent to period end.

Amounts converted included the $7.7 million loans disclosed above and all interest accrued up to 31 March 2025 and did not include the *New Facilities,* which continue to be carried as loans to the Group as at the date of this financial report.

Loans and interest outstanding and that were not converted also include:

- $6.5 million in principal loaned by Pure Asset Management, the due date of which was amended to be 30 April 2027; and
- Interest on the State of Tasmania loan ($10 million) accrued after 15 November 2024.

*Major Creditors*

| Creditor | Creditor Balance Converted ($'000) | Ordinary Shares Issued on Conversion ('000)[1] |
|---|---|---|
| Gekko | $2,974 | 594,831 |
| Billing Cranes Pty Ltd | $220 | 44,000 |
| Maxfield Drilling Pty Ltd | $500 | 100,000 |
| **Total** | **$3,694** | **738,831** |

1 Prior to 100:1 share consolidation completed subsequent to period end.

The conversions for *Lenders* and *Major Creditors* were subject to shareholder approval, which was obtained at a General Meeting of the Company held on 23 April 2025 and were completed on 30 April 2025 with the issue of 19.2 billion of ordinary shares in the Company.

Each of the following parties agreed to subscribe for ordinary shares of the Company at a subscription price of $0.0035:

| Party | Ordinary Shares Acquired ('000)[1] | Cash Subscription Payments ($'000) |
|---|---|---|
| Pure Asset Management Pty Ltd | 267,857 | $938 |
| Chrysalis Investments Pty Ltd | 303,571 | $1,063 |
| Elphinstone Holdings Pty Ltd | 678,571 | $2,375 |
| Abex Limited | 446,428 | $1,563 |

1 Prior to 100:1 share consolidation completed subsequent to period end.

The subscriptions were subject to shareholder approval which was obtained at a General Meeting of the Company held on 23 April 2025. The ordinary shares were issued on 30 April 2025.



For personal use only

# DIRECTORS' REPORT CONTINUED

*Warrants*
The following parties agreed to receive warrants in the Company, granting each holder ordinary shares at an exercise price of $0.35. If unexercised, the warrants expire on 31 October 2025.

| Party | Number of Warrants ('000)[1] |
|---|---|
| Pure Asset Management Pty Ltd | 8,035,712 |
| Chrysalis Investments Pty Ltd | 9,107,14 |
| Elphinstone Holdings Pty Ltd | 20,357,14 |
| Abex Limited | 13,392,86 |
| State of Tasmania | 21,428,57 |

[1] Prior to 100:1 share consolidation completed subsequent to period end.

The issuance of warrants was subject to shareholder approval which was obtained at a General Meeting of the Company held on 23 April 2025. The warrants were issued on 30 April 2025.

*Facility with the State of Tasmania*
On 4 April 2025, the Group entered into a facility agreement with the State of Tasmania for a facility of $7.5 million. The facility matures on 30 April 2027 and attracts interest at 12% per annum. Interest accruing up to 30 November 2025 is repayable on that date with all subsequent interest accruing daily and payable quarterly thereafter with the first quarter ended 31 December 2025. The facility carries the same financial covenant as described for the *New Loans* above.

On 15 May 2025, $7.5 million of the facility was drawn down.

*Deferral of interest payments*
During September 2025, the Company signed agreements with its Senior Lending Group and the State of Tasmania to defer the payment date of its first payment of interest under the *New Loans* described above and the $7.5 million borrowed from the State of Tasmania. The result of the deferral was to delay the first payments of accrued interest until 31 March 2026 with quarterly payments to resume thereafter.

*Bridging loan facilities*
In September 2025, the Group entered into Bridging Facility Agreements with the Senior Lending group, for an additional $3 million of loans due on 30 April 2027 at an interest rate of 12%:

| Party | Facility amount |
|---|---|
| Chrysalis Investments Pty Ltd | $1,000,000 |
| Elphinstone Holdings Pty Ltd | $1,000,000 |
| Abex Limited | $1,000,000 |

On 26 September 2025, the Company provided drawdown notices to receive $1,500,000 from these facilities evenly from the lenders above.

## TUNGSTEN MARKET

- Ammonium Paratungstate (APT) prices are regularly quoted in industry journals as 88.5% $WO_3$ and are the basis of the pricing used as a benchmark for selling $WO_3$ concentrate.
- The concentrate acquired by the APT processors is conventionally a 65% $WO_3$ concentrate; therefore, the net price back to producers is somewhat lower, generally around 77% of the reported APT price, for the same quantity of contained $WO_3$.
- Over the last decade, the APT price has achieved a high of circa US$469 (A$473) per mtu in mid-2011 and again in mid-2013 and a low of US$165 (A$212) per mtu at the end of calendar year 2015.
- APT CIF Rotterdam prices have steadily increased throughout the later part of the 2025 financial year staying well above the historic averages despite de-stocking and lower volumes during that time.
- As of 30 June 2025, Tungsten APT Low Price CIF Rotterdam was US$422 - US$465 representing a 29% increase over the course of the year. The rise in price is due to increased activity by Chinese buyers in western markets fuelled by concerns about the tightening of Chinese domestic supply due to environmental constraints and increasing costs. In addition, the Chinese government has severely restricted the export of tungsten with very few export licenses having been granted in recent months. The net result is a severe lack of supply to meet both Western and Chinese demand.

- As at the signing date of this financial report, Tungsten APT Low Price CIF Rotterdam was US$580 per MTU which will be the prevailing base price for shipments conducted in October 2025 under the Company's largest offtake agreement.
- Market conditions look strong with growth in demand expected to continue from the defence, mining, energy and technology sectors.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Company's operation continues to be mining production of Tungsten and sale of $WO_3$ concentrate. For significant changes to the entity in terms of lending and equity issuance, refer earlier in this Directors' Report under the 'Loan Funding and Recapitalisation' section.

## OUTLOOK

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

1. Realise the benefits of process plant enhancements and repairs conducted subsequent to balance date to achieve consistent and stable availability rates, improve throughput and increase recoveries to initially target at least 10,000 MTU of $WO_3$ per month.
2. Implement a plan to progress the Company's underground mining operations at the DTM which consists of high-grade ore.
3. Evaluate and progress opportunities for increased efficiency and cost reduction initiatives including integration of renewable energy technologies and ore sorting techniques.
4. Seek long-term funding to facilitate execution of the life-of-mine plan from a variety of potential sources including Australian Federal Government bodies associated with the Critical Minerals Office.
5. Progress the exploration program on King Island.

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

For personal use only

# DIRECTORS' REPORT CONTINUED

## ORE RESERVES AND MINERAL RESOURCES STATEMENTS

| RESOURCE | | Resource Opening Balance and Grade (1 July 2022) | | |
|---|---|---|---|---|
| Deposit | | Indicated Mineral Resource (Ore Tonnes,Mt) | WO3 Grade (%) | Contained Metal (MMTUs) |
| Dolphin* | | 9.60 | 0.90 | 0.86 |
| Bold Head - Indicated | | 1.61 | 0.92 | 0.15 |
| Bold Head - Inferred | | 0.15 | 0.85 | 0.01 |
| Bold Head - Total** | | 1.76 | 0.91 | 0.16 |
| **Total** | | **11.36** | **0.91** | **1.03** |

| RESERVE | | Reserve Opening Balance and Grade (1 July 2022) | | |
|---|---|---|---|---|
| Deposit | | Probable Ore Reserve (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) |
| Dolphin* | | 4.43 | 0.92 | 0.41 |
| Bold Head** | | 0.45 | 0.89 | 0.04 |
| **Total** | | **4.88** | **0.09** | **0.45** |

*For Reserves and Resources opening balance and grade, refer announcement 16 December 2020 *Dolphin Tungsten Project Revised Feasibility Study Provides Significant Increase in NPV and Mine Life Extended to 14 Years* (ASX: KIS), which used a Reserves cut-off grade of 0.7% $WO_3$ for Dolphin UG and 0.2% $WO_3$ for Dolphin OC and a Resources cut-off grade of 0.2% $WO_3$.

**For Resources and Reserves opening balance and grade, refer announcement 26 June 2023 *Bold Head Maiden Mineral Reserve Estimate* (ASX: G6M), which used a cut-off grade of 0.7% $WO_3$ for Reserves.

## REVIEW OF MATERIAL CHANGES

As part of an annual review of Resources and Reserves, the economic assumptions outlined in accordance with principles of the JORC Code have been reviewed, and no material changes have been applied. The mining and mineral inventory reported as at period end below represents depletion activity that has been reconciled by the Company. Furthermore, the Company is not in possession of any new information or data relating to the previously announced reserves and resources estimates, as such there are no material changes to the estimates and no comparison of estimates is necessary other than factoring the depletion. No further update to the reserves and resource estimate has been completed following the annual review of mineral resources completed for the financial year ended 30 June 2025.

## GOVERNANCE CONTROLS

All Mineral Resources and Reserves estimates are prepared by Competent Persons using data that they have reviewed and consider to have been collected using industry standard practices and which, to the most practical degree possible are representative, unbiased, and collected with appropriate QA/QC practices in place. Refer below for list of Competent Persons.

personal use only

# DIRECTORS' REPORT CONTINUED

## COMPLIANCE STATEMENTS AND DISCLAIMERS

The information in this report, representing the *Resources Opening Balance and Grade* that relates to sampling techniques, exploration results and Minerals Resources at the Dolphin and Bold Head deposits are based on and fairly represents information and supporting information compiled and reviewed by Mr Tim Callaghan, a Competent Person who is a Member of the Australasian Institute of Geoscientists. Mr Callaghan was an independent consultant of Resource and Exploration Geology. Mr Callaghan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Callaghan has previously consented to the inclusion of the information contained within the *Resources Opening Balance and Grade* used in this report based on his information in the form and context in which it appears.

The information in this report, representing the *Reserves Opening Balance and Grade* that relates to exploration results at the Dolphin and Bold Head deposits are based on and fairly represents information and supporting information compiled and reviewed by:

- Mr Alan Fudge, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fudge was an independent mining consultant of Polberro Consulting. Mr Fudge has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Fudge has previously consented to the inclusion of the information contained within the *Reserves Opening Balance and Grade* used in this report based on his information in the form and context in which it appears.

- Mr Alvin Johns, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Alvin Johns was an independent mining consultant of Asther Pty Ltd. Mr Johns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Johns has previously consented to the inclusion of the information contained within the *Reserves Opening Balance and Grade* used in this report based on his information in the form and context in which it appears.

personal use only

# DIRECTORS' REPORT CONTINUED

## RESOURCES AND RESERVES DEPLETION

| RESOURCE | Movements (FY 2023) | Movements (FY 2024) | Movements (FY 2025) |
|---|---|---|---|
| **Deposit** | **Depletion (Ore Tonnes, Mt)** | **Depletion (Ore Tonnes, Mt)** | **Depletion (Ore Tonnes, Mt)** |
| Dolphin | 0.03 | 0.30 | 0.38 |
| Bold Head - Indicated | - | - | - |
| Bold Head - Inferred | - | - | - |
| Bold Head - Total | - | - | - |
| **Total** | **0.03** | **0.30** | **0.38** |

| RESERVE | Movements (FY 2023) | Movements (FY 2024) | Movements (FY 2025) |
|---|---|---|---|
| **Deposit** | **Depletion (Ore Tonnes, Mt)** | **Depletion (Ore Tonnes, Mt)** | **Depletion (Ore Tonnes, Mt)** |
| Dolphin | 0.01 | 0.31 | 0.40 |
| Bold Head | - | - | - |
| **Total** | **0.01** | **0.31** | **0.40** |

The *Depletion* information that relates to mining results at the Dolphin deposit are based on and fairly represents information and supporting information compiled and reviewed by Mr John Collier, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Collier is an independent consultant of Conarco Consulting. Mr Collier has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the depletion activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Collier consents to the inclusion of the Depletion results in this report based on his information in the form and context in which it appears.

personal use only

# DIRECTORS' REPORT CONTINUED

## REMAINING MINERAL AND MINING INVENTORY

| RESOURCE | Closing (30 June 2023) | | | Closing (30 June 2024) | | | Closing (30 June 2025) | | |
|---|---|---|---|---|---|---|---|---|---|
| Deposit | Remaining Mineral Inventory (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) | Remaining Mineral Inventory (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) | Remaining Mineral Inventory (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) |
| Dolphin | 9.58 | 0.90 | 0.86 | 9.27 | 0.90 | 0.83 | 8.89 | 0.89 | 0.79 |
| Bold Head - Indicated | 1.61 | 0.92 | 0.15 | 1.61 | 0.92 | 0.15 | 1.61 | 0.92 | 0.15 |
| Bold Head - Inferred | 0.15 | 0.85 | 0.01 | 0.15 | 0.85 | 0.01 | 0.15 | 0.85 | 0.01 |
| Bold Head - Total | 1.76 | 0.91 | 0.16 | 1.76 | 0.91 | 0.16 | 1.76 | 0.91 | 0.16 |
| **Total** | **11.34** | **0.90** | **1.02** | **11.03** | **0.90** | **1.00** | **10.65** | **0.89** | **0.95** |

| RESERVE | Closing (30 June 2023) | | | Closing (30 June 2024) | | | Closing (30 June 2025) | | |
|---|---|---|---|---|---|---|---|---|---|
| Deposit | Remaining Mining Inventory (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) | Remaining Mining Inventory (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) | Remaining Mining Inventory (Ore Tonnes, Mt) | WO3 Grade (%) | Contained Metal (MMTUs) |
| Dolphin | 4.42 | 0.92 | 0.41 | 4.11 | 0.92 | 0.38 | 3.72 | 0.92 | 0.34 |
| Bold Head | 0.45 | 0.89 | 0.04 | 0.45 | 0.89 | 0.04 | 0.45 | 0.89 | 0.04 |
| **Total** | **4.87** | **0.92** | **0.45** | **4.56** | **0.92** | **0.42** | **4.17** | **0.92** | **0.38** |

personal use only

# DIRECTORS' REPORT CONTINUED

## BUSINESS RISKS

The Group's successful development of DTM on King Island is subject to various business risks, including:

1. Approval for an Extension to the Group's Existing Tenement

   Tenement exploration and mining licences held by the Group require periodic renewal or extension. All existing licences are current, with the latest renewals and extensions approved. There is no guarantee that the Group's licences will continue to be granted on acceptable terms or for future applications.

2. Commodity Prices and Exchange Rate Risk

   Future revenue will be derived through the sale of minerals, which exposes the Group to commodity price risk. Commodity prices are dependent upon several factors which are outside of the Group's control. Commodity prices are usually denominated in US dollars, whereas most expenditure of the Group is denominated in Australian dollars, which exposes the Group to fluctuations and volatility of the rate of exchange between the US dollar and the Australian dollar. Fluctuations in commodity prices and the Australian dollar exchange rate could have a material effect on the financial and operating performance of the Group.

3. Land Access and Title Risk

   The Group has obligations concerning expenditure levels, environmental matters for its tenements, and responsibilities to various government entities and landowners affected by its activities. A contravention of these obligations could affect the right to hold mining tenements in each area. The Group's mining tenements may be affected by land access issues for any land the Group does not own.

4. Environmental Risk

   As part of the mining industry, the Group is subject to State and Federal legislation regarding environmental obligations and liabilities. The legislative and regulatory requirements impose significant environmental obligations on the Group in relation to its operations. Compliance with these obligations and any future obligations (such as any carbon tax or carbon pollution reduction scheme imposed by the government) could have a material adverse effect on the Group's financial and operating performance.

5. Retention of Key Employees

   The Group highly depends on qualified scientific, technical, and managerial personnel. There is significant competition for qualified personnel in the Group's business. The Group may be unable to attract and retain the qualified personnel necessary to develop its business. The failure to recruit additional key scientific, technical, managerial, and other personnel in a timely manner could harm the Group's business.

6. Financing Risk

   Should production targets for mining, processing and selling product in accordance with the mine plan sequence fail to materialise, the Company may need to secure additional financing to fund short-term shortfalls in the 2026 financial year. There is no certainty that the Company will successfully secure additional funding; however, the directors, based on previous successful funding arrangements, are confident that this funding could be secured if required.

For personal use only

# DIRECTORS' REPORT CONTINUED

## BUSINESS RISKS (CONTINUED)

7. Risks associated with Operations

The following risks and mitigating factors are perceived to be associated with the continuing development of the project:

Geological Risk – There is a risk that the modelled ore tonnes and grade will not be realised during mining. Mitigating this risk, the geology and $WO_3$ distribution of DTM deposits is well understood from close-spaced drilling and historic underground mapping and sampling. 100% of $WO_3$ at DTM is in the Probable Reserve category. Scheelite ores fluoresce under UV light, assisting in pit and stockpile grade control. Predicted $WO_3$ grades are consistent with historical production

Pit Wall Stability Risk—Historic stope voids may compromise the final pit wall stability. Optimising the best combination of open-cut and underground mine design will mitigate this risk with further iterations of the combined mine design. Some additional stabilisation group support may be required.

Underground (UG) Geotechnical Risk - The UG mine's ground condition assessment is based upon perceived conditions at the time of the mine closure in 1991, with minor geotechnical drill validation post-2006. It is anticipated that ground conditions may have deteriorated significantly in old stoping areas, particularly in the Mid-Wedge, open on numerous horizons. This risk has been mitigated by excluding some resources from the reserve estimate in this and similar areas as well as planning for worst case scenario with ground support standards.

UG Development/ Rehabilitation Risk - There is a risk that significant deterioration of mine workings has occurred both in normally supported development and, most particularly, where steel arch set development was utilised. To mitigate this risk, it is not scheduled to re-access any major areas of old decline that had steel sets installed but to bypass them with new development. This can be reviewed as re-entry of the mine progresses and any old development that can be safely re-accessed could be reconsidered. Additionally, a high pro-rata allowance for ground support materials, has been allowed for in costings, for example, a 25% allowance for 40mm of fibrecrete in development and capital rehabilitation is included.

Water Ingress Risk - There is some risk of water ingress from the proposed Open Cut (OC) due to the exposure of numerous stopes and level development. To mitigate this risk, the Company proposes to intercept stormwater before it reaches the pit bottom, provide adequate stormwater catchment and pumping capacity below the portal level, and fill the bottom of the pit with a compacted impervious layer to seal off the old voids.

UG Dewatering Risk - The risk associated with dewatering includes risk associated with perched/entrapped water in declines, old stopes and behind-ground failures, and the risk of mud rush from hydraulic sandfill if not adequately dewatered. The location of perched water potential is well known, and they will be dewatered via drill holes before we access below that water level. Cover drilling will also be utilised to manage the unexpected risk. It is intended to strictly control the dewatering rate and to drill into and instal piezometers into historic sand filled stopes to demonstrate no liquid pressure before proceeding below them. Funds have been allocated to instal walls rated at > 60m of head pressure at all accesses to historic stopes before accessing below them to defend against liquefaction post passing.

UG Loss of Access Risk - The development of a new escape way system or the assessment and refurbishment of the old system will be undertaken as mining and re-access proceeds.

Metallurgical Risk - There is a risk that modelled $WO_3$ recovery will be lower than anticipated. Extensive metallurgical test work, modelling, and historical performance have informed the assumptions used to generate costs and estimate throughput rates. Processing performance and $WO_3$ recoveries are well understood, with the most recent test work compared to historical results.

For personal use only

# DIRECTORS' REPORT CONTINUED

## EVENTS SUBSEQUENT TO THE REPORTING DATE

*Deferral of interest payments*

During September 2025, the Company signed agreements with its Senior Lending Group and the State of Tasmania to defer the payment date of its first payment of interest under the *New Loans* described above and the $7.5 million borrowed from the State of Tasmania. The deferral is out to 31 March 2026.

*Bridging loan facilities*

On 25 September 2025, the Group entered into Bridging Facility Agreements with the Senior Lending group, for an additional $3 million of loans due on 30 April 2027 at an interest rate of 12%:

| Party | Facility amount |
|---|---|
| Chrysalis Investments Pty Ltd | $1,000,000 |
| Elphinstone Holdings Pty Ltd | $1,000,000 |
| Abex Limited | $1,000,000 |

On 26 September 2025, the Company provided drawdown notices to receive $1,500,000 from these facilities evenly from the lenders above.

*Share consolidation*

On 20 August 2025 the Company completed a 100:1 share consolidation.

## LIKELY DEVELOPMENTS

The Company has completed the final open-cut stages of the current mine plan for the Dolphin Tungsten Mine open pit as of August 2025. Significant stockpiles have been accumulated and will be fed through the processing plant for the foreseeable future. In the next 12-months from the signing of this financial report, the Company will discretionarily spend on infrastructure and development costs to access the high-grade underground deposit at Dolphin. Currently, management is assessing the most effective methodology for accessing and mining its underground ore. The final strategy will largely be predicated on the extent of cash reserves and funding available. In the meantime, the Company will continue to spend on existing processing plant infrastructure and conduct continual plant optimisation work, which is anticipated to further increase plant availability, throughput and recovery leading to increased production of $WO_3$ concentrate.

The Company will continue a cost review of operations at the Dolphin Tungsten Mine to identify opportunities to reduce its unit rate operating costs in conjunction with improving production. It is anticipated that unit costs of production will moderate in a steady-state processing plant environment.

The Company will continue to progress ore sorting trials at the OEM testing facility. Initial trials conducted during August 2025 produced encouraging results. Discussions are progressing to commence onsite ore sorting trials which are expected to confirm that ore sorting can result in significantly higher recoveries of ore from the mine, lowering of unit processing costs while achieving higher $WO_3$ recoveries per tonne of ore processed.

## ENVIRONMENTAL REGULATION

On 23 June 2021, the Company announced the approval by the Environmental Protection Authority ("EPA") of its first Mine Closure, Decommissioning and Rehabilitation Management Plan ("MCDRMP"). The approval of the MCDRMP was one of the conditions of the EPA Environmental Protection Notice EPN 7442/2, issued on 9 October 2017, for the development of the Dolphin Tungsten Mine. The MCDRMP requires annual updating and approval by the EPA and sets the standards to be met during the mine's operations and ultimate closure.

The Board believes that the Group has adequate systems in place for managing its environmental requirements. Based on the results of enquiries, the directors are unaware of any significant breaches during the period covered by this report.

# DIRECTORS' REPORT CONTINUED

## DIRECTORS' MEETINGS

| | Board Meetings | |
|---|---|---|
| | **Eligible** | **Attended** |
| Johann Jacobs | 1 | 1 |
| Christopher Ellis | 8 | 8 |
| Gregory Hancock | 1 | 1 |
| Keith McKnight | 1 | 1 |
| Tony Caruso | 1 | 1 |
| Kevin Pallas | 8 | 8 |
| Dale Elphinstone | 8 | 8 |

## DIRECTORS' INTERESTS

The relevant, beneficial interest of each Director in the securities issued by the companies within the Group and other related bodies corporate and notified by the directors to the ASX in accordance with section 205G (1) of the Corporations Act 2001 (Cth) at 30 June 2025 are:

For personal use only

# DIRECTORS' REPORT CONTINUED

## Ordinary Fully Paid Shares

The following represents Directors' Ordinary Fully Paid Shares as at the date of signing of the Directors' Report. All figures are presented in a post 100:1 consolidation that was completed on 3 September 2025.

| Director | Number of ordinary shares held[1] |
|---|---|
| Dale Elphinstone | 35,349,871 |
| Christopher Ellis | 56,961,692 |
| Kevin Pallas | - |

1 All figures are presented in a post 100:1 consolidation that was completed on 3 September 2025.

## Unquoted Options

Unquoted options are not listed on the Australian Securities Exchange (ASX). All figures are presented in a post 100:1 consolidation that was completed on 3 September 2025.

| Director | Grant date | Exercise price per option | Expiry date | Number ofoptions granted |
|---|---|---|---|---|
| Kevin Pallas | | | | |
| | 23 Apr 2025 | $0.52 | 30 April 2027 | 380,000 |
| | 23 Apr 2025 | $1.04 | 30 April 2028 | 380,000 |
| | | | | **760,000** |

Each option provides the right for the option holder to be issued one fully paid share upon payment of the exercise price of each option. All figures are presented in a post 100:1 consolidation that was completed on 3 September 2025.

## Performance Options

| Director | Number of performance options held[1] | Grant date | Vesting condition | Expiry date |
|---|---|---|---|---|
| Christopher Ellis | 30,000 | 5 Feb 2021 | Development decision | 30 Sept 2026 |
| | 40,000 | 5 Feb 2021 | First shipment of scheelite | 19 July 2028 |
| | **70,000** | | | |

All Performance Options are fully vested and each Performance Option provides the right for the performance option holder to be issued one fully paid Share upon notification of the exercise of the Option during the exercise period. All figures are presented in a post 100:1 consolidation that was completed on 3 September 2025.

No performance options were issued to the directors during the current year.

For personal use only

# DIRECTORS' REPORT CONTINUED

### Unquoted Warrants

The following represents warrants held by Directors. These Warrants were issued to the Directors' wholly owned entities. All figures are presented in a post 100:1 consolidation that was completed on 3 September 2025.

| Director | Wholly owned Entity | Grant date | Exercise price per option $ | Expiry date | Number of warrants granted |
|---|---|---|---|---|---|
| Christopher Ellis | | 23 Apr 2025 | $0.35 | 31 Oct 2025 | 9,107,143 |
| Dale Elphinstone | | 23 Apr 2025 | $0.35 | 31 Oct 2025 | 20,357,143 |

Each Warrant provides the right for the warrant holder to be issued one fully paid Share upon payment of the Exercise Price of each warrant.

For personal use only

# DIRECTORS' REPORT CONTINUED

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements for key management personnel of the Group. Remuneration is referred to as compensation throughout this report.

Directors and key management personnel are responsible for planning, directing and controlling the activities of the Company and the Group.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors, executives and future executives. No remuneration consultants were used to assess the remuneration of key management personnel.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creating value for shareholders. The compensation structures consider the following:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the Group's performance; and
- the Group's performance, including:
  - the Group's earnings;
  - the growth in share price and delivering constant returns on shareholder wealth, and
  - the number of incentives within each key management person's compensation.

Compensation packages include fixed and variable compensation and short-term and long-term performance-based incentives.

In addition to their salaries, the Group provides non-cash benefits to its key management personnel and, where applicable, contributes to the individual's elected post-employment superannuation plan.

### Contract Terms and Conditions

The determination of directors' remuneration is made by the Board having regard to the current position of the Company, in that it is yet to achieve steady state production. It continues to preserve cash as much as possible.

The Board may award additional remuneration to directors called upon to perform extra services or make special exertions on behalf of the Company.

The Board reviews remuneration to current industry norms and generally determines remuneration policies and practices, reviews and makes specific decisions on remuneration packages and other terms of employment of its directors and senior executives.

76,000,000 unquoted options (prior to a 100:1 share consolidation) were granted during the year (2024: nil) for related party remuneration. No performance options were granted during the year.

No bonuses were accrued to Key Management Personnel in respect to the terms of their services agreements during the year ended 30 June 2025 (2024: $272,000).

No Director remuneration package includes terms for redundancy, retirement or termination benefits other than as disclosed elsewhere in the report. No such amounts were accrued or paid to any Director during the current financial year.

For personal use only

# DIRECTORS' REPORT CONTINUED

### Terms of Employment

Each Key Management Personnel's terms of employment are set out as follows.

*Kevin Pallas (Executive Chairman)*
Mr Pallas in engaged on an executive service contract, under which he received a basic salary of $450,000 P.a. (including statutory superannuation. Mr Pallas is eligible to participate in the short-term incentive plan, up to a maximum annual payment of the equivalent of 50% of his basic salary subject to meeting Key Performance indicators set by the Board. No payment was made or provided for during the 2025 annual year. Further, the services agreement provided for the issue of 76,000,000 options (76,000 post the 100:1 consolidation effected on 3 September 2025) to acquire ordinary G6M shares. These options were issued on 30 April 2025. Either party may elect to terminate the employment agreement by giving three months' notice to the other party.

*Dale Elphinstone (Non-executive Director)*
During the financial year ended 30 June 2025, an entity controlled by Mr Elphinstone was paid at the rate of $85,000 p.a. plus statutory superannuation for Mr Elphinstone to be a Non-Executive Director of the Company. No annual or long service leave accrues to Mr Elphinstone or his related entity. Mr Elphinstone has no terminations benefits in his contract nor notice period. Mr Elphinstone's role can be terminated by shareholders and is subject to re-election by shareholders at least every 3-years

*Christopher Ellis (Non-Executive Director)*
During the financial year ending 30 June 2025, Mr Ellis was paid $88,192 p.a. plus statutory superannuation (2024: $50,700 p.a. plus statutory superannuation) as an Executive Director until 4 Dec 2024 when he changed his role and is paid an annual amount of $85,000 (plus statutory superannuation). No director fees were accrued and unpaid at 30 June 2025 (FY24: $20,250). No annual or long service leave accrues to Mr Ellis or his controlled entity and he receives no terminations benefits nor has a notice period. Mr Ellis' role can be terminated by shareholders and is subject to re-election by shareholders at least every 3-years.

*Johann Jacobs (Chairman)*
During the financial year ended 30 June 2025, an entity controlled by Mr Jacobs was paid at the rate of $79,000 p.a. plus statutory superannuation (2024: $79,000 p.a. plus statutory superannuation) for Mr Jacobs to be Chairman. No annual or long service leave accrued to Mr Jacobs or his related entity.

Mr Jacobs resigned from his position on 4 December 2024.

*Gregory Hancock (Non-Executive Director)*
During the financial year ended 30 June 2025, an entity controlled by Mr Hancock was paid at the rate of $18,894 p.a. plus statutory superannuation for Mr Hancock to be a Non-Executive Director (2024: $50,700 plus statutory superannuation). Mr Hancock's director fees accrued and unpaid at 30 June 2025 is Nil (FY24: $16,900). No annual or long service leave accrued to Mr Hancock or his controlled entity.

Mr Hancock resigned from his position on 4 December 2024.

*Tony Caruso (Non-Executive Director)*
During the financial year ended 30 June 2025, an entity controlled by Mr Caruso was paid at the rate of $19,013 p.a. plus statutory superannuation for Mr Caruso to be a Non-Executive Director (2024:$9,815). No amount of Mr Caruso's director fees was accrued and unpaid at 30 June 2025. No annual or long service leave accrued to Mr Caruso or his controlled entity.

Mr Caruso resigned from his position on 4 December.

# DIRECTORS' REPORT CONTINUED

*Keith McKnight (Managing Director and Chief Executive Officer)*
During the financial year, Mr McKnight was paid at an annual rate of $441,000 p.a., including statutory superannuation (2024: $441,000 salary which began on 1 February 2024). Mr McKnight's employment contract allows for a 50% short term incentive dependent on achievement of outcomes against Key Performance Indicators and at the Board's discretion. No bonus was accrued during the financial year 2025 period. A bonus of $200,000 inclusive of any superannuation was awarded at the Director's discretion for performance during financial year 2024 and was accrued in that period. In addition, Mr Knight's contract allowed for the granting of up to 20 million performance options for nil consideration on achieving certain performance criteria determined by the Board. The granting of performance options was approved at the AGM held on 23 November 2023. No performance options were granted to Mr McKnight during the year ended 30 June 2025. A car park was also provided to Mr McKnight at the 157 Ann Street office at a value of $600 per month. Mr McKnight has a notice period of 3 months for termination of employment.

Mr McKnight resigned from his position on 4 December.

*Michael Zannes (Chief Financial Officer)*
During the financial year, Mr Zannes was paid $360,000 p.a., including statutory superannuation (2024: $360,000 p.a., including statutory superannuation), to be the Chief Financial Officer. Mr Michael Zannes accrued annual leave and long service leave entitlements. Mr Zannes's employment contract allowed for a 40% short term incentive dependent on achievement of outcomes against Key Performance Indicators. No bonus was accrued during the financial year 2025 period. A bonus of $72,000 inclusive of any superannuation was awarded at the Director's discretion for performance during financial year 2024 and was accrued in that period. In addition, Mr Zannes's contract allowed for three tranches of 1.5 million share options with a strike price of 22c, 24c and 26c with 3, 3 and 4 year expiry terms respectively. A car park was also provided to Mr Zannes at the 157 Ann Street office at a value of $600 per month. Mr Zannes had a notice period of 2 months for termination of employment.

Mr Zannes resigned from his position on 4 December 2024.

*Consulting Services*

The entities controlled by each Director are appointed to provide consulting work to the Company on the following terms and conditions.

| | |
|---|---|
| *Performance* | Any consulting services are to be performed in a competent and professional manner with the standard of diligence and care normally employed by a properly qualified person in performing comparable duties and in accordance with generally accepted practices appropriate to the activities undertaken. |
| *Exclusivity* | Nothing prevents the entity each Director controls from providing or agreeing to provide to any other person, firm, or company services the same as or similar to the consulting services, provided that such services do not impair or hinder the performance of duties to the Company. |
| *Consultancy Fee e Rates* | Consultancy services to the Company are also agreed to be payable by the Company to a Director for services provided as required, subject to approval by an independent Director.<br>These fees are agreed to be charged at the rate of $1,600 per day plus GST. |
| *Consultancy Fee Review* | The Consultancy Fee shall be reviewed no later than one month after the end of each financial year or after such other period (being less than one year) agreed between the parties. In determining the amount of any increase in the Consultancy Fees, the Board (or any committee appointed by the Board to undertake the review) shall consider performance in the period under review, the level of remuneration of executives in an equivalent position and any other factors which it considers relevant. |

For personal use only

# DIRECTORS' REPORT CONTINUED

| | |
|---|---|
| *Independent Contractor* | The entity each Director controls is an independent contractor and is not and shall not hold itself out as an employee or partner of the Company. |
| *Employment Status* | Each Director shall always be an employee of the entity he controls and shall not claim to be an employee of the Company. |
| *Employment Costs and Entitlements* | The entity controlled by each Director agrees that it shall be solely responsible for the payment of salaries and wages, holiday pay, sick pay, long service leave, any worker's compensation premiums or entitlements and all other employee benefits and entitlements (including without limitation, superannuation contributions) to or on each Director's behalf, and for the making of all tax instalment deductions in respect of his remuneration, together with the payment of any other tax or levy which may arise out of the performance of consulting services. |

For personal use only

# DIRECTORS' REPORT CONTINUED

### Unquoted Options Issued to Directors or Executives

Details of vesting profiles of the options granted as remuneration to key management person of the Group and each of the named key management persons are detailed below:

For personal use only

# DIRECTORS' REPORT CONTINUED

**Year ended 30 June 2025**

| Director | Grant Date | Financial year in which the options vested | Expiry date | Number of unquoted options issued as remuneration[1] | Exercise price | Vested and exercisable during the year | | Fair value per instrument[2] | Total fair value |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | % | | | |
| Kevin Pallas | 23/04/2025 | FY 2025 | 23/04/2027 | 38,000,000 | $0.0052 | 100% | 38,000,000 | $0.00099 | $37,620 |
| | 23/04/2025 | FY 2025 | 23/04/2028 | 38,000,000 | $0.0104 | 100% | 38,000,000 | $0.00053 | $27,740 |
| | | | | 76,000,000 | | 100% | 76,000,000 | | $65,360 |

[1]Figures are prior to 100:1 consolidation which occurred post year-end.

[1]These options were valued using a Black Scholes calculator and the following estimates and inputs:

Fair value of share price: $0.0035
Risk-free rate: 3.51%
Volatility: 70%
Dividend yield: -%

### Performance Options Issued to Directors or Executives

No new performance options were issued to directors, or their nominees, in lieu of market-related cash remuneration during the year.

personal use only

# DIRECTORS' REPORT CONTINUED

## MOVEMENTS IN SECURITIES HELD BY KEY MANAGEMENT PERSONNEL

The movement during the financial year in the number of securities of Group 6 Metals Limited held, directly, indirectly or beneficially, by each specified Director and executive, including their personally related entities, is as follows:

*Ordinary Shares*

| Key Management Person | Balance of shares at 1 July 2024 | Share placement[1] | Issued upon exercise of options | On market sale | Held on inception/ (held on resignation) | Received on conversion of loans[1] | **Balance of shares at 30 June 2025** |
|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number | **Number** |
| Johann Jacobs | 8,741,973 | - | - | - | (8,741,973) | - | **-** |
| Christopher Ellis | 140,298,596 | 303,571,429 | - | - | - | 5,252,299,206 | **5,696,169,231** |
| Keith McKnight | 390,757 | - | - | - | (390,757) | - | **-** |
| Tony Caruso | - | - | - | - | - | - | **-** |
| Michael Zannes | 142,857 | - | - | - | (142,857) | - | **-** |
| Kevin Pallas | - | - | - | - | - | - | |
| Dale Elphinstone | - | 678,571,429 | - | - | 61,880,406 | 2,794,535,235 | **3,534,987,070** |
| | 149,574,184 | 982,142,858 | - | - | 52,604,819 | 8,046,834,441 | **8,552,584,872** |

[1] Mr Ellis and Mr Elphinstone's loans and accrued interest were converted as part of the Company's recapitalisation plan. In addition, as part of the plan, Mr Ellis and Mr Elphinstone subscribed for placement shares at $0.0035. For details of the recapitalisation plan refer to earlier sections of this Directors' Report.

All figures presented above are prior to a share consolidation of 100:1 which occurred subsequent to period end.

personal use only

# DIRECTORS' REPORT CONTINUED

*Unquoted Options*

| Key Management Person | Balance of options at 1 July 2024 | Granted as remuneration | Granted under share placement | Exercised | Expired | Forfeited | Held on resignation | Balance of options at 30 June 2025 |
|---|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number | Number | **Number** |
| Johann Jacobs | 313,726 | - | - | - | - | - | (313,726) | **-** |
| Christopher Ellis | 31,162,469 | - | - | - | (31,162,469) | - | - | **-** |
| Gregory Hancock | 3,000,000 | - | - | - | (3,000,000) | - | - | **-** |
| Keith McKnight | 7,731,092 | - | - | - | - | (7,500,000) | (231,092) | **-** |
| Tony Caruso | - | - | - | - | - | - | - | **-** |
| Michael Zannes | 95,238 | - | - | - | - | - | (95,238) | **-** |
| Kevin Pallas | - | 76,000,000 | - | - | - | - | - | **76,000,000** |
| Dale Elphinstone | 26,785,714 | - | - | - | (26,785,714) | - | - | **-** |
| | 69,088,239 | 76,000,000 | - | - | (60,948,183) | (7,500,000) | (640,056) | **76,000,000** |

All figures presented above are prior to a share consolidation of 100:1 which occurred subsequent to period end.

personal use only

# DIRECTORS' REPORT CONTINUED

*Performance Options*

| Key Management Person | Balance of options at 1 July 2024 | Expired | Exercised | Held on resignation | **Balance of options at 30 June 2025** |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | **Number** |
| Johann Jacobs | 7,000,000 | - | - | (7,000,000) | **-** |
| Christopher Ellis | 7,000,000 | - | - | - | **7,000,000** |
| Gregory Hancock | 7,000,000 | - | - | (7,000,000) | **-** |
| | 21,000,000 | - | - | (14,000,000) | **7,000,000** |

*Warrants*

| Key Management Person | Balance of options at 1 July 2024 | Exercised | Expired | Granted as part of loan facility[1] | **Balance of warrants at 30 June 2025** |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | **Number** |
| Christopher Ellis | 24,107,143 | - | (12,053,571) | 910,714,286 | **922,767,857** |
| Dale Elphinstone | 26,785,714 | - | (13,392,857) | 2,035,714,286 | **2,049,107,143** |
| | 50,892,857 | - | (25,446,428) | 2,946,428,572 | **2,971,875,000** |

**1** Mr Ellis and Mr Elphinstone entered into borrowing facilities during the period of which had these attaching warrants the issuances of which were subject to shareholder approval granted at the Company's 23 April 2025 General Meeting.

All figures presented above are prior to a share consolidation of 100:1 which occurred subsequent to period end.

personal use only

# DIRECTORS' REPORT CONTINUED

## DIRECTORS' REMUNERATION FOR THE YEAR ENDED 30 JUNE 2025

Details of the nature and amount of each major element of remuneration of each Director of the Company and other key management personnel of the Group and Company are:

personal use only

# DIRECTORS' REPORT CONTINUED

| | | Salary & fees | Consulting fees | Cash bonus | Non-monetary benefits | Total | Superannuation benefits | Other long term | Termination benefits | Share based payments | Total | The proportion of remuneration performance related | Value of options as a proportion of remuneration |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Directors** | | | | | | | | | | | | | |
| J Jacobs | **2025** | **44,547** | | **-** | **-** | **44,547** | **5,048** | **-** | **-** | **-** | **49,594** | - | - |
| | | | | | | | | | | | | | 0.0% |
| | 2024 | 79,000 | 97,000 | - | - | 176,000 | - | - | - | 87,438 | 263,438 | - | 33.2% |
| C Ellis | **2025** | **88,192** | **-** | **-** | **-** | **88,192** | **10,142** | **-** | **-** | **-** | **98,334** | **-** | **0.0%** |
| | 2024 | 50,700 | - | - | - | 50,700 | 5,577 | - | - | 87,438 | 143,715 | - | 60.8% |
| G Hancock | **2025** | **18,984** | **-** | **-** | **-** | **18,984** | **2,183** | **-** | **-** | | **21,167** | **-** | **0.0%** |
| | 2024 | 50,700 | - | - | - | 50,700 | 5,577 | - | - | 87,438 | 143,715 | - | 60.8% |
| T Caruso | **2025** | **19,013** | **-** | **-** | **-** | **19,013** | **2,186** | **-** | **-** | **-** | **21,199** | **-** | **0.0%** |
| | 2024 | 9,815 | - | - | - | 9,815 | 1,080 | - | - | - | 10,895 | - | 0.0% |
| K Pallas | **2025** | **232,400** | - | - | **17,876**[2] | **250,276** | **26,726** | - | - | **65,360** | **342,362** | - | 19.1% |
| D Elphinstone | **2025** | **48,898** | **-** | - | - | **48,898** | **5,623** | - | - | - | **54,521** | **-** | **0.0%** |
| **KMP** | | | | | | | | | | | | | |
| K McKnight | **2025** | **357,217** | **-** | **-** | **4,800** | **362,017** | **15,000** | **-** | **-** | **-** | **377,017** | **-** | **0.0%** |
| | 2024 | 297,488 | 105,000 | 200,000 | 7,200 | 609,688 | 28,880 | - | - | 494,125 | 1,132,693 | - | 43.6% |
| M Zannes | **2025** | **231,573** | **-** | **-** | **4,200** | **235,773** | **17,750** | **(1,106)** | **-** | **-** | **252,417** | **-** | **0.0%** |
| | 2024 | 347,779 | - | 64,574 | 7,200 | 419,553 | 34,920[1] | - | - | - | 454,473 | - | 0.0% |
| M McPherson | **2025** | **172,325** | **-** | **-** | **-** | **172,325** | **15,024** | **(2,170)** | **-** | **-** | **185,179** | **-** | **0.0%** |
| | 2024 | 195,744 | - | - | - | 195,744 | 20,510 | - | - | 197,650 | 413,904 | - | 47.8% |
| **Total Compensation** | **2025** | **1,213,149** | **-** | **-** | **26,876** | **1,240,025** | **99,682** | **(3,276)** | **-** | **65,360** | **1,401,791** | **-** | **4.7%** |
| | 2024 | 1,031,226 | 202,000 | 264,574[1] | 14,400 | 1,512,200 | 96,544 | - | - | 954,089 | 2,562,833 | - | 37.2% |

1 Bonuses of $272,000 were accrued to Key Management Personnel in respect to the terms of their services agreements during the year ended 30 June 2024. M Zannes elected to receive $7,426 as superannuation and therefore this amount is reported as part of his superannuation remuneration.

2 Other short-term benefits include $17,876 of Mr. Pallas' accrued annual leave balance as at 30 June 2025.



personal use only

# DIRECTORS' REPORT CONTINUED

## OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During financial year 2025, Mr Chris Ellis and Mr Dale Elphinstone:

- held loans at the beginning of the period and, Mr Elphinstone's case, upon commencement as a Director;
- entered into new loan facilities;
- earned interest on loans; and
- received equity upon conversion of loans as part of the Company's recapitalisation plan.

These transactions occurred with Mr Ellis' and Mr Elphinstone's wholly owned subsidiaries noted below.

| Director | Wholly owned entity(ies) |
|---|---|
| Mr Ellis | Chrysalis Investments Pty Ltd |
| | CRJE Maritime Pty Ltd |
| Mr Elphinstone | Elphinstone Holdings Pty Ltd |

The following schedule of loan balances and details applies:

| Director | 1 July 2024 | On inception as a Director | Loaned during the period | Principal converted into equity | Interest converted into equity | Total ordinary shares issued on conversion | Principal owed at period end | Interest owed at period end | Interest earned |
|---|---|---|---|---|---|---|---|---|---|
| Mr Ellis | $15,800,000 | - | $6,237,500 | $18,850,000 | $3,214,984 | 5,252,299,206 | $3,187,500 | $238,282 | $1,762,900 |
| Mr Elphinstone | - | $12,000,000 | $5,375,000 | $10,250,000 | $1,140,484 | 2,794,535,235 | $7,125,000 | $442,274 | $779,460[1] |

[1] Calculated as interest earned for Mr Elphinstone since his appointment as Director

These transactions were conducted on commercial terms considered at arms' length. The terms and conditions of loans, conversions and interest rates were aligned with other members of the Senior Lending Group who are neither key management personnel nor associated with key management personnel.

Mr Dale Elphinstone is a majority owner of William Adams Pty Ltd and United Equipment Pty Ltd. During the period, from the date of Mr Elphinstone's appointment as a Director, the Company incurred the following services and charges from these entities.

| Entity | Nature of Transaction | Amount earned (Ex- GST) | Amount Owed (as at 30 June 2025) |
|---|---|---|---|
| William Adams Pty Ltd | Purchase of mining parts and spares | $568,776 | $12,105 |
| William Adams Pty Ltd | Payments for leasing of mobile equipment | $688,235 | $nil |
| United Equipment Pty Ltd | Access equipment hire | $50,824 | $24,407 |
| | **Total:** | **$1,307,835** | **$36,512** |

These transactions were conducted on commercial terms considered at arms' length. The pricing and terms of the arrangements continue to be in line with that of the period prior to Mr Elphinstone becoming key management personnel of the Company.

There were no other transactions with key management personnel.

For personal use only

# DIRECTORS' REPORT CONTINUED

## CONSEQUENCE OF PERFORMANCE ON SHAREHOLDERS' WEALTH

| | | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|---|
| Loss for the financial year attributable to owners of the Company | **$'000** | 32,125 | 133,577 | 21,866 | 13,648 | 4,875 | 2,746 |
| Net assets at 30 June | **$'000** | (5,116) | (57,409) | 70,968 | 23,877 | 6,651 | (1,105) |
| Number of shares on issue at 30 June[1] | **'000** | 21,920,266 | 1,004,023 | 972,627 | 630,755 | 376,007 | 264,381 |
| Share price at 30 June (per share) | **Cents** | N/A | 2.40 | 13.00 | 20.00 | 23.50 | 6.10 |
| Market capitalisation at 30 June | **$'000** | N/A | 24,096 | 126,441 | 126,151 | 88,362 | 16,127 |

1Subsequent to year-end, there was a share consolidation of 100:1 which is not reflected in these figures.

## END OF REMUNERATION REPORT (AUDITED)

For personal use only

# DIRECTORS' REPORT CONTINUED

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

### Indemnification and Insurance

The Company indemnifies current and former directors and officers for any loss arising from any claim by reason of any specified act committed by them in their capacity as a director or officer (subject to certain exclusions as required by law).

The Company has paid insurance premiums in respect of directors' and officers' liability. Insurance cover relates to liabilities arising from their position (subject to certain exclusions as required by law). Details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance are not disclosed. Such disclosure is prohibited under the terms of the policy. The Company has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as such by an officer or auditor.

## AUDIT SERVICES

During the year ending 30 June 2025, the Group expensed an amount of $145,000 (2024: $nil) payable to its auditor, SW Audit, and $177,000 for its Auditor KPMG Australia (2024: 215,000) and its related practices for audit services provided.

## NON-AUDIT SERVICES

The Group's auditor, SW Audit, did not provide any non-audit services during the year ended 30 June 2025.

## ROUNDING OFF

The Company is not of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, and as such, amounts in the Condensed Consolidated Financial Report and Directors' Report have been reported to the nearest dollar, unless otherwise stated.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration made under Section 307C of the *Corporations Act 2001* (Cth) is set out on page 92 and forms part of this Directors' Report.

## COMPLIANCE STATEMENT

This report contains no new exploration results. The work referred to here can be found in numerous announcements available at 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 announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcement.
Signed in accordance with a resolution of the Board of directors.

## COMPETENT PERSONS' STATEMENT

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

The Company confirms that it is unaware 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.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed on behalf of the Board of Directors on 30 September 2025



Mr Kevin Pallas
King Island, Tasmania

For personal use only

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2025

| | Note | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from contracts with customers | A9 | **21,221** | 12,383 |
| Cost of sales | A10 | **(29,743)** | (28,368) |
| **Gross loss** | | **(8,522)** | (15,985) |
| Other income | A11 | **2,265** | 14,503 |
| Selling and distribution costs | A12 | **(1,588)** | (930) |
| Depreciation and Amortisation | A19, 20 & 21 | **(7,427)** | (12,874) |
| Impairment expense | B3 | **-** | (105,538) |
| Fair value gain on warrants liabilities | A26 | **905** | - |
| Administration | | **(5,423)** | (6,207) |
| **Operating loss** | | **(19,790)** | (127,031) |
| Accretion | A13, A24 | **(3,003)** | - |
| Finance income | | **26** | 199 |
| Finance expense | | **(9,358)** | (6,745) |
| **Net financing expense** | A13 | **(12,335)** | (6,546) |
| **Loss before income tax expense** | | **(32,125)** | (133,577) |
| Income tax expense | A14 | **-** | - |
| **Net loss after income tax expense attributable to members of the parent** | | **(32,125)** | (133,577) |
| Other comprehensive income for the year, net of tax | | **-** | - |
| **Total comprehensive loss attributable to members of the parent** | | **(32,125)** | (133,577) |
| **Losses per share** | | **Cents** | Cents |
| Basic losses per share attributable to ordinary equity holders | D1 | **(0.71)** | (13.3) |
| Diluted losses per share attributable to ordinary equity holders | D1 | **(0.71)** | (13.3) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

For personal use only

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2025

| | | 2025 | 2024 |
|---|---|---|---|
| **Assets** | Note | **$'000** | $'000 |
| **Current assets** | | | |
| Cash and cash equivalents | A15 | **7,626** | 809 |
| Trade and other receivables | A16 | **4,851** | 2,880 |
| Inventories | A17 | **10,859** | 4,856 |
| Deposits | A18 | **130** | 127 |
| **Total current assets** | | **23,466** | 8,672 |
| **Non-current assets** | | | |
| Property, plant and equipment | A19 | **21,842** | 21,397 |
| Right-of-use assets | A20 | **781** | 1,473 |
| Mine properties | A21 | **1,962** | 2,693 |
| Deposits | A18 | **2,897** | 2,901 |
| **Total non-current assets** | | **27,482** | 28,464 |
| **Total assets** | | **50,948** | 37,136 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | A22 | **10,324** | 13,697 |
| Warrants liabilities | A26 | **7,955** | - |
| Borrowings | A24 | **2,533** | 49,144 |
| Lease liabilities | A20 | **1,659** | 2,160 |
| Provisions | A23 | **554** | 751 |
| Other current liabilities | A25 | **83** | 77 |
| **Total current liabilities** | | **23,108** | 65,829 |
| **Non-current liabilities** | | | |
| Borrowings | A24 | **23,769** | 18,362 |
| Lease liabilities | A20 | **676** | 2,042 |
| Non-current provisions | A23 | **8,414** | 8,130 |
| Other non-current liability | A25 | **97** | 181 |
| **Total non-current liabilities** | | **32,956** | 28,715 |
| **Total liabilities** | | **56,054** | 94,544 |
| **Net assets** | | **(5,116)** | (57,408) |
| **Equity** | | | |
| Issued capital | A7 | **241,507** | 157,148 |
| Reserves | A7 | **22,135** | 22,077 |
| Accumulated losses | | **(268,758)** | (236,633) |
| **Total equity** | | **(5,116)** | (57,408) |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2025

| | Issued capital $'000 | Equity component of compound instrument $'000 | Share-option reserve $'000 | Accumulated losses $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2023** | 152,901 | 16,080 | 5,043 | (103,056) | 70,968 |
| Total comprehensive loss for the year | - | - | - | (133,577) | (133,577) |
| *Transactions with owners in their capacity as owners:* | | | | | |
| Employee expenses | - | - | 692 | - | 692 |
| Share-based payment reserve | - | - | 262 | - | 262 |
| Capital raising | 4,312 | - | - | - | 4,312 |
| Capital raising costs | (126) | - | - | - | (126) |
| Share issue | 61 | - | - | - | 61 |
| **Balance at 30 June 2024** | 157,148 | 16,080 | 5,997 | (236,633) | (57,408) |
| **Balance at 1 July 2024** | **157,148** | **16,080** | **5,997** | **(236,633)** | **(57,408)** |
| Total comprehensive loss for the year, net of tax | - | - | - | **(32,125)** | **(32,125)** |
| *Transactions with owners in their capacity as owners:* | | | | | |
| Employee expenses | **-** | **-** | **-** | **-** | **-** |
| Share-based payments reserve (Note A7) | **-** | **-** | **57** | **-** | **57** |
| Capital raising (Note A7) | **5,939** | **-** | **-** | **-** | **5,939** |
| Conversion of loans and accrued interest to equity (Note A24) | **75,389** | **-** | **-** | **-** | **75,389** |
| Conversion of creditor balances to equity (Note A22) | **3,694** | **-** | **-** | **-** | **3,694** |
| Capital raising costs | **(663)** | **-** | **-** | **-** | **(663)** |
| Share issue | **-** | **-** | **-** | **-** | **-** |
| **Balance at 30 June 2025** | **241,507** | **16,080** | **6,054** | **(268,758)** | **(5,116)** |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

For personal use only

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2025

| | Note | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | **19,503** | 11,852 |
| Other income received | | **2,146** | 14,494 |
| Payments to suppliers and employees | | **(47,128)** | (51,937) |
| Cash used in operating activities | | **(25,479)** | (25,591) |
| Interest paid | | **(821)** | (2,360) |
| Interest received | | **33** | 200 |
| **Net cash used in operating activities** | A27 | **(26,267)** | (27,751) |
| **Cash flows from investing activities** | | | |
| Payments for capitalised development costs | A21 | **-** | (586) |
| Payments for property, plant and equipment | A19 | **(2,691)** | (3,898) |
| Proceeds from disposal of property, plant and equipment | | **-** | 2,176 |
| Proceeds from security deposits | | **-** | - |
| Payments for security deposits | | **-** | - |
| **Net cash used in investing activities** | | **(2,691)** | (2,308) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | **5,938** | 4,312 |
| Payments for capital raising costs | | **-** | (126) |
| Proceeds from borrowings | | **33,013** | 26,777 |
| Interest paid on borrowings | | **-** | (2,270) |
| Repayment of borrowings | | **-** | (1,954) |
| Repayment of lease liabilities | | **(3,176)** | (4,903) |
| **Net cash from financing activities** | | **35,775** | 21,836 |
| Net increase/(decrease) in cash and cash equivalents | | **6,817** | (8,223) |
| Cash and cash equivalents at 1 July | | **809** | 9,032 |
| Cash and cash equivalents at 30 June | A15 | **7,626** | 809 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS

## GENERAL INFORMATION

The Consolidated Financial Statements cover Group 6 Metals Limited as a consolidated entity consisting of Group 6 Metals Limited and its subsidiaries. These Consolidated Financial Statements are presented in Australian dollars, which is Group 6 Metals Limited's functional and presentation currency.

Group 6 Metals Limited is a listed public company, limited by shares, incorporated and domiciled in Australia.

The Consolidated Financial Statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2025.

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

SECTION A – KEY FINANCIAL INFORMATION AND PREPARATION BASIS

SECTION B – RISK AND JUDGEMENT

SECTION C – KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES

SECTION D – OTHER DISCLOSURES

## SECTION A - KEY FINANCIAL INFORMATION AND PREPARATION BASIS

This section sets out the basis upon which the Group's consolidated financial statements have been prepared as a whole and explains the results and performance of the Group that the directors consider most relevant in the context of the operations of the entity.

### A1 STATEMENT OF COMPLIANCE

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 (Cth). The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

### A2 BASIS OF PREPARATION

The financial report is prepared on a historical cost basis other than share-based transactions that are assessed at fair value. These consolidated financial statements are presented in Australian dollars which is the Company's functional currency.

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 financial statements and directors' report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group and are detailed in Section B of the report.

Lapse Today

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A3 USE OF JUDGEMENT AND ESTIMATES

The areas involving a higher degree of judgment or complexity, or areas of assumptions and estimates are:

Recoverability of development costs

The carrying amounts of the Group's assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that are not yet available for use, the recoverable amount is estimated annually, or when facts and circumstances suggest the carrying amount may exceed its recoverable amount.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless the asset has been re-valued previously, in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation with any excess recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

*Calculation of recoverable amount*

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing Fair Value Less Cost of Disposal (FVLCD), the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

*Assessment*

Assessment of the recoverable amounts require the use of estimates and assumptions such as reserves, resources, mine life, discount rates, exchange rates, commodity prices, grade of ore mined, recovery percentage, operating performance, costs and capital estimates.

At each reporting date, the Group undertakes an assessment of these assets and considers whether there are any external impairment indicators resulting from changes in APT prices, foreign exchange, forecast operating costs and discount rate.

Refer to Note B3 for the current year impairment indicator assessment and the prior year impairment estimate and assumptions used.

Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

## A3 USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of disturbed land is recognised when such land is disturbed. At this time, a best estimate of the total area of disturbance and present value restoration cost over the estimated mine is made. From this, an annual charge is derived which is reflected as an expense over the life of the mine and as an increase in the provision.

The balance of the provision is the accumulation of the annual charges, less any remedial work done, which is charged directly against the provision. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

Judgement has been exercised in determining the closure cost and plant dismantlement cost estimates and the discount rates used in calculating the related provisions.

Leases

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following, future lease payments arising from a change in index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalty.

As outlined in Note A20, judgement has been exercised in determining the term and interest rate of the lease based on information available at the time of the report.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payments

Equity settled share-based payments are recorded at the fair value of the share-based payment at the grant date which is determined using the Black Scholes model.

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

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.

Fair Value of derivative financial instruments

The Group initially recognises and measures its derivative financial instruments by calculating the fair value of the instruments using the discounted cash flow method net of the fair value of warrants issued.

In order to calculate the discounted cash flows, management uses judgements in relation to the expected mine commissioning date together with the expected drawdown dates of the convertible loans.

Proved and probable ore reserves

The Group uses the concept of life of mine to determine the amortisation of mine properties. In determining life of mine, the Group prepares ore reserve estimates in accordance with the JORC Code 2012. The estimate of these proved and probable ore reserves, by their very nature, require judgements, estimates and assumptions.

Where the proved and probable reserve estimates need to be modified, the amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised mine life (for both the current and future years).

## A3 USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

Overburden in advance

The Group capitalises expenditure incurred to remove overburden or waste material to the extent that it gives rise to future economic benefits. This calculation requires the use of judgements and estimates, such as estimated waste to be removed over the life of the mining area and the economically recoverable reserves extracted as a result. Changes in a mine's life and design may result in changes to the expected stripping ratio (waste to mineral reserves ratio). Any resulting changes are accounted for prospectively.

Provisional pricing

Judgement is required by Management 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 the relevant market prices at the end of quotational periods. Variable consideration is determined using either the "expected value" or "most likely amount" method.

Further judgement will be required to determine whether variable consideration is subject to significant reversal. This might be particularly relevant where the final quality of products will not be known until testing at its destination. Provisionally priced sales are repriced at each reporting period until final pricing and settlement is confirmed based on final quality of products delivered and testing at its destination. The period between provisional pricing and final invoice is generally between 60 –120 days.

Deferred tax recognition.

Judgement is required to determine whether deferred tax assets and certain deferred tax liabilities are recognised on the Statement of Financial Position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the timing and generation of sufficient future taxable profits in the same taxing jurisdiction to offset future expenditure such as rehabilitation costs.

Determining if there will be future taxable profits depend on Management's estimates of the timing and quantum of future cash flows, which in turn depend on estimates of future production, sales volumes, exploration discoveries, economics, commodity prices, operating costs, rehabilitation costs, capital expenditure, dividends and other capital management transactions.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to income tax expense within the Statement of Profit and Loss and Other Comprehensive Income.

For personal use only

## A4 MATERIAL ACCOUNTING POLICIES

Revenue and other income

*Revenue from contracts with customers*

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. 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".

*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. 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.

## A4 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 linked to ore tonnes depleted on a block by block basis. Changes in estimate of average stripping ratios are accounted for prospectively.

Mine development 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.

Log in to view full report

## A4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

## A5 BASIS OF CONSOLIDATION

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investments in subsidiaries are carried in the Parent Entity's financial statements at the lower of cost and recoverable amount.

*Transactions eliminated on consolidation*

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity, with adjustments made to the "Investment in associates" and "Share of associates' net profit" accounts.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised as the relevant assets are consumed or sold by the associate or jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the Group's interest in such entities is disposed of.

## A6 GOING CONCERN

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a loss of $32.125 million (2024: $133.577 million) and had net cash outflows from operating activities and investing activities of $26.267 million (2024: $27.751 million) and $2.691 million (2024: $2.308 million) respectively for the period ended 30 June 2025.

In forming the view that the going concern basis of preparation is appropriate, the Directors and Management have based their assessment on the facts and circumstances as of the date of approval of the financial statements, especially the following matters some of which occurred subsequent to 30 June 2025:

- the Company's *Senior Lending Group*, comprising Elphinstone Holdings Pty Ltd, ABEX Limited, Pure Asset Management and Chrysalis Investments Pty Ltd, along with the State of Tasmania, have provided continuing financial support of operations as described in Note A31, which includes additional loans of $3M and a deferral of interest payments.

## A6 GOING CONCERN (CONTINUED)

- The Group continues to anticipate the realisation of the beneficial effects of its stabilisation and transformational phase since completing its recapitalisation during financial year 2025. The most pivotal plan under execution is its *Process Plant Optimisation Plan*, a plan focusing on improved plant resilience, throughput, utilisation, and recovery which continues to develop and is underway. The upgrade of key components of the process plant are the major drivers to achieving steady-state production and consequently increasing shipments of concentrate. Other contributory factors to the optimisation plan include: building adequate levels of spare parts inventory to eliminate lengthy unplanned plant shutdowns; a metallurgical improvement program which provides a focus on improving overall plant recoveries; and the appointment of an experienced plant manager.

Factoring in the above, Management have prepared a cashflow forecast for the twelve months ending 30 September 2026. The ability of the Group to continue as a going concern is critically dependent upon the Group operating the mine in a cashflow positive manner. Key assumptions adopted in the twelve-month forecast include:

- Processing of ore stockpiles at a through-put rate of at least, on average, 24kt per month;
- Feed grade of 0.6% of ore processed;
- Recovery of metal from the production processes of, on average, 55%;
- Tungsten ammonium para tungstate (APT) price, on average, of $550 USD per metric tonne units (mtu);
- AUD:USD foreign currency exchange rate of, on average, 0.66 USD:AUD; and
- Capital expenditure planned to improve plant performance and reduce operational downtime.

As with all transformational plans and macro-economic assumptions, there inherently exists significant uncertainty as to whether the Group will achieve its plans. The Directors and Management acknowledge that these uncertainties may affect the realisation of the full outcomes envisioned from the stabilisation and transformational phase. Should any one or a combination of the above assumptions fail to be realised to the extent forecasted, the Company will be required to mitigate any impact on its closing cash balances such that it continues to have the ability to meet its obligations as and when they fall due.

On the assumption that the benefits of the stabilisation and transformational phase will be realised and that the Company has the ability to discretionarily manage its capital expenditure or, if necessary, that the Group sources financing from alternative funding sources, the Directors and Management have concluded that the Group is able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Notwithstanding this, there exists a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

For personal use only

## A7 CAPITAL AND RESERVES

*Share capital*

Ordinary shares issued and fully paid

| | Date | Number of shares | Issue price per share (cents) | $ |
|---|---|---|---|---|
| **Balance 1 July 2024** | | **1,004,022,852** | | **157,147,517** |
| Conversion of Options | 9 Apr 25 | 7,000,000 | - | - |
| Loan Conversion to Equity (Note A24) | 30 Apr 25 | 18,473,984,000 | 0.004 | 75,388,691 |
| Creditors balance conversion (Note A22) | 30 Apr 25 | 738,831,000 | 0.005 | 3,694,000 |
| Shares placement | 30 Apr 25 | 1,696,428,571 | 0.0035 | 5,939,425 |
| Less costs relating to the share placement | | - | | (663,277) |
| **Balance 30 June 2025** | | **21,920,266,423** | | **241,506,356** |
| Balance 1 July 2023 | | **972,626,827** | | **152,901,197** |
| Shares placement | | | | |
| | 11-Jul-23 | 26,582,953 | 14.00 | 3,721,599 |
| Shares placement | 26-Jul-23 | 3,500,000 | 14.00 | 490,000 |
| Shares placement | 3-Aug-23 | 714,940 | 14.00 | 100,092 |
| Shares placement | 1-Mar-24 | 598,132 | 10.10 | 60,500 |
| Less costs relating to the share placement | | - | | (125,871) |
| Balance 30 June 2024 | | **1,004,022,852** | | **157,147,517** |

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Ordinary shares have no par value. No dividends have been declared or paid by the Company during or since the end of the financial year.

Subject to ASX listing rules, the Company's Board may resolve that the whole or any portion of profits, reserve or other account which is available for distribution, be distributed to shareholders in the same proportions in which they would be entitled to receive it if distributed by way of dividend, or in accordance with relevant terms of issue of any shares or securities.

If the Company is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories, as the liquidator thinks fit, in specie or in kind, any part of the assets of the Company, and may vest any part of the assets of the Company in trustees for the benefit of all or any of the contributories as the liquidator thinks fit.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation.

*Options*

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

During the year ended 30 June 2025, the Group issued 76,000,000 options to a Director as remuneration (2024: nil). During the prior year, 10,500.000 were issued as employee remuneration.



For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A7 CAPITAL AND RESERVES (CONTINUED)

During the year, there were 7,000,000 shares (2024: 4,375,000) issued on the exercise of performance options as demonstrated below.

Details of options over ordinary shares in the Company that were granted, vested and expired during the financial year are as follows:

**Year ended 30 June 2025**

| Exercise Price | Vesting/Grant Date | Expiry Date | Balance 01-Jul-24 Number | Granted and vested Number | Average exercise price | Expired Number | Balance 30-Jun-25 Number |
|---|---|---|---|---|---|---|---|
| **Unquoted** | | | | | | | |
| $0.11 | 15-Oct-19 | 15-Oct-24 | **1,000,000** | - | | **(1,000,000)** | **-** |
| $0.13 | 15-Oct-19 | 15-Oct-24 | **1,000,000** | - | | **(1,000,000)** | **-** |
| $0.15 | 15-Oct-19 | 15-Oct-24 | **1,000,000** | - | | **(1,000,000)** | **-** |
| $0.10 | 7-Sep-21 | 7-Sep-24 | **1,000,000** | - | | **(1,000,000)** | **-** |
| $0.12 | 7-Sep-21 | 7-Sep-25 | **1,000,000** | - | | **(1,000,000)** | **-** |
| $0.15 | 7-Sep-21 | 7-Sep-26 | **1,000,000** | - | | **-** | **-** |
| $0.28 | 23-Jan-23 | 31-Jan-25 | **50,852,909** | - | | **(50,852,909)** | **-** |
| $0.28 | 22-Feb-23 | 31-Jan-25 | **13,157,494** | - | | **(13,157,494)** | **-** |
| $0.28 | 22-Feb-23 | 31-Jan-25 | **617,647** | - | | **(617,647)** | **-** |
| $0.28 | 27-Mar-23 | 31-Jan-25 | **7,352,942** | - | | **(7,352,942)** | **-** |
| $0.28 | 23-Jan-23 | 31-Jan-26 | **29,411,765** | - | | **-** | **29,411,765** |
| $0.21 | 11-Jul-23 | 30-Jun-25 | **146,483,992** | - | | **(146,483,992)** | **-** |
| $0.18 | 14-Jul-23 | 14-Jul-26 | **2,500,000** | - | | **-** | **2,500,000** |
| $0.20 | 14-Jul-23 | 14-Jul-27 | **2,500,000** | - | | **-** | **2,500,000** |
| $0.22 | 14-Jul-23 | 14-Jul-28 | **2,500,000** | - | | **-** | **2,500,000** |
| $0.18 | 14-Jul-23 | 14-Jul-26 | **1,000,000** | - | | **-** | **1,000,000** |
| $0.20 | 14-Jul-23 | 14-Jul-27 | **1,000,000** | - | | **-** | **1,000,000** |
| $0.22 | 14-Jul-23 | 14-Jul-28 | **1,000,000** | - | | **-** | **1,000,000** |
| $0.21 | 26-Jul-23 | 30-Jun-25 | **2,333,333** | - | | **(2,333,333)** | **-** |
| $0.21 | 3-Aug-23 | 30-Jun-25 | **476,627** | - | | **(476,627)** | **-** |
| $0.0052 | 23-Apr-25 | 23-Apr-27 | **-** | **38,000,000** | | **-** | **38,000,000** |
| $0.0140 | 23-Apr-25 | 23-Apr-28 | **-** | **38,000,000** | | **-** | **38,000,000** |
| | | | **267,186,709** | **76,000,000** | **$0.095** | **(226,274,944)** | **115,911,765** |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A7 CAPITAL AND RESERVES (CONTINUED)

| Performance Options<br>Exercise Price | Vesting Date | Expiry Date | Balance 01-Jul-24 Number | Granted and Vested Number | Exercise Number | Average Exercise Price | Expired Number | Balance 30-Jun-25 Number |
|---|---|---|---|---|---|---|---|---|
| $0.00 | 30-Sep-21 | 30-Sep-26 | **9,000,000** | **-** | **(3,000,000)** | | **-** | **6,000,000** |
| $0.00 | 30-Sep-23 | 30-Sep-28 | **12,000,000** | **-** | **(4,000,000)** | | **-** | **8,000,000** |
| | | | **21,000,000** | **-** | **(7,000,000)** | **$0.00** | **-** | **14,000,000** |
| **Warrants** | | | | | | | | |
| $0.21 | 18-Nov-21 | 31-Dec-25 | **46,428,571** | **-** | **-** | | **-** | **46,428,571** |
| $0.20 | 18-Nov-21 | 31-Mar-26 | **101,785,715** | **-** | **-** | | **-** | **101,785,715** |
| $0.0035 | 30-Apr-25 | 31-Oct-25 | **-** | **7,232,142,857**[1] | **-** | | **-** | **7,232,142,857** |
| | | | **148,214,286** | **7,232,142,857** | **-** | **$0.0075** | **-** | **7,380,357,143** |

1 Refer to Note A26

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A7 CAPITAL AND RESERVES (CONTINUED)

**Year ended 30 June 2024**

| Exercise Price | Vesting Date | Expiry Date | Balance 01-Jul-23 Number | Granted and vested Number | Exercise Number | Average exercise price | Expired Number | Balance 30-Jun-24 Number |
|---|---|---|---|---|---|---|---|---|
| **Unquoted** | | | | | | | | |
| $0.06 | 31-Dec-17 | 31-Dec-22 | 1,000,000 | - | (1,000,000) | | - | - |
| $0.08 | 31-Dec-17 | 31-Dec-22 | 1,375,000 | - | (1,375,000) | | - | - |
| $0.10 | 31-Dec-17 | 31-Dec-22 | 2,000,000 | - | (2,000,000) | | - | - |
| $0.11 | 15-Oct-19 | 15-Oct-24 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.13 | 15-Oct-19 | 15-Oct-24 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.15 | 15-Oct-19 | 15-Oct-24 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.10 | 7-Sep-21 | 7-Sep-24 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.12 | 7-Sep-21 | 7-Sep-24 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.15 | 7-Sep-21 | 7-Sep-24 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.28 | 23-Jan-23 | 31-Jan-25 | - | 50,852,909 | - | | - | 50,852,909 |
| $0.28 | 22-Feb-23 | 31-Jan-25 | - | 13,157,494 | - | | - | 13,157,494 |
| $0.28 | 22-Feb-23 | 31-Jan-25 | - | 617,647 | - | | - | 617,647 |
| $0.28 | 27-Mar-23 | 31-Jan-25 | - | 7,352,942 | - | | - | 7,352,942 |
| $0.28 | 23-Jan-23 | 31-Jan-26 | - | 29,411,765 | - | | - | 29,411,765 |
| $0.18 | 14-Jul-23 | 14-Jul-26 | 146,483,992 | - | - | | - | 146,483,992 |
| $0.20 | 14-Jul-23 | 14-Jul-27 | 2,500,000 | - | - | | - | 2,500,000 |
| $0.22 | 14-Jul-23 | 14-Jul-28 | 2,500,000 | - | - | | - | 2,500,000 |
| $0.18 | 14-Jul-23 | 14-Jul-26 | 2,500,000 | - | - | | - | 2,500,000 |
| $0.20 | 14-Jul-23 | 14-Jul-27 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.22 | 14-Jul-23 | 14-Jul-28 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.21 | 26-Jul-23 | 30-Jun-25 | 1,000,000 | - | - | | - | 1,000,000 |
| $0.21 | 3-Aug-23 | 30-Jun-25 | 2,333,333 | -- | - | | - | 2,333,333 |
| $0.18 | 14-Jul-23 | 14-Jul-26 | 476,627 | - | - | | - | 476,627 |
| | | | 168,692,325 | 101,392,757 | (4,375,000) | $0.22 | - | 267,186,709 |
| **Performance Options** | | | | | | | | |
| $0.00 | 30-Sep-21 | 30-Sep-26 | 9,000,000 | - | - | | - | 9,000,000 |
| $0.00 | 30-Sep-23 | 30-Sep-28 | 12,000,000 | - | - | | - | 12,000,000 |
| | | | 21,000,000 | - | - | $0.00 | - | 21,000,000 |
| **Warrants** | | | | | | | | |
| $0.21 | 18-Nov-21 | 31-Dec-25 | 46,428,571 | - | - | | - | 46,428,571 |
| $0.20 | 18-Nov-21 | 31-Mar-26 | 101,785,715 | - | - | | - | 101,785,715 |
| | | | 148,214,286 | - | - | $0.20 | - | 148,214,286 |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A7 CAPITAL AND RESERVES (CONTINUED)

| *Share Option Reserve* | **2025 $** | 2024 $ |
|---|---|---|
| Balance 1 July | **5,997,151** | 5,043,062 |
| Employee expenses | **57,760** | 691,775 |
| Share based payment reserve | **-** | 262,314 |
| Balance at 30 June | **6,054,911** | 5,997,151 |

| *Equity Component of Compound Instrument* | **2025 $** | 2024 $ |
|---|---|---|
| Balance 1 July | **16,080,010** | 16,080,010 |
| Balance at 30 June | **16,080,010** | 16,080,010 |

The Group measures the cost of share and performance options granted to directors and consultants by reference to the fair value of the equity instrument at the date at which they are granted.

During the year, no new performance options were granted to directors of the Company for related party remuneration. The options in the previous period were granted at no cost to the recipients. The fair value of the options at the grant date is determined using the Black Scholes model.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the nonmarket vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The performance options have no exercise price therefore the fair value of the performance options is determined to be the share price at grant date.

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. Fair value is determined based on the share price at grant date.

**Employee Expenses**
76,000,000 were issued to Mr Kevin Pallas in FY25 as follows:

| Director | Grant Date | Expiry date | Number of unquoted options issued as remuneration | Exercise price | Fair value per instrument[1] | Total fair value |
|---|---|---|---|---|---|---|
| Kevin Pallas | 23/04/2025 | 23/04/2027 | 38,000,000 | $0.0052 | $0.00099 | $37,620 |
| | 23/04/2025 | 23/04/2028 | 38,000,000 | $0.0104 | $0.00053 | $20,140 |
| | | | 76,000,000 | | | $57,760 |

[1]These options were valued using a Black Scholes calculator and the following estimates and inputs:

Fair value of share price: $0.0035
Risk-free rate: 3.51%
Volatility: 70%
Dividend yield: -%



For personal use only

In financial year 2025, the Group issued 76,000,000 unquoted options to Kevin Pallas, a member of Key Management Personnel (KMP). The options expense relating to KMP options for the period totals $57,760 (2024: $691,775). As shown above, management have estimated a share price of $0.0035. The basis of this estimate is recent share prices for issuances conducted at arms' length. 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.

## A8 DIVIDENDS

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

## A9 REVENUE

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Revenue from contracts with customers | **21,221** | 12,383 |

Revenue from contracts with customers represents $21.22 million of sales of tungsten concentrate during the year to offtake partners. Products are transferred at a point in time and the primary geographic market of the customer is China. The Company satisfies its performance obligation for revenue recognition upon loading of the concentrate at the port of dispatch which aligns with the issuance of the provisional invoice for its Key Customer

Payment of provisional and final invoices is due within five business days against the presentation of the prescribed documentation.

## A10 COST OF SALES

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Mining | **10,310** | 9,428 |
| Processing | **11,883** | 13,588 |
| Support Services | **7,550** | 5,352 |
| | **29,743** | 28,368 |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A11 OTHER INCOME

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| R&D refunds | **2,147** | 14,350 |
| Other | **118** | 153 |
| | **2,265** | 14,503 |

R&D refund income represents money received in relation the refundable tax offset that is available on eligible Research and Development expenditure incurred by the Group.(FY24 balance includes $14.1 million relating to the 2023 financial year and $0.2 million in relation to the 2022 financial year).

Other represents refunds of freight received under the Tasmanian Freight Equalisation Scheme.

## A12 SELLING AND DISTRIBUTION COSTS

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Royalties | **1,144** | 608 |
| Shipping Costs | **444** | 322 |
| | **1,588** | 930 |

## A13 NET FINANCE EXPENSES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Interest expense | **9,191** | 6,650 |
| Net foreign exchange loss | **178** | 95 |
| Finance expenses | **9,369** | 6,745 |
| Interest income | **37** | 199 |
| Finance income | **37** | 199 |
| Accretion expense (Note A24) | **3,003** | - |
| Net finance expense | **12,335** | 6,546 |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A14 INCOME TAX

Income tax is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary difference are not provided for:
• Goodwill;
• The initial recognition of assets and liabilities that affect neither accounting nor taxable profit; and
• Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset (DTA) is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets recorded at each reporting date are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

While the Company moved into commercial production in the FY2024, however it continues to make a taxable loss. The Company is at the start of its mine life and there is no history of profits.

On this basis, Management believes there is sufficient uncertainty around the ability to utilise carry forward tax losses so a DTA on carry forward tax losses will not be recognised in the 30 June 2025 financial statements.

*Tax consolidation*

All members of the tax-consolidated group are taxed as a single entity from 1 July 2004. The head entity within the tax-consolidated group is Group 6 Metals Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the “stand alone taxpayer” approach for each entity, as if it continued to be a taxable entity in its own right.

Any current liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised by the Company as amounts payable / (receivable) to / (from) other entities in the tax consolidated group. Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is only recognised by the head entity.

As the tax-consolidated group has no income tax payable, the head entity has not entered into a tax funding arrangement in conjunction with other members of the tax-consolidated group which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A14 INCOME TAX (CONTINUED)

**Numerical reconciliation between tax benefit and pre-tax net profit/(loss)**

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Loss before income tax expense | **(32,125)** | (133,577) |
| Tax at the statutory tax rate of 30% | **(9,637)** | (40,073) |
| Decrease in income tax benefit due to income tax losses not recognised | **(9,637)** | 40,073 |
| | **-** | - |

**Unrecognised deferred tax assets**

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Revenue tax losses | **61,034** | 51,937 |
| Capital tax losses | **1,431** | 1,431 |
| Total deferred tax assets not recognised | **62,465** | 53,368 |

The tax losses do not expire under current legislation though these losses are subject to testing under loss recoupment rules for them to be utilised. Deferred tax assets have not been recognised in respect of this item because, at this time, it is not probable that future taxable profit will be available against which the benefits can be offset.

## A15 CASH AND CASH EQUIVALENTS

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Cash at bank | **7,538** | 300 |
| Cash on deposit | **88** | 509 |
| Cash and cash equivalents in the Consolidated Statement of Cash Flows | **7,626** | 809 |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A16 TRADE AND 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 (refer Note B4).

Prepayments are recognised at cost.

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Trade receivables | **2,012** | 452 |
| Prepayments | **2,445** | 2,004 |
| Other receivables | **394** | 424 |
| | **2,839** | 2,428 |
| | **4,851** | 2,880 |

Trade receivables balance represents the final invoice amounts on outstanding shipments. Prepayments is mostly comprised of the 2025 financial year insurance premium prepayment. Other receivables represent GST paid.

## INVENTORIES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Stores and spares | **3,638** | 2,825 |
| Concentrate ready for shipment | **1,278** | 80 |
| Stockpiled ore | **5,943** | 1,951 |
| | **10,859** | 4,856 |

The Group expensed $0.44 million of inventories during the period (2024: $17.7million) as a result of the write down to net realisable value and $16.2 million as cost of goods sold (2024: $8.2 million).

## A18 DEPOSITS

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Current assets | | |
| Deposits | **130** | 127 |
| Non-current assets | | |
| Deposits | **2,897** | 2,901 |

On 13 September 2023, the Group established A $76,834 term deposit as a cash backed bank guarantee for the Brisbane office lease. The term deposit has a rolling 12-month term which will renew on 11 September 2025. The current interest rate is 4.00% per annum.

On 22 April 2022, the Group established a term deposit of $50,000 as a cash backed security against the Group's corporate credit card facility. The term deposit has a rolling 12-month term which will renew on 22 April 2026. The current interest rate is 3.90% per annum.

On 19 January 2022, the Group paid a cash security deposit of $2.8 million to the Department of State Growth Mineral Resources Tasmania in respect to its mining license 2080P/M. The deposit is a requirement of the licence to ensure there will be sufficient funds available for the remediation of mining activities should the licensee default on their obligations.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A18 DEPOSITS (CONTINUED)

The Group has paid security deposits totalling $24,600 to Mineral Resources Tasmania in relation to its mining lease and exploration licences.

The remaining balance of deposits represents rental and cleaning bonds paid for properties in Grassy, King Island and minor deposits paid on equipment.

## A19 PROPERTY, PLANT AND EQUIPMENT

*Owned assets*

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (refer Note: B3). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

*Subsequent costs*

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably.

All other costs are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred.

*Depreciation*

With the exception of processing plant and tailings assets, depreciation is charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and buildings.

Processing plant and tailings assets are depreciated on a Units of Production basis linked to throughput of the processing plant. Overburden in advance is depreciated on a Units of Production basis linked to the depletion of ore tonnes on a block by block basis.

Land is not depreciated.

The estimated useful lives used in calculating depreciation for the financial year are as follows:

| | **2025** | 2024 |
|---|---|---|
| Plant and equipment | **6 years**[1] | 2 to 14 years |
| Buildings | **6 years**[1] | 2 to 14 years |
| Processing plant assets | **6 years**[2] | 2 to 14 years |
| Overburden in advance | **1-2 years** | 1 to 14 years |

[1] Based on life-of-mine
[2] Based on units of production

Lodged by

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Land | Buildings | Plant and equipment | Assets under construction | Overburden in advance | Total |
|---|---|---|---|---|---|---|
| | ($'000) | ($'000) | ($'000) | ($'000) | ($'000) | ($'000) |
| **Cost** | | | | | | |
| **Balance at 1 July 2024** | **3,737** | **3,111** | **97,775** | **214** | **13,796** | **118,633** |
| Additions | **-** | **-** | **1,041** | **2,691** | **1,550** | **5,282** |
| Transfers from assets under construction | **-** | **-** | **-** | **-** | **-** | **-** |
| Transfers | **-** | **-** | **-** | **-** | **-** | **-** |
| Write off previously capitalised amounts` | **-** | **(40)** | **(36)** | **-** | **-** | **(76)** |
| **Balance at 30 June 2025** | **3,737** | **3,071** | **98,780** | **2,905** | **15,346** | **123,839** |
| Balance at 1 July 2023 | 3,263 | 1,862 | 95,559 | 623 | - | 101,307 |
| Additions | 474 | - | 795 | 2,362 | 13,796 | 17,427 |
| Change in life of mine assumptions | | | 519 | | | 519 |
| Transfers from assets under construction | - | 1,249 | 902 | (2,771) | - | (620) |
| Balance at 30 June 2024 | 3,737 | 3,111 | 97,775 | 214 | 13,796 | 118,633 |

| | Land | Buildings | Plant and equipment | Assets under Construction | Overburden in Advance | Total |
|---|---|---|---|---|---|---|
| | ($'000) | ($'000) | ($'000) | ($'000) | ($'000) | ($'000) |
| **Accumulated Depreciation & Impairment** | | | | | | |
| **Balance at 1 July 2024** | **(2,992)** | **(2,733)** | **(79,335)** | **(171)** | **(12,005)** | **(97,236)** |
| Depreciation | **-** | **(47)** | **(1,417)** | **-** | **(3,297)** | **(4,761)** |
| Disposals | **-** | **-** | **-** | **-** | **-** | **-** |
| **Balance at 30 June 2025** | **(2,992)** | **(2,780)** | **(80,752)** | **(171)** | **(15,302)** | **(101,997)** |
| Balance at 1 July 2023 | | (862) | (541) | - | - | (1,404) |
| Depreciation | - | (350) | (4,692) | - | (1,997) | (7,039) |
| Impairment (Note B3) | (2,992) | (1,521) | (74,102) | (171) | (10,008) | (88,794) |
| Balance at 30 June 2024 | (2,992) | (2,733) | (79,335) | (171) | (12,005) | (97,236) |
| Carrying amounts | | | | | | |
| Balance at 30 June 2024 | 745 | 378 | 18,440 | 43 | 1,791 | 21,397 |
| **Balance at 30 June 2025** | **745** | **291** | **18,028** | **2,734** | **44** | **21,842** |

For personal use only

## A20 LEASES

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract contains the right to control the use of an identifiable asset for a period in exchange for consideration.

Information about the lease for which the Group is a lessee is presented below.

*Right-of-use-asset*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

| Movements in right of use assets | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Balance 1 July | **1,473** | 11,168 |
| Additions | **1,561** | 6,801 |
| Terminations | **-** | (5,890) |
| Impairment (Note B3) | **-** | (5,920) |
| Depreciation charge for the period | **(2,253)** | (4,686) |
| Balance 30 June | **781** | 1,473 |

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease. Where the interest rate is not readily determinable, the incremental borrowing rate is used. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

| Maturity analysis - contracted cash flows | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Within one year | **1,708** | 617 |
| One year or later and not later than five years | **777** | 3,904 |
| | **2,485** | 4,521 |
| Lease liabilities included in the Consolidated Statement of Financial Position | | |
| Current | **1,659** | 2,160 |
| Non-current | **676** | 2,042 |
| | **2,335** | 4,202 |

For personal use only

## A20 LEASES (CONTINUED)

*Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income*

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Depreciation on right-of-use asset | **2,042** | 4,686 |
| Impairment (Note B3) | **-** | 5,920 |
| Interest on lease liabilities | **302** | 640 |
| | **2,344** | 11,246 |

*Amounts recognised in the Consolidated Statement of Cash Flows*

| | | |
|---|---|---|
| Interest payments | **302** | 640 |
| Lease payments | **3,176** | 4,903 |
| | **3,478** | 5,543 |

## A21 MINE DEVELOPMENT COSTS AND MINE PROPERTIES

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Movements in mine development costs | | |
| Balance 1 July | **-** | 12,803 |
| Additions | **-** | - |
| Transfers in | **-** | 1,134 |
| Transfers out | **-** | (13,937) |
| Balance 30 June | **-** | - |

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Mine properties | **1,962** | 2,693 |
| Movements in mine properties | | |
| Balance 1 July | **2,693** | - |
| Transfers in | **-** | 13,937 |
| Reductions | **(107)** | (92) |
| Depreciation charge for the period | **(624)** | (1,149) |
| Change in life of mine assumptions | **-** | 854 |
| Impairment (Note B3) | **-** | (10,824) |
| Expensed to P&L | **-** | (33) |
| Balance 30 June | **1,962** | 2,693 |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A21 MINE DEVELOPMENT COSTS AND MINE PROPERTIES (CONTINUED)

Commercial production of concentrate commenced on 1 July 2023 signalling the move from pre-production to production. In accordance with the Group's accounting policy on Mine Development Costs and Mine Properties (refer A4), aggregated capitalised mine development costs were re-classified under non-current assets as Mine Properties from that date. Given the assets are available for use, amortisation has commenced on a Units of Production basis using the life of mine ore tonnes as a basis.

## A22 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs.

Subsequent to initial recognition, these transactions are measured at amortised cost.

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Trade payables | **5,171** | 7,567 |
| Accruals and other payables | **5,153** | 6,130 |
| | **10,324** | 13,697 |

Refer to Note B4 for further information on financial instruments.

On 23 April 2025, as part of the Group's recapitalisation plan (discussed in Note 24A), the Group extinguished balances owing to creditors as follows by the issuance of ordinary shares:

| **Creditor** | **Creditor Balance Converted ($'000)** | **Ordinary Shares Issued on Conversion ('000)** |
|---|---|---|
| Gekko | $2,974 | 594,831 |
| Billing Cranes Pty Ltd | $220 | 44,000 |
| Maxfield Drilling Pty Ltd | $500 | 100,000 |
| **Total** | **$3,694** | **738,831** |

## A23 PROVISIONS

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Current | | |
| Employee benefits | **554** | 751 |
| Non-current | | |
| Rehabilitation and dismantlement | **8,330** | 8,089 |
| Employee benefits | **84** | 41 |
| | **8,414** | 8,130 |
| | **8,968** | 8,881 |

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

## A23 PROVISIONS (CONTINUED)

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Provision for rehabilitation and dismantlement | | |
| Balance 1 July | **8,089** | 6,175 |
| Additions | - | - |
| Change in assumptions | **241** | 1,634 |
| Unwinding of discount | **-** | 280 |
| Balance 30 June | **8,330** | 8,089 |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A24 BORROWINGS

The balance of loans together with capitalised interest as at 30 June 2025 are detailed below.

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Current | **2,533** | 49,144 |
| Non-current | **23,769** | 18,362 |
| | **26,302** | 67,506 |

*Terms and repayment schedule*
The terms and conditions of the outstanding loans are as follows:

| **Loan** | **Security** | **Nominal interest rate** | **Date of maturity** | **2025** | | 2024 | |
|---|---|---|---|---|---|---|---|
| | | | | **Face value ($'000)** | **Carrying value ($'000)** | Face value ($'000) | Carrying value ($'000) |
| Tasmanian Government | Second ranking security over the assets of the Group | 14.00% | 31-Oct-29 with repayment instalments of $167 thousand every month starting 28-Feb-2025 | | | 10,000[1] | 10,000 |
| Pure Asset Management Pty Ltd | First ranking security over the assets of the Group | 14.35% | 8-Nov-24 | | | 10,000[1] | 10,000 |
| Abex Limited | First ranking security over the assets of the Group | 6.50% | 31-Dec-26 With repayment instalments of 1,083 thousand at the end of every quarter starting 30-Jun-24 | | | 6,500[1] | 5,894 |
| CJRE Maritime Pty Ltd 1 | First ranking security over the assets of the Group | 8.25% | 31-Dec-26 With repayment instalments of $666 thousand at the end of every quarter starting 30-Jun-24 | | | 4,000[1] | 4,655 |
| CJRE Maritime Pty Ltd 2 | First ranking security over the assets of the Group | 6.50% | 31-Dec-26 With repayment instalments of $750 thousand at the end of every quarter starting 30-Jun-24 | | | 4,500[1] | 4,099 |

For personal use only

| Loan | Security | Nominal interest rate | Date of maturity | 2025 | | 2024 | |
|---|---|---|---|---|---|---|---|
| | | | | **Face value ($'000)** | **Carrying value ($'000)** | Face value ($'000) | Carrying value ($'000) |
| Elphinstone Holdings Pty Ltd | First ranking security over the assets of the Group | 6.50% | 31-Dec-26 With repayment instalments of $833 thousand at the end of every quarter starting 30-Jun-24 | | | 5,000[1] | 4,512 |
| D.A.CH.S Capital AG | First ranking security over the assets of the Group | 6.50% | 31-Dec-26 With repayment instalments of $500 thousand at the end of every quarter starting 30-Jun-24 | | | 3,000[1] | 2,706 |
| Ballarat Clarendon College | Secured against the freehold premises owned by the Group in Grassy | 5.00% | 30-Jun-26 | **800** | **800** | 800 | 800 |
| Elphinstone Holdings Pty Ltd | Unsecured | 12.00% | 22-Sep-24 | | | 1,000[1] | 1,000 |
| CJRE Maritime Pty Ltd 3 | Unsecured | 12.00% | 22-Sep-24 | | | 3,000[1] | 3,000 |
| Abex Limited 2 | Unsecured | 12.00% | 22-Sep-24 | | | 3,000[1] | 3,000 |
| D.A.CH.S Capital AG Bridge | First ranking security over the assets of the Group | 14.35% | 31-Aug-24 | | | 2,000[1] | 2,000 |
| CJRE Maritime Pty Ltd Bridge | Unsecured - to be secured upon shareholder approval | 14.35% | 31-Aug-24 | | | 2,000[1] | 2,000 |
| Abex Limited Bridge | Unsecured - to be secured upon shareholder approval | 14.35% | 31-Aug-24 | | | 2,000[1] | 2,000 |
| Elphinstone Holdings Pty Ltd Bridge | First ranking security over the assets of the Group | 14.35% | 31-Aug-24 | | | 2,000[1] | 2,000 |
| Chrysalis Investments Pty Ltd Standby | Unsecured | 14.35% | 31-Aug-24 | | | 1,500[1] | 1,500 |
| Abex Limited Standby | Unsecured | 14.35% | 31-Aug-24 | | | 1,500[1] | 1,500 |

For personal use only

| Loan | Security | Nominal interest rate | Date of maturity | 2025 | | 2024 | |
|---|---|---|---|---|---|---|---|
| | | | | **Face value ($'000)** | **Carrying value ($'000)** | Face value ($'000) | Carrying value ($'000) |
| CJRE Maritime Pty Ltd Standby 2 | Unsecured - to be secured upon shareholder approval | 12.00% | 31-Aug-24 | | | 800[1] | 800 |
| Abex Limited Standby 2 | Unsecured - to be secured upon shareholder approval | 12.00% | 31-Aug-24 | | | 1,500[1] | 1,500 |
| Pure Asset Management Pty Ltd Standby 2 | First ranking security over the assets of the Group | 12.00% | 31-Aug-24 | | | 1,800[1] | 1,518 |
| Elphinstone Holdings Pty Ltd Standby 2 | First ranking security over the assets of the Group | 12.00% | 31-Aug-24 | | | 1,250[1] | 1,250 |
| Pure Asset Management Pty Ltd | First ranking security over the assets of the Group | 12% | 30-Apr-27 | **6,500** | **6,500** | | |
| Pure Asset Management Pty Ltd | First ranking security over the assets of the Group | 12% | 30-Apr-27 | **2,812** | **1,908** | | |
| Pure Asset Management Pty Ltd | N/A | 12% | Immediate | **63** | **63** | | |
| Elphinstone Holdings Pty Ltd | First ranking security over the assets of the Group | 12% | 30-Apr-27 | **7,125** | **4,833** | | |
| CJRE Maritime Pty Ltd | First ranking security over the assets of the Group | 12% | 30-Apr-27 | **3,187** | **2,162** | | |
| Abex Limited | First ranking security over the assets of the Group | 12% | 30-Apr-27 | **4,687** | **3,180** | | |
| Tasmanian Govt Loan | First ranking security over the assets of the Group | 12% | | **7,500** | **5,185** | | |
| Attvest Insurance Premium Funding | Unsecured | 4.21% | 31-Jan-26 | **1,670** | **1,670** | 1,773 | 1,772 |
| | | | | **34,344** | **26,302** | 69,623 | 67,506 |

[1] these loans were subject to the Company's recapitalisation plan where all but $6.5m were extended and converted into ordinary shares in the Company. The repayment date of the remaining $6.5m was extended to 30 April 2027. Refer to further disclosure below.

For personal use only

For the financial year 2025, the difference between the carrying value and the face value of loans is a result of the treatment of the warrants which are accounted for at fair value as a reduction to the loan value on initial recognition (ie. face value) to arrive at carrying value. In addition, the carrying value of the loan is increased by accretion. In the current period, the accretion expense for loans existing as at 30 June 2025 is $0.818 million.

For the financial year 2024, the difference between the carrying value and the face value is a result of certain loans having been treated as compound financial instruments whereby a component of the face value is recorded in an Equity reserve. For loans originating in previous periods and converted as described below, the accretion expense recorded is $2.185 million for a total recorded in the 2025 period of $3.003 million.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. The carrying value of borrowings are reduced by the fair value of derivative financial instruments, such as warrants, as shown in Note A26. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled, or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income and expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

***Loaned amounts and repayments***

During the period, amendments were made to the May 2024 Bridge Facility Agreements to include an additional $7.7 million in short-term funding on the same terms and conditions of pre-existing loans and a maturity date of 22 November 2024. The following amounts were borrowed under the original May 2024 Bridge Facility Agreements by members of the Senior Lending Group:

| Lender | Amounts Borrowed ($'000) |
|---|---|
| Abex Limited | $2,350 |
| Elphinstone Holdings Pty Ltd | $1,000 |
| Pure Asset Management Pty Ltd | $1,300 |
| Chrysalis Investments Pty Ltd | $3,050 |

All of these amounts were extended and included in the Company's recapitalisation plan (converted into equity) as described below.

*Recapitalisation*
As announced on 4 December 2024, the Group reached an agreement with its secured lenders to recapitalise the Company. The recapitalisation included the following significant events relevant to loans outstanding as at 30 June 2024 and new loans during 2025.

*New Facilities*
On 3 December 2024, the Company entered into new facility agreements with four of its existing lenders on the terms summarised below. These are reflected in the schedule above:

| Lender | Facility available ($'000) |
|---|---|
| Abex Limited | $4,688 |
| Elphinstone Holdings Pty Ltd | $7,125 |
| Pure Asset Management Pty Ltd | $2,813 |
| Chrysalis Investments Pty Ltd | $3,188 |

Further, on 4 April 2025, the Group entered into a facility agreement with the State of Tasmania for a facility of $7.5 million with the same terms and conditions of the new facilities.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A24 BORROWINGS (CONTINUED)

The maturity date of all new facilities is 30 April 2027 and the interest rate is 12% per annum. Interest is accrued up to 30 November 2025 and due and payable on that date with remaining interest accrued and payable quarterly thereafter with the first quarter ended 31 December 2025. A financial covenant existed for each of these facilities and was later amended to stipulate that each facility would fall due immediately if the aggregate of:

(a) The Group's cash balance;
(b) Any unutilised facility commitment; and
(c) Any unutilised commitment under another Debt Facility Agreement

is less than $3 million at any time from 31 March 2026.

These facilities were fully drawn during the period.

*Conversions*
The following balances of loans and interest were converted to equity with the issuance of shares on 30 April 2025:

| Lender | 30 June 2024 Principal ($'000) [a] | Loans Received During the period ($'000) [b] | Interest Accrued ($'000) [c] | Loans Not Converted ($'000) [d] | Principal & Interest Converted ($'000) (sum of [a] – [d]) | Ordinary Shares Issued on Conversion ('000) |
|---|---|---|---|---|---|---|
| Abex Limited | $14,500 | $2,350 | $2,825 | $- | $19,675 | 4,651,390 |
| Elphinstone | $9,250 | $1,000 | $1,139 | $- | $11,389 | 2,794,535 |
| Pure Asset Management | $11,500 | $1,300 | $1,508 | $(6,500) | $7,808 | 1,952,453 |
| DACHS | $5,000 | $- | $1,000 | $- | $6,000 | 1,200,263 |
| Chrysalis Investments Pty Ltd & CRJE Maritime Pty Ltd | $15,800 | $3,050 | $3,214 | $- | $22,064 | 5,252,299 |
| State of Tasmania | $10,000 | $- | $491 | $- | $10,491 | 2,623,044 |
| **Total** | **$66,050** | **$7,700** | **$10,177** | **$(6,500)** | **$77,427** | **18,473,984** |

Amounts converted included the face value of the loans outstanding at 30 June 2024 (exceptions noted below) and $7.7 million of loans received during the period disclosed above and all interest accrued up to 31 March 2025. For clarity, conversion did not include the *New Facilities* which continue to be carried as loans to the Group as at the date of this financial report.

Loans and interest outstanding and that were not converted include:

- $6.5 million in principal loaned by Pure Asset Management, the due date of which was amended in period to be 30 April 2027;
- Interest on the State of Tasmania loan ($10 million) accrued after 15 November 2024;
- $800 thousand owed to Ballarat Clarendon College; and
- Attvest insurance premium funding.

For personal use only

For personal use only

## A25 OTHER LIABILITIES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Current | **83** | 78 |
| Non-current | **97** | 181 |

On 18 January 2022, the Group was approved for a credit facility of $480,000 for the purchase of light vehicles from Toyota Finance Australia. Finance is available in tranches when each vehicle is available for purchase. Each tranche to be repaid over 60 months with interest fixed at the time of drawdown.

Finance is available in tranches when each vehicle is available for purchase. Each tranche to be repaid over 60 months with interest fixed at the time of drawdown.

## A26 WARRANTS LIABILITIES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Movement in warrants liabilities | | |
| Balance at 1 July | **-** | - |
| Issuance of warrants – initial recognition | **8,861** | - |
| Issuance of warrants – remeasurement through profit or loss | **(905)** | - |
| Balance at 30 June | **7,955** | - |

Accounting Policy

Warrants are the right to acquire ordinary shares of the Parent Company at a predetermined strike price (subject to adjustments) required to be exercised before an expiry date. The warrants are treated as derivative liabilities at fair value through profit or loss as they convert into a variable number of shares and its value caries with the Company's share price. The fair value is recognised using a valuation model given its nature as an option to acquire ordinary shares in the Parent Company. The financial liability is subsequently remeasured at each reporting period or until settlement and fair value movements are recognised in the profit or loss as gain/loss on revaluation of warrants liabilities.

On initial recognition, the fair value of the warrants reduces the carrying value of the loans of which the warrants apply to convert to ordinary shares as described in note A24.

The determination of fair value uses level 2 inputs and estimates as follows:

| Input / estimate | Initial recognition – 23 April 2025 | Initial recognition – 15 May 2025 | Remeasurement – 30 June 2025 |
|---|---|---|---|
| Number of warrants issued | 5,089,285,715 | 2,142,857,143 | 7,232,142,858 |
| Fair value of share price[1] | $0.00425 | $0.00425 | $0.00425 |
| Risk-free rate | 3.51% | 3.51% | 3.51% |
| Volatility | 70% | 70% | 70% |
| Dividend yield | -% | -% | -% |
| Time to maturity (years) | 0.52 | 0.46 | 0.34 |
| Fair value per warrant | $0.00124 | $0.0011 | $0.00119 |
| Total fair value | $6,310,714 | $2,550,000 | $7,995,357 |

1 Fair value of share price was estimated based on the share conversion transactions that occurred on the grant date.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A27 CASH FLOW RECONCILIATION

| Cash flows from operating activities | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Loss after income tax expense for the year | **(32,125)** | (133,577) |
| **Adjustments for:** | | |
| Impairment (Note B3) | **-** | 105,538 |
| Depreciation and amortisation | **7,427** | 12,874 |
| Capitalised interest on loans | **-** | 1,741 |
| Financing expense | **8,271** | 2,269 |
| Sale of mining equipment | **-** | (1,330) |
| Unwinding of discount/premium on provisions | **347** | 280 |
| Fair value gain on revaluation of warrants liabilities (Note A25) | **(905)** | - |
| Accretion expense | **3,003** | - |
| Lease terminations | **-** | (28) |
| Non-cash granting/vesting options | **93** | 954 |
| Other non-cash adjustments | **161** | 352 |
| Change in prepayments and other receivables | **(1,971)** | (2,298) |
| Change in inventories | **(5,733)** | (2,146) |
| Change in trade and other payables | **(3,373)** | 1,022 |
| Change in provisions | **86** | 394 |
| Change in overburden in advance | **(1,550)** | (13,796) |
| **Net cash flows from / (used in) operating activities** | **(26,269)** | (27,751) |

## A28 COMMITMENTS

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Other liability commitment | | |
| Within one year | **-** | 1,937 |
| One to five years | **420** | 420 |
| | **420** | 2,357 |

Other liability commitments within one year includes the $1.9 million commitment for stage 2 of the Whyalla Beef land purchase in financial year 2024. Other liabilities commitments between one and five years includes the $420,000 commitment to the King Island Council for the upgrade and development of infrastructure and community facilities in Grassy and surrounding areas.

## A29 CONTINGENT LIABILITIES

There are no contingent liabilities to disclose as at 30 June 2025.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A30 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 ore from the Dolphin Tungsten Mine 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 sole product of tungsten concentrate for sale.

*Geographical areas*

The Group's activities are located solely in Australia with sales being made to predominantly China.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## A31 SUBSEQUENT EVENTS

*Deferral of interest payments*

During September 2025, the Company signed agreements with its Senior Lending Group and the State of Tasmania to defer the payment date of its first payment of interest under the *New Loans* described above and the $7.5 million borrowed from the State of Tasmania. The deferral was out to 31 March 2026.

*Bridging loan facilities*

In September 2025, the Group entered into Bridging Facility Agreements with the Senior Lending group, for an additional $3 million of loans due on 30 April 2027 at an interest rate of 12%:

| Party | Facility amount |
|---|---|
| Chrysalis Investments Pty Ltd | 1,000,000 |
| Elphinstone Holdings Pty Ltd | 1,000,000 |
| Abex Limited | 1,000,000 |

On 26 September 2025, the Company provided drawdown notices to receive $1,500,000 from these facilities evenly from the lenders above.

*Share consolidation*

On 20 August 2025, the Company completed a 100:1 share consolidation.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## SECTION B - RISK AND JUDGEMENT

This section outlines the key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. This section also outlines the significant financial risk the Group is exposed, to which the directors would like to draw the attention of the readers.

### B1. FINANCIAL RISK MANAGEMENT

*Overview*

This Note presents information about the Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Exposure limits are reviewed by management on a continuous basis. The Group does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

*Credit Risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

At the reporting date, there were no significant credit risks in relation to trade receivables.

For the Group, credit risk arises from receivables due from subsidiaries.

*Cash and cash equivalents*

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

*Exposure to credit risk*

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

| | **2025** **$'000** | 2024 $'000 |
|---|---|---|
| **Interest-bearing financial instruments** | | |
| Current | | |
| Cash and cash equivalent | **7,626** | 809 |
| Prepayments and other receivables | **4,851** | 2,881 |
| Deposits | **130** | 127 |
| | **12,607** | 3,817 |
| Non-current | | |
| Deposits | **2,897** | 2,901 |

For personal use only

## B1. FINANCIAL RISK MANAGEMENT (CONTINUED)

*Impairment losses*

None of the Group's other receivables are past due (2024: Nil).

*Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by monitoring the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables through detailed cash flow forecasting. In addition, it ensure that it maintains adequate cash reserves from funds raised in the market or loans from its senior lending group.

The decision on how the Group will raise future capital will depend on market conditions existing at that time.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## B1. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| | Carrying amount ($'000) | Contracted cash flows ($'000) | 6 months or less ($'000) | 6 – 12 months ($'000) | 1 – 2 years ($'000) | 2 – 5 years ($'000) | 5 years plus ($'000) |
|---|---|---|---|---|---|---|---|
| **30 June 2025** | | | | | | | |
| Trade and other payables | **10,324** | **10,324** | **10,233** | **-** | **91** | **-** | **-** |
| Borrowings | **34,8834** | **34,8844** | **1,065** | **1,468** | **32,349** | **-** | **-** |
| Lease liabilities | **2,335** | **2,335** | **929** | **662** | **581** | **163** | **-** |
| | **47,543** | **47,543** | **12,227** | **2,130** | **33,021** | **163** | **-** |
| **30 June 2024** | | | | | | | |
| Trade and other payables | 13,698 | 13,698 | 13,607 | 91 | - | - | - |
| Borrowings | 67,507 | 67,507 | 43,778 | 5,367 | 12,370 | 5,992 | - |
| Lease liabilities | 4,202 | 4,202 | 1,165 | 873 | 1,425 | 739 | - |
| | 85,407 | 85,407 | 58,550 | 6,331 | 13,795 | 6,731 | - |

*Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Currency risk*

Foreign currency risk arises from transactions denominated in currencies other than the respective functional currencies of Group entities. The Group is exposed primarily through export sales denominated in USD. The Group is currently unhedged against foreign currency risk.

The closing AUD:USD exchange rate for the year ended 30 June 2025 was 0.655 and the average exchange rate throughout the year was 0.6482.

A 10% change in the foreign exchange rate would have increased / decreased profit and loss by $2,357,886 / ($1,929,180) respectively. This analysis assumes that all other variables remain constant.

*Interest rate risk*

The Group is exposed to interest rate risk (primarily on its cash, cash equivalents and loans), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposit at interest rates maturing over 30-day rolling periods

.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## B1. FINANCIAL RISK MANAGEMENT (CONTINUED)

*Profile*

At the reporting date the interest rate profile of the Group's and the Group's interest-bearing financial instruments was:

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| **Fixed rate instruments** | | |
| Financial assets | **130** | 127 |
| Financial liabilities | **(26,303)** | (46,507) |
| | **(26,173)** | (46,380) |
| **Variable rate instruments** | | |
| Financial assets | **7,626** | 809 |
| Financial liabilities | **-** | (21,000) |
| | **7,626** | (20,191) |

*Fair value sensitivity analysis for fixed rate instruments*

The Group has accounted for interest-bearing financial instruments at fair value through the Consolidated Statement of Profit or Loss and Other Comprehensive Income or amortised cost. Therefore, a change in interest rates at the reporting date would affect profit or loss.

A change of 100 basis points in interest rates at the end of the financial year would have increased / decreased profit and loss by $165,5678 / (167,040)) (2024: $1,112,270 / ($1,006,282)). This analysis assumes that all other variables remain constant.

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the end of the financial year would have increased / decreased profit and loss by $75,379 / ($75,379) (2024: $122,744 / ($112,553)). This analysis assumes that all other variables remain constant.

*Commodity Price Risk*

The Group is exposed to the risk of fluctuations in prevailing market commodity prices of Ammonium Paratungstate (APT) which is used as a benchmark for selling $WO_3$ concentrate. The market price of APT is a key driver in the Group's capacity to generate cash flow. The Group is currently unhedged against commodity price risk.

A 10% change in the APT price at the end of the financial year would have increased / decreased profit and loss by $2,206,916 / ($2,206,916) (FY2024: $1,249,381/($1,249,381)) respectively. This analysis assumes that all other variables remain constant.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## B1. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital and Reserves Management

The Group's objectives when managing capital and reserves are to safeguard the Group's ability to continue as a going concern, to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital and reserve structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity and debt to fund ongoing operations, exploration and development activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

## B2 DETERMINATION OF FAIR VALUES

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

*Trade and other receivables*

The fair value of trade and other receivables, excluding construction work in progress but including any service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when acquired in a business combination.

*Derivative financial liabilities*

The Group initially measures and recognises derivative financial instruments by calculating the fair value of the instruments using the discounted cash flow method net of the fair value of warrants issued. The Group utilises a combination of the discounted cash flow (DCF) method together with the fair value of the warrants issued. The DCF involves the projection of a series of cash flows and to this an appropriate market derived discount rate is applied to establish the present value of the income stream. The Group determines the fair value of warrants issued using the Black Scholes option valuation methodology which considers the risk-free interest rate and share price volatility. Expected volatility is estimated by considering historic average share price volatility. The risk-free interest rate is based on government bonds. At each reporting date, a revaluation of the fair value of the financial asset is undertaken with any change to the fair value being recorded in the Consolidated Statement of Profit or and Loss and Other Comprehensive Income.

*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

*Share-based payment transactions*

The fair value of the share options is measured using the binomial model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## B3 IMPAIRMENT

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

For intangible assets that are not yet available for use, the recoverable amount is estimated annually, or when facts and circumstances suggest the carrying amount may exceed its recoverable amount.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless the asset has been re-valued previously, in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation with any excess recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

*Calculation of recoverable amount*

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

*Current year assessment*

Management undertook an impairment indicators assessment on 30 June 2025 and concluded that no impairment indicators of further impairment were present. In particular, the Group has observed the improvement in the short term and long term commodity price forecasts as compared to those forecasts used in the assessment of impairment in the prior period.

*Prior year assessment*

In the prior year, management undertook an impairment indicators assessment and concluded that impairment indicators were present, in particular in relation to a market capitalisation deficiency compared to the carrying amount of the Group's net assets.

The existence of impairment indicators at 30 June 2024 required management to carry out impairment testing on the Cash Generating Unit (CGU) whereby the carrying amount of the CGU was compared against the recoverable amount. Recoverable amount is the higher of the CGU's Fair Value Less Cost of Disposal (FVLCD) or Value in Use (VIU). For the purpose of impairment testing, management have identified one CGU being the net assets representing the Dolphin mine.

In revising its life of mine plan, one stage of the plan was assessed to be sub economic in the current environment. As a result, Overburden in Advance of $2.8M which attaches to that stage is estimated to not be recoverable in the future and was fully impaired.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## B3 IMPAIRMENT (CONTINUED)

The Group calculated the recoverable amount of the G6M CGU based on a Fair Value Less Cost of Disposal (FVLCD) calculation. The calculation was represented by a discounted cash flow model using key assumptions consistent with those used to calculate the Group's life of mine (LoM) cash flow forecasts, including key commodity price, discount rate and foreign exchange assumptions. The discounted cashflows used actual cashflow performance for the months of 1 July 2024 through 30 April 2025 as these were known results on the date of signing the financial year 2024 annual report. The FVLCD is based primarily on Level 3 inputs as defined in note B1 'Financial risk management' unless otherwise noted. The key judgments and assumptions used in the calculations are:

*Long-term commodity price: USD $325/mtu*

Commodity prices were based on short-term market prices, including those being realised by the Company. The forecasts assume that these short-term market prices will revert to the Group's assessment of the long-term price.

*Discount rate: 10% WACC (real, post-tax)*

The discount rate was derived using the weighted average cost of capital methodology. Adjustments to the rates are made for any risks that are not reflected in the underlying cash flows.

*Long-term exchange rate: AUD: USD 0.71*

Long-term exchange rate estimates were based on published long-term forecasts by industry experts.

*Cash outflows (including operating costs, capital expenditure, and closure costs)*
Cash outflows are based on internal budgets and forecasts and life of mine plans. Cost assumptions reflect management experience and expectations. In the case of Fair Value Less Cost of Disposal (FVLCD), cash flow projections include the anticipated cash flow effect of any capital expenditure to enhance production or reduce cost where a market participant may take a consistent view. In addition, the cashflow projections include necessary capital expenditure for infrastructure and mine development necessary to mine underground ore bodies.

*Future production volumes*
Estimated production volumes were based on detailed data and took into account development plans established by management as part of the Group's long-term planning process. When estimating FVLCD, assumptions reflect all reserves that a market participant would consider when valuing the respective CGU. Plant recoveries were estimated based on expected, nameplate performance of the processing plant as designed and with consideration to capital expenditure cash flows aimed at improving recovered metal. The long-term recovery assumption adopted in the projected production volumes is 70%. Plant feed grade estimates range from 0.70 %$WO_3$ to 1.35 %$WO_3$. The grade estimates are based on the Reserve grades that have previously resulted from geological studies. The estimation of timing of grade to be put through the plant is based on life of mine plans.

As disclosed above, management has determined an impairment charge of $2.8 million specifically for overburden in advance (non- current asset). Additionally, an impairment charge of $102.7 million has been recognised as the carrying value of the G6M CGU of $122.3 million exceeded its recoverable amount of $19.6 million. The impairment is primarily driven by:

- revisions to the life of mine plan, removing stages that had become sub economic in the current environment[1];
- rising costs due to inflationary factors;
- necessary expenditure for process plant upgrades following poor performance and required rectifications; and
- lower metal recovery expectations based on historical plant performance.

The impairment of $102.7 million has been allocated proportionally across the processing plant assets, based on the written-down values of Property, Plant and Equipment, Right-of-Use Assets, and Mine Properties prior to the impairment assessment.

In assessing the recoverable amount of the G6M CGU and its sensitivity to changes in estimates of the key assumptions disclosed above, any degree of change to key assumptions would result in a change to the recoverable amount and either a reversal or increase to the impairment charge.

[1] In this respect, the total ore used in the discounted cashflows model for the purposes of determining the FVLCD contains deviations from the Reserves Statement in the Directors' Report. Although management judges that certain aspects of the life of mine are not currently economically suitable given the forward assumptions at this point in time (such as long-term commodity price and exchange rate assumptions) this does not necessitate a change to the Mine Inventory reported in the Reserves table until such a time and only if that judgment becomes clearly pervasive or permanent.



For personal use only

## B4 FINANCIAL INSTRUMENTS

*Effective interest rates and repricing analysis*

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice.

| | Effective interest rate | Total | 6 months or less | 6 - 12 months | 1 - 2 years | 2 - 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|
| **2025** | % | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Cash and cash equivalents | 2.22% | **7,626** | **7,626** | | | | |
| **Borrowings**: | - | | | | | | |
| Tasmanian Government | 12.00% | **5,185** | **-** | **-** | **5,555** | **-** | **-** |
| Pure Asset Management Pty Ltd | N/A | **63** | **63** | **-** | **-** | **-** | **-** |
| Pure Asset Management Pty Ltd | 12.00% | **1,908** | **-** | **-** | **2,083** | **-** | **-** |
| Pure Asset Management Pty Ltd | 12.00% | **6,500** | **-** | **-** | **6,500** | **-** | **-** |
| Chrysalis Investments Pty Ltd | 12.00% | **2,162** | **-** | **-** | **2,361** | **-** | **-** |
| Elphinstone Holdings Pty Ltd | 12.00% | **4,834** | | **-** | **5,277** | **-** | **-** |
| Abex Limited | 12.00% | **3,180** | | **-** | **3,472** | **-** | **-** |
| Ballarat Clarendon College | 6.00% | **800** | **-** | **-** | **800** | **-** | **-** |
| Attvest Insurance Premium Funding | 3.57% | **1,671** | **1,002** | **668** | **-** | **-** | **-** |
| Warrants Liabilities | N/A | **7,955** | **7,955** | **-** | **-** | **-** | **-** |
| Lease Liabilities | 7.54% | **2,331** | **929** | **662** | **581** | **160** | **-** |
| Other Liabilities | 7.22% | **181** | **41** | **42** | **81** | **16** | **-** |
| | | **44,396** | **17,616** | **1,373** | **25,231** | **176** | **-** |

For personal use only

| | Effective interest rate % | Total $'000 | 6 months or less $'000 | 6 - 12 months $'000 | 1 - 2 years $'000 | 2 - 5 years $'000 | More than 5 years $'000 |
|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | |
| Cash and cash equivalents | 1.13% | 809 | 809 | - | - | - | - |
| Borrowings: | - | - | - | - | - | - | - |
| Tasmanian Government | 9.23% | 10,000 | 1,002 | 1,002 | 2,004 | 5,992 | - |
| Pure Asset Management Pty Ltd | 14.30% | 10,000 | 10,000 | - | - | - | - |
| Abex Limited | 6.50% | 5,894 | 2,167 | 1,083 | 2,644 | - | - |
| CJRE Maritime Pty Ltd 1 | 8.25% | 4,655 | 1,333 | 667 | 2,655 | - | - |
| CJRE Maritime Pty Ltd 2 | 6.50% | 4,099 | 1,500 | 750 | 1,849 | - | - |
| Elphinstone Holdings Pty Ltd | 6.50% | 4,512 | 1,667 | 833 | 2,012 | - | - |
| D.A.CH.S Capital AG | 6.50% | 2,706 | 1,000 | 500 | 1,206 | - | - |
| Ballarat Clarendon College | 5.00% | 800 | 800 | - | - | - | - |
| Elphinstone Holdings Pty Ltd | 12.00% | 1,000 | 1,000 | - | - | - | - |
| CJRE Maritime Pty Ltd 3 | 12.00% | 3,000 | 3,000 | - | - | - | - |
| Abex Limited 2 | 12.00% | 3,000 | 3,000 | - | - | - | - |
| D.A.CH.S Capital AG Bridge | 14.35% | 2,000 | 2,000 | - | - | - | - |
| CJRE Maritime Pty Ltd Bridge | 14.35% | 2,000 | 2,000 | - | - | - | - |
| Abex Limited Bridge | 14.35% | 2,000 | 2,000 | - | - | - | - |
| Elphinstone Holdings Pty Ltd Bridge | 14.35% | 2,000 | 2,000 | - | - | - | - |
| Chrysalis Investments Pty Ltd Standby | 14.35% | 1,500 | 1,500 | - | - | - | - |
| Abex Limited Standby | 14.35% | 1,500 | 1,500 | - | - | - | - |
| CJRE Maritime Pty Ltd Standby 2 | 12.00% | 800 | 800 | - | - | - | - |
| Abex Limited Standby 2 | 12.00% | 1,500 | 1,500 | - | - | - | - |
| Pure Asset Management Pty Ltd Standby 2 | 12.00% | 1,518 | 1,518 | - | - | - | - |
| Elphinstone Holdings Pty Ltd Standby 2 | 12.00% | 1,250 | 1,250 | - | - | - | - |
| Attvest Insurance Premium Funding | 4.21% | 1,773 | 1,241 | 532 | - | - | - |
| Lease Liabilities | 7.54% | 4,203 | 1,165 | 873 | 1,425 | 740 | - |
| Other Liabilities | 7.22% | 258 | 38 | 40 | 83 | 97 | - |
| | | 72,777 | 45,790 | 6,280 | 13,878 | 6,829 | - |

*Fair value*

The fair values, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

| | **Carrying amount 2025 $'000** | **Fair value 2025 $'000** | Carrying amount 2024 $'000 | Fair value 2024 $'000 |
|---|---|---|---|---|
| Cash and cash equivalents | **7,626** | **7,626** | 809 | 809 |
| Trade and other receivables | **4,851** | **4,851** | 2,881 | 2,881 |
| Trade and other payables | **(10,324)** | **(10,324)** | (13,697) | (13,697) |
| Lease liabilities | **(2,335)** | **(2,335)** | (4,203) | (4,203) |
| Warrants liabilities | **(7,955)** | **(7,955)** | - | - |
| Loan payable | **(26,302)** | **(26,302)** | (67,507) | (67,507) |
| Other liabilities | **(181)** | **(181)** | (259) | (259) |
| **Total** | **(34,620)** | **(34,620)** | (81,976) | (81,976) |



For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## SECTION C - KEY MANAGEMENT PERSONNEL DISCLOSURES AND RELATED PARTIES

This section includes information about key management personnel's remunerations, related parties' information and any transactions key management personnel or related parties may have had with the Group during the year.

### C1 KEY MANAGEMENT PERSONNEL EXPENSES

*Share-based payment transactions*

The grant date fair value of equity-settled share-based payment awards granted is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

*Wages, salaries, and annual leave*

Liabilities for benefits such as wages and salaries represent present obligations resulting from services provided to the reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date.

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Salaries and fees | **1,213,149** | 1,031,226 |
| Consulting charges | **-** | 202,000 |
| Cash bonus | **-** | 264,574 |
| Superannuation | **99,682** | 96,544 |
| | **1,312,831** | 1,594,344 |
| Non-cash key management personnel expense from granting of options to directors | **62,084** | 954,089 |
| Non-cash benefits (including accruals for annual leave – other short-term benefits) | **26,876** | 14,400 |
| Total key management personnel expenses | **1,401,791** | 2,562,834 |

*Non-cash expense from the granting of options to directors*

On 23 April 2025, the Group granted Mr Kevin Pallas 76,000,000 options as described in Note A7.

On 14 July 2023, the Group issued 10,500,000 unlisted performance options to employees. Tranche 1 issued 3,500,000 options with an expiry date of 14 July 2026. Tranche 2 issued 3,500,000 with an expiry date of 14 July 2027 and Tranche 3 issued 3,500,000 options with an expiry date of 14 July 2028. The tranches have an exercise price of $0.18, $0.20 and $0.22 respectively.

The Group measures the cost of share warrants/options granted by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of the warrants/options at the grant date is determined using the Black Scholes model.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## C2 KEY MANAGEMENT PERSONNEL DISCLOSURES

*Individual directors and executive compensation disclosures*

Information regarding individual directors and executives' compensation and some equity instruments disclosures are required by Corporation Regulation 2M.3.03 and provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this Note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors interests existing at year-end.

## C3 RELATED PARTY DISCLOSURES

*Other related party transactions*

During financial year 2025, Mr Chris Ellis and Mr Dale Elphinstone:

- held loans at the beginning of the period and, Mr Elphinstone's case, upon commencement as a Director;
- entered into new loan facilities
- earned interest on loans; and
- received equity upon conversion of loans as part of the Company's recapitalisation plan

These transactions occurred with Mr Ellis' and Mr Elphinstone's wholly owned subsidiaries noted below.

| Director | Wholly owned entity(ies) |
|---|---|
| Mr Ellis | Chrysalis Investments Pty Ltd |
| | CRJE Maritime Pty Ltd |
| Mr Elphinstone | Elphinstone Holdings Pty Ltd |

The following schedule of loan balances and details applies:

| Director | 1 July 2024 | On inception as a Director | Loaned during the period | Principal converted into equity | Interest converted into equity | Total ordinary shares issued on conversion | Principal owed at period end | Interest owed at period end | Interest earned[1] |
|---|---|---|---|---|---|---|---|---|---|
| Mr Ellis | $15,800,000 | - | $6,237,500 | $18,850,000 | $3,214,984 | 5,252,299,206 | $3,187,500 | $238,282 | $1,762,900 |
| Mr Elphinstone | - | $12,000,000 | $5,375,000 | $10,250,000 | $1,140,484 | 2,794,535,235 | $7,125,000 | $442,274 | $779,460 |

[1] Calculated as interest earned for Mr Elphinstone since his appointment as Director

These transactions were conducted on commercial terms considered at arms' length. The terms and conditions of loans, conversions and interest rates were aligned with other members of the Senior Lending Group who are neither key management personnel nor associated with key management personnel.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## C3 RELATED PARTY DISCLOSURES (CONTINUED)

Mr Dale Elphinstone is a majority owner of William Adams Pty Ltd. During the period, from the date of Mr Elphinstone's appointment as a Director, the Company incurred the following services and charges from William Adams Pty Ltd.

| Entity | Nature of Transaction | Amount earned (Ex- GST) | Amount Owed (as at 30 June 2025) |
|---|---|---|---|
| William Adams Pty Ltd | Purchase of mining parts and spares | $568,776 | $12,105 |
| William Adams Pty Ltd | Payments for leasing of mobile equipment's | $688,235 | $- |
| United Equipment Pty Ltd | Access equipment hire | $50,824 | $24,407 |
| | **Total:** | **$1,307,835** | **$36,512** |

These transactions were conducted on commercial terms considered at arms' length. The pricing and terms of the arrangements continue to be in line with that of the period prior to Mr Elphinstone becoming key management personnel of the Company.

There were no other transactions with key management personnel.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## C4 CONSOLIDATION ENTITIES

| | Country of incorporation | Ownership Interest **2025** **%** | Ownership Interest 2024 % |
|---|---|---|---|
| **Parent entity** | | | |
| Group 6 Metals Limited | Australia | **-** | - |
| **Subsidiaries** | | | |
| Scheelite Management Pty Ltd | Australia | **100%** | 100% |
| GTN Tanzania Pty Ltd | Tanzania | **100%** | 100% |
| GTN Operations Pty Ltd | Tanzania | **65%** | 65% |
| Australian Tungsten Pty Ltd | Australia | **100%** | 100% |

In the financial statements of the Group, investments in controlled entities and associates are measured at cost and included with other financial assets.

There are no amounts attributable to non-controlling interests in GTN Operations Pty Ltd.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## SECTION D - OTHER DISCLOSURES

This section includes information that the directors do not consider to be significant in understanding the financial performance and position of the Group but must be disclosed to comply with the Accounting Standards, the Corporations Act 2001 (Cth) or the Corporations Regulations.

### D1 LOSS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit or loss attributable to members of the parent entity for the financial year, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue. The calculation of basic and diluted losses per share for the year ended 30 June 2025 was based on the **net loss** attributable to ordinary shareholders of $30.6 million (2024: loss $133.6 million) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2025 of 4,500,016,983 (2024: 1,002,590,340), calculated as follows:

| | **2025 $'000** | **2024 $'000** |
|---|---|---|
| Loss after income tax attributable to ordinary shareholders | **(32,125)** | (133,577) |

| **Undiluted Number of Shares** | **2025 Number** | 2024 Number |
|---|---|---|
| Issued ordinary shares at 1 July | **1,004,022,852** | 972,626,827 |
| Effect of shares issued 11 July 2023 | **-** | 25,854,653 |
| Effect of shares issued 26 July 2023 | **-** | 3,260,274 |
| Effect of shares issued 3 August 2023 | **-** | 650,302 |
| Effect of shares issued 1 March 2024 | **-** | 198,285 |
| Effect of shares issued 9 April 2025 | **1,572,602** | - |
| Effect of shares issued 30 April 2025 | **3,087,432,942** | - |
| Effect of shares issued 30 April 2025 | **123,475,866** | - |
| Effect of shares issued 30 April 2025 | **283,512,720** | - |
| **Weighted average number of ordinary shares used in calculating basic and diluted loss per share** | **4,500,016,983** | 1,002,590,341 |

| | Cents | Cents |
|---|---|---|
| Basic losses per share attributable to ordinary equity holders | **(0.71)** | (13.3) |
| Diluted losses per share attributable to ordinary equity holders | **(0.71)** | (13.3) |

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## D2 AUDITOR'S REMUNERATION

The auditors of the Group, SW Audit and KPMG Australia, did not perform other non-audit assurance services for the Group during the year (2024: Nil).

| | **2025 $'000** | 2024 $'000 |
|---|---|---|
| *Auditors of the Group* | | |
| *KPMG Australia* | **177** | 215 |
| *SW Audit* | **145** | - |
| Audit and review of financial reports | **322** | 215 |

## D3 PARENT ENTITY DISCLOSURES

The Group has applied amendments to the Corporations Act 2001 (Cth) that remove the requirements for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the following specific parent entity disclosure.

As at, and throughout the financial year ending 30 June 2025, the parent company of the Group was Group 6 Metals Limited.

| **Results of the parent entity** | **2025 $'000** | 2024 $'000 |
|---|---|---|
| Loss for the year | **(73,889)** | (106,673) |
| Other comprehensive income | **-** | - |
| **Total comprehensive income/(loss) for the financial year** | **(73,889)** | (106,673) |
| **Financial position of the parent entity at year end** | | |
| Current assets | **9,478** | 2,802 |
| Non-current assets | **-** | - |
| **Total assets** | **9,478** | 2,802 |
| Current liabilities | **(14,195)** | (15,771) |
| Non-current liabilities | **(263)** | (353) |
| **Total liabilities** | **(14,458)** | (16,124) |
| **Net Assets** | **(4,979)** | (13,322) |
| **Total equity of the parent entity comprising of:** | | |
| Share capital | **239,322** | 157,150 |
| Reserves | **15,631** | 15,574 |
| Accumulated losses | **(259,933** | (186,042) |
| **Total equity** | **(4,979)** | (13,322) |

*Parent entity capital commitments for acquisition of property, plant & equipment*

There are no parent entity capital commitments for acquisition of property, plant and equipment as at 30 June 2025 (2024: Nil)

*Contingencies*

Refer to Note A29. There are no contingent liabilities for the parent for the period ended 30 June 2025 (2024: Nil).

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## D4 FINANCING INCOME AND EXPENSES

Interest income is recognised as it accrues taking into account the effective yield on the financial asset.

Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## D5 GST

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## D6 NEW ACCOUNTING STANDARDS

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

For personal use only

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

**For the year ended 30 June 2025**

| Entity name | Entity type | Place formed / Country of incorporation | Ownership interest % | Tax residency |
|---|---|---|---|---|
| Group 6 Metals Limited | Body corporate | Australia | - | Australia |
| Scheelite Management Pty Ltd | Body corporate | Australia | 100% | Australia |
| GTN Tanzania Pty Ltd | Body corporate | Tanzania | 100% | Tanzania |
| GTN Operations Pty Ltd | Body corporate | Tanzania | 65% | Tanzania |
| Australian Tungsten Pty Ltd | Body corporate | Australia | 100% | Australia |

*Key assumptions and judgments*

Section 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed in the context of an entity which was an Australian resident. "Australian Resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretation:

- Australian tax residency

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

- Foreign tax residency

  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

For personal use only

# DIRECTORS' DECLARATION

In the opinion of the Board of Directors of Group 6 Metals Limited:

(a) the Consolidated Financial Statements, accompanying notes and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the financial year ended on that date; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the Consolidated Entity Disclosure Statement as at 30 June 2025 set out on page 90 is true and correct; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts when they fall due.

The Directors' have been given the declarations required by Section 295A of the Corporations Act 2001 from the Executive Chairman and the Finance Consultant for the year ended 30 June 2025.

On behalf of the directors



Kevin Pallas
King Island, Tasmania

30 September 2025

For personal use only

For personal use only

# AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF GROUP 6 METALS LIMITED

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

**SW Audit**
Chartered Accountants

Matthew Hingeley
Partner

Perth, 30 September 2025

Brisbane
Level 15
240 Queen Street
Brisbane QLD 4000
T + 61 7 3085 0888

Melbourne
Level 10
530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

Perth
Level 18
197 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000
T + 61 2 8059 6800

sw-au.com

SW Audit ABN 39 533 589 331. Liability limited by a scheme approved under Professional Standards Legislation. SW Audit is an independent member of ShineWing International Limited.

Accountants & Advisors

Take the lead

For personal use only

# INDEPENDENT AUDITOR'S REPORT

# TO THE MEMBERS OF GROUP 6 METALS LIMITED

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Group 6 Metals Limited (the Company and its subsidiaries (the Group)) which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Group 6 Metals Limited is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended, and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Regarding Going Concern

We draw attention to Note A6 in the financial report, which describes the events or conditions which give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respects to this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For personal use only



## 1. Revenue Recognition

| Area of focus | How our audit addressed the area of focus |
|---|---|
| Refer to Note A4 revenue accounting policy, *Note A9 Revenue Financial Disclosure*<br><br>Revenue recognition was a key audit matter due to the complexity and judgment involved in determining the timing and amount of revenue to recognise, particularly given the Group's use of provisional pricing in commodity sales.<br><br>The Group's contracts often include variable consideration, with final pricing dependent on commodity prices, assays, moisture content, and weight, which are only confirmed after delivery and testing at the customer's destination. This introduces significant estimation uncertainty and risk of material misstatement, especially as revenue is a key performance indicator for stakeholders and subject to management judgment in both timing and measurement.<br><br>These factors made revenue recognition one of the key audit matters in the audit of the current period's financial statements | Our procedures included:<br>• **Understanding and evaluating controls** over revenue recognition, including management's process for estimating provisional pricing and variable consideration.<br>• **Testing a sample of sales transactions** to verify that revenue was recognised when control of goods transferred to customers, in accordance with *AASB 15 Revenue from Contracts with Customers*.<br>• **Assessing the reasonableness of management's estimates** for provisional pricing, including reviewing subsequent settlement data and final invoices.<br>• **Reviewing key contracts** to understand terms that impact revenue recognition, such as delivery terms, pricing mechanisms, and performance obligations and their impact on revenue recognition.<br>• **Evaluating disclosures** in the financial statements to ensure they adequately describe the Group's revenue recognition policies and the associated estimation uncertainty. |

## 2. Warrant Valuations

| Area of focus | How our audit addressed the area of focus |
|---|---|
| Refer to Note A3 warrant accounting policy, Note A26 Warrant Financial Disclosures<br><br>The classification and valuation of warrants issued in connection with the Group's recapitalisation were a key audit matter due to the complexity of the instruments and the significant judgment required in their accounting treatment.<br><br>As disclosed in Note A26 of the financial report, the warrants are treated as derivative financial liabilities measured at fair value through profit or loss, not equity, and are subject to ongoing fair value remeasurement through profit or loss. The valuation of these derivatives involved Black Scholes valuation model. The accounting treatment has a direct impact on the carrying value of associated loans and the Group's reported financial position. | Our procedures included:<br>• **Reviewing the terms of the warrant agreements** and assessing the impact of anti-dilution clauses on classification under *AASB 132 Financial Instruments: Presentation* and *AASB 9 Financial Instruments*.<br>• **Consulting with technical accounting specialists** to confirm the appropriate classification as derivative financial liabilities.<br>• **Engaging with audit experts** to assist in reviewing the valuation of warrants and confirm appropriateness of the significant assumptions<br>• **Evaluating the methodology and assumptions** used in the fair value measurement of the warrants, including the use of the Black Scholes model, share price volatility, risk-free interest rates, and other relevant inputs.<br>• **Testing the accuracy of the calculations** and the integrity of the models used for valuation. |

- **Assessing the adequacy of disclosures** regarding the nature, classification, and valuation of the warrants, and the impact on the financial statements.

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement for being true and correct in accordance with the requirements of the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement as true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

For personal use only

For personal use only

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Take the lead

For personal use only

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 35 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Group 6 Metals Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**SW Audit**
Chartered Accountants



Matthew Hingeley
Partner

Perth, 30 September 2025

# ADDITIONAL SHAREHOLDER INFORMATION

## Shares

At 26 September 2025 issued capital was 219,204,207 ordinary fully paid shares held by 5,950 holders and 1,054,123 unquoted options, 140,000 performance options and 73,294,648 warrants (with various exercise prices and expiry dates - refer below).

### 20 Largest Holders by Name of Ordinary Shares and their Shareholdings at 26 September 2025

| | | | |
|---|---|---|---|
| 1 | CHRISTOPHER ELLIS (COMBINED HOLDINGS) | 56,959,488 | 25.98 |
| 2 | INVIA CUSTODIAN PTY LIMITED <ABEX LIMITED A/C> | 52,493,237 | 23.95 |
| 3 | ELPHINSTONE HOLDINGS PTY LTD | 35,349,872 | 16.13 |
| 4 | TASMANIA DEVELOPMENT AND RESOURCES | 26,230,448 | 11.97 |
| 5 | PURE ASSET MANAGEMENT PTY LTD <PURE RESOURCES FUND A/C> | 22,203,106 | 10.13 |
| 6 | DACHS CAPITAL A.G. | 12,002,635 | 5.48 |
| 7 | GEKKO SYSTEMS PTY LTD | 6,012,325 | 2.74 |
| 8 | BNP PARIBAS NOMS PTY LTD | 1,003,773 | 0.46 |
| 9 | MAXFIELD DRILLING PTY LTD | 1,000,000 | 0.46 |
| 10 | BILLING CRANES PTY LTD | 440,000 | 0.20 |
| 11 | MR ANTHONY JAMES HAGGARTY | 185,704 | 0.08 |
| 12 | MRS CATHERINE JEANNE MORRITT | 117,523 | 0.05 |
| 13 | CITICORP NOMINEES PTY LIMITED | 116,683 | 0.05 |
| 14 | BELGRAVIA STRATEGIC EQUITIES PTY LTD | 98,620 | 0.04 |
| 15 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 94,213 | 0.04 |
| 16 | FINMIN SOLUTIONS PTY LTD <JACOBS FAMILY S/FUND A/C> | 156,924 | 0.07 |
| 17 | G CORONICA SUPER PTY LTD <G CORONICA PTY SF A/C> | 81,812 | 0.04 |
| 18 | INVIA CUSTODIAN PTY LIMITED <AJ & LM DAVIES FAMILY A/C> | 72,081 | 0.03 |
| 19 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 68,545 | 0.03 |
| 20 | CAROLINE HOUSE SUPERANNUATION FUND PTY LTD <THE CAROLINE HOUSE S/F A/C> | 64,148 | 0.03 |
| **Total** | | **214,751,137** | **97.96** |

For personal use only

# ADDITIONAL SHAREHOLDER INFORMATION

## Distribution of Shareholders and Shareholdings at 26 September 2025

| Range | Total holders | Number of Shares | % of total Issued Capital |
|---|---|---|---|
| 1 - 1,000 | 5,070 | 1,021,689 | 0.47 |
| 1,001 - 5,000 | 679 | 1,490,480 | 0.68 |
| 5,001 - 10,000 | 122 | 879,649 | 0.40 |
| 10,001 - 100,000 | 63 | 1,763,608 | 0.80 |
| 100,001 Over | 16 | 214,048,781 | 97.65 |
| Rounding | - | - | 0.00 |
| **Total** | **5,950** | **219,204,207** | **100.00** |

**Unmarketable Parcels**

**Minimum $ 500.00 parcel cannot be calculated due to no price**

## Substantial Shareholders at 26 September 2025

| | Shareholder | Number of Shares | % of Issued Capital |
|---|---|---|---|
| 1 | CHRISTOPHER ELLIS (COMBINED HOLDINGS) | 56,959,488 | 25.98 |
| 2 | INVIA CUSTODIAN PTY LIMITED <ABEX LIMITED A/C> | 52,493,237 | 23.95 |
| 3 | ELPHINSTONE HOLDINGS PTY LTD | 35,349,872 | 16.13 |
| 4 | TASMANIA DEVELOPMENT AND RESOURCES | 26,230,448 | 11.97 |
| 5 | PURE ASSET MANAGEMENT PTY LTD <PURE RESOURCES FUND A/C> | 22,203,106 | 10.13 |
| 6 | DACHS CAPITAL A.G. | 12,002,635 | 5.48 |

## Unquoted Options

At 26 September 2025 there were 760,000, unquoted options with various exercise prices and expiry dates issued in respect to remuneration of KMP, held by one holder:

| | | | Kevin Pallas | Total |
|---|---|---|---|---|
| Exercise Price per share | Vesting Date | Expiry Date | Number | Number |
| 1.04 cents | 30-Apr-25 | 30-Apr-28 | 380,000 | **380,000** |
| 0.52 cents | 30-Apr-25 | 30-Apr-27 | 380,000 | **380,000** |
| | | | **760,000** | **760,000** |

For personal use only

# ADDITIONAL SHAREHOLDER INFORMATION

## Unquoted Options (Continued)

At 26 September 2025 there were 294,118 unquoted options with various exercise prices and expiry dates issued in respect of the Placements and Share Purchase Plans announced on 28 November 2022 and 8 May 2023.

| Exercise Price | Vesting Date | Expiry Date | | Holder |
|---|---|---|---|---|
| | | | Number | **Number** |
| **$0.28** | 24-Jan-23 | 31-Jan-26 | 294,123 | **294,123** |
| **TOTAL** | | | **294,123** | **294,123** |

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

## Performance Options

At 26 September 2025 there were 140,000 performance options with various vesting and expiry dates, held by two holders.

| Exercise Price | Vesting Date | Expiry Date | Holder | | Total |
|---|---|---|---|---|---|
| | | | **Chrysalis Investments Pty Ltd** | **Hancock Corporate Investments Pty Ltd** | |
| | | | Number | Number | **Number** |
| **$0.00** | 30 Sept 2021^ | 30-Sep-26 | 30,000 | 30,000 | **60,000** |
| **$0.00** | 19 Jul 2023^ | 19-Jul-28 | 40,000 | 40,000 | **80,000** |
| **TOTAL** | | | **70,000** | **70,000** | **140,000** |

^ Vested

There were no additional performance options issued in the 2025 financial year.

## Warrants

At 26 September 2025 there were 73,294,648 warrants with various vesting and expiry dates, held by six holders.

| Ex Price | Vesting Date | Expiry Date | Holder | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | Pure Asset Management Pty Ltd | Elphinstone Holdings Pty Ltd | D.A.CH.S Capital AG | Abex Limited | Chrysalis Investments Pty Ltd | Tasmania Development and Resources | |
| | | | Number | | | | Number | | **Number** |
| **$21.00** | 18-Nov-21 | 31-Dec-25 | 464,286 | - | - | - | - | **-** | **464,286** |
| **$19.60** | 18-Nov-21 | Various | - | 133,929 | 80,358 | 174,108 | 120,536 | **-** | **508,931** |
| **$0.35** | 30-Apr-25 | 31-Oct-25 | 8,035,715 | 20,357,143 | - | 13,392,858 | 9,107,143 | 21,428,572 | **72,321,431** |
| **TOTAL** | | | **8,500,001** | **20,491,072** | **80,358** | **13,566,966** | **9,227,679** | **21,428,572** | **73,294,648** |

For personal use only

# ADDITIONAL SHAREHOLDER INFORMATION CONTINUED

## Distribution of Unquoted Options/Warrant Holders and Unquoted Option/Warrant Holdings at 26 September 2025

| Range | Total holders | Number of Options/ warrants | % Units |
|---|---|---|---|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 1 | 80,358 | 0.01 |
| 100,001 Over | 9 | 73,214,290 | 99.99 |
| Rounding | - | - | 0.00 |
| Total | 10 | 73,294,648 | 100.00 |

## Mining Exploration Tenements

The Company holds the following licence and lease:

| | Interest |
|---|---|
| Exploration Licence EL19/2001 at Grassy, King Island (63 sq kms) (expires 14 December 2026) | 100% |
| Mining Lease CML 2080P/M at Grassy, King Island (566 hectares) (expires 5 June 2029) | 100% |

## Securities Exchange Listing

The Company's ordinary shares are listed on the Australian Securities Exchange.

The Company's ASX code for ordinary shares is G6M.

## On-Market Buy Back

There is no on-market buy-back.

## Corporate Governance Statement

The Company's Corporate Governance statement for the financial year ended 30 June 2025 is available for members to download and access from Corporate Governance - Group 6 Metals Limited (g6m.com.au)

For personal use only