GROUP 6 METALS LIMITED

ABN 40 004 681 734

Interim Condensed Financial Statements

Six Months Ended 31 December 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Six months interim period ended 31 December 2022		
	2022 **$**	Up / Down	Movement %
Revenue from operating activities	**-**	-	-
Loss before interest and income tax	**8,270,749**	Down	13.8
Net financing loss	**48,505**	Up	102.2
Income tax benefit	**-**	-	-
Loss from ordinary activities after tax attributable to members of the parent	**8,319,254**	Up	12.0
Net loss for the period attributable to members	**8,319,254**	Up	12.0
	Cents		
Loss per share – basic	**1.3**	Up	1.1
Loss per share – diluted	**1.3**	Up	1.1

Dividends	Amount per security (cents)	Franked amount per security (cents)
2023 interim dividend	-	-
2022 final dividend paid	-	-
Record date for determining entitlements to the interim dividend:	-	-

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

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

Discussion and Analysis of the results for the six months ended 31 December 2022:

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

	Current Period	Previous corresponding period
Net Tangible Assets (Deficiency) per ordinary share -- NTA Shortfall	**6.4 cents**	6.6 cents

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DIRECTORS' REPORT

The directors of Group 6 Metals Limited (**Company**) and its subsidiaries (together referred to as the **Group**) present their report together with the condensed consolidated financial report for the six months ended 31 December 2022 and the auditor's review report thereon.

DIRECTORS

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

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

REVIEW OF OPERATIONS

Dolphin Tungsten Project

Key Points

- No lost-time injuries (LTIs) or reportable environmental incidents were recorded during the quarter.
- Construction activities at the Dolphin Tungsten Mine continue with the mechanical installation of major OEM equipment 70% complete.
- Electrical installation of the main switch rooms & MCC A & D has been completed and cable terminations progressing are in line with the schedule.
- Construction activities for the Tailings Storage Facility ("TSF") are scheduled to be completed in time to receive tailings from the process plant.
- On 3 August 2022, two exploration grants were secured, totaling $75,000, through the Exploration Drilling Grant Incentive ("EDGI") introduced by the Tasmanian Government to stimulate exploration drilling across Exploration Licenses located in Tasmania. The EDGI grant provides funding for 50% of direct drilling costs.

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

Corporate

Key Points

- The Company successfully raised $20 million to fund the Dolphin Tungsten Mine into production at $0.17 per share
- On 31 August 2022, Keith McKnight was appointed as Managing Director and Chief Executive Officer of Group 6 Metals Limited.

DIRECTORS' REPORT (continued)

Tungsten Market

APT (Ammonium Paratungstate) prices are regularly quoted in industry journals and the product pricing is used as a benchmark for the sale of WO_3 concentrate. The concentrate acquired by the APT processors is conventionally a 65% WO_3 concentrate. Therefore, the net back price to producers is somewhat lower, generally around 80% 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 US$469 (A$473) per mtu (metric tonne unit) in mid-2013 and a low of US$165 (A$212) per mtu at the end of calendar 2015.

Since then, the APT price has held up strongly during the calendar year 2022 achieving a-decade-high price of U$355 per mtu in May. As of 31 December 2022, Tungsten APT Price CIF Rotterdam was US$330-345, albeit on lower volumes as APT users continued to lower stockpile inventory into the end of the year.

The start of calendar year 2023 has seen a small increase in the lower end of the price from US$335-340, and this upward trend is forecast to continue as economic activities increase in China following the lifting of Covid-19 restrictions and increase in economic stimulus.

Market conditions look strong, for 2023 with growth in demand expected to continue from the defence, construction, mining and energy sectors, and supply continuing to look subdued with Dolphin Tungsten Mine being the only new significant supply entering the market in 2023.

Capital Raising

On 28 November 2022, the Company announced that capital was raised by way of a two-tranche share placement to a range of institutional and sophisticated investors and announced a Share Purchase Plan (SPP) to raise up to a combined maximum of $24,500,000.

Under the placement, the Company raised $17,500,000 cash (before issue costs) upon the issue of 102,941,176 ordinary fully paid shares for $0.17 each, as follows:

1. Between 2 December and 8 December 2022, the Company issued 86,529,409 new shares at $0.17 each (Tranche 1);
2. Subsequent to the half year end, between 24 January and 22 February 2023, the Company issued 16,411,766 new shares at $0.17 each (Tranche 2);

A further commitment of $2,500,000 was received by way of an interest-free loan from Abex Limited. Subject to receipt of approval from the Foreign Investment Review Board ("FIRB"), the loan will convert to equity on the same terms as the placement. Subsequent to the end of the half-year, FIRB approval was received on 28 February 2023.

On 22 February 2023, the Group announced it had raised $4.74 million under the Share Purchase Plan (SPP). The Group issued 26,315,179 New SPP Shares and 13,157,494 New SPP Options each with an exercise price of $0.28, expiring 31/1/2025.

Exercise of Unquoted Options

During the interim period to 31 December 2022, capital was raised by way of the exercise of 4,375,000 unquoted options raising $370,000.

Further details of capital raisings are set out in Note A6.

DIRECTORS' REPORT (continued)

Loan Funding

On 27 October 2022, the Group executed a $10m secured loan agreement with the State of Tasmanian represented by the Department of State Growth (Tasmanian Government). The key terms of the facility are summarised below;

	Tasmanian Government Loan
Commitment	Debt facility of $10,000,000
Term	Seven years.
Termination Date	28 October 2029
Repayment	On Termination Date. Early repayment of the facility is permitted at any time.
Applicable Interest rate	Variable. Currently 7.74% per annum
Security	Second ranking fixed and floating charge over all of the assets of Group 6 Metals Limited and its wholly owned subsidiaries Australian Tungsten Pty Ltd and Scheelite Management Pty Ltd.
Purpose	Funding for the ongoing construction, operating activities and working capital at the Dolphin Tungsten Minel.

As at 31 December 2022, the Tasmanian Government Loan is fully drawn. Further details regarding this loan are set out in Notes A14.

On 9 December 2022, the Group executed a $2.5m unsecured loan agreement with Abex Limited (Abex). The loan will convert to equity on the same terms as the placement upon receipt of approval by the Foreign Investment Review Board (FIRB) for Abex to increase their ownership in the Group. The key terms of the facility are summarised below;

	Abex Limited
Commitment	Convertible debt facility of $2,500,000
Term	Three years.
Termination Date	16 January 2026
Repayment	On Termination Date. Early repayment of the facility is permitted at any time.
Applicable Interest rate	0.0% per annum

Security	Unsecured
Purpose	Funding for the ongoing construction, operating activities and working capital at the Dolphin Tungsten Mine.

As at 31 December 2022, the Abex loan is undrawn. The Company issued a drawdown notice for the full amount on 12 January 2023. Further details regarding this loan are set out in Notes A16.

OUTLOOK

The key objective remains to bring the high-grade Dolphin Tungsten Mine on King Island into production in the second calendar quarter of 2023.

SUBSEQUENT EVENTS

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

1. On 4 January 2023, the Group announced the recommencement of regional exploration drilling at Investigator 24.

2. On 16 January 2023, the Group announced that it had been advised by its lead engineering, procurement and construction (EPC) contractor, Gekko Systems Pty Ltd, of constraints that have caused higher than expected costs in the execution of the EPC contract. These costs were estimated to be approximately $7.5 million.

3. On 20 January 2023, the Group lodged a supplementary prospectus with the Australian Securities & Investment Commission (ASIC), to extend the Share Purchase Plan to 1 February 2023 and to increase the maximum amount to be raised to $4.5 million.

4. On 23 January 2023, the Group issued 15,176,472 New Placement Shares at $0.17 each (Tranche 2), 50,852,909 New Placement Options each with an exercise price of $0.28, expiring 31/1/2025 and 29,411,765 New Broker Options each with an exercise price of $0.28, expiring 31/1/2026.

5. On 20 February 2023, the Group announced the appointment of Michael Zannes as its Chief Financial Officer. It was considered necessary to develop a sole CFO role and to engage an executive with the appropriate skills as the Group nears production at the Dolphin Tungsten Mine.

6. On 22 February 2023, the Group announced it had raised $4.74 million under the Share Purchase Plan (SPP). The Group issued 26,315,179 New SPP Shares and 13,157,494 New SPP Options each with an exercise price of $0.28, expiring 31/1/2025. The Group also issued 1,235,295 New Placement Shares at $0.17 each and 617,647 New Placement Options, each with an exercise price of $0.28, expiring 31/1/2025 following the delayed settlement of a Placement Application.

7. On 23 February 2023, the Group issued 392,018 New Shares at $0.178563 each in consideration for government liaison consultation.

8. On 28 February 2023, approval from the Foreign Investment Review Board ("FIRB") was received for Abex Limited to increase their ownership in the Group. The $2.5m unsecured loan will be converted into equity on the same terms as the placement.

DIRECTORS' REPORT (continued)

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

The lead auditor's independence declaration is set out on page 40 and forms part of the Directors' Report for the six months ended 31 December 2022.

ROUNDING OFF

The Company is not of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and as such, amounts in the interim financial statements and directors' report have been reported to the nearest dollar, unless otherwise stated.

COMPETENT PERSON'S STATEMENT

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

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

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

Johann Jacobs
Chairman
Sydney
15 March 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SIX MONTHS ENDED 31 DECEMBER 2022

	Note	2022	2021
		$	$
Other income	A16	**-**	2,880
Employee expenses		**(531,947)**	(482,392)
Non-cash employee expenses from granting of options to Directors/ employees	A8	**(524,628)**	(1,735,256)
Non-cash expenses from the granting of warrants	A8	**-**	(4,946,036)
Administration expenses		**(1,015,993)**	(1,193,598)
Depreciation expense- property, plant & equipment	A9	**(146,227)**	(94,027)
Depreciation expense- right-of-use-asset	A10	**(245,854)**	(58,201)
Construction expenses	A9, A11	**(5,721,685)**	-
Exploration & evaluation expenses		**(84,415)**	(1,085,524)
Loss before interest and income tax		**(8,270,749)**	(9,592,153)
Financial income - interest		**28,814**	958
Financial income- change in fair value of the financial assets	A12	**-**	2,165,443
Financial expense - interest		**(77,319)**	(2,607)
Net financing income/ (loss)		**(48,505)**	2,163,794
Loss before income tax		**(8,319,254)**	(7,428,359)
Income tax benefit		**-**	-
Net loss attributable to members of the parent		**(8,319,254)**	(7,428,359)
Other comprehensive income for the interim period, net of income tax		**-**	-
Total comprehensive income for the interim period		**(8,319,254)**	(7,428,359)
		Cents	Cents
Loss per share – basic		**(1.3)**	(1.3)
Loss per share – diluted		**(1.3)**	(1.3)

The condensed notes on pages 12 to 38 are an integral part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	31 December 2022	30 June 2022
Current assets		**$**	**$**
Cash and cash equivalents		**12,074,163**	4,529,465
Prepayments and other receivables		**2,122,077**	1,851,321
Deposits		**226,580**	194,878
Total current assets		**14,422,820**	6,575,664
Non-current assets			
Deposits		**2,864,600**	2,864,600
Property, plant and equipment	A9	**77,891,944**	43,012,301
Right-of-use assets	A10	**7,008,032**	2,531,224
Mine development assets	A11	**1,038,942**	296,371
Total non-current assets		**88,803,518**	48,704,496
Total assets		**103,226,338**	55,280,160
Current liabilities			
Trade and other payables		**11,897,298**	6,907,034
Lease liabilities	A13	**1,210,334**	464,409
Borrowings- loan interest payable	A14	**117,534**	117,534
Other current liabilities		**69,623**	40,195
Total current liabilities		**13,294,789**	7,529,172
Non-current liabilities			
Derivative liabilities	A12	**-**	11,859,135
Lease liabilities	A13	**3,296,531**	1,230,322
Borrowings- secured loans payable	A14	**39,733,405**	10,634,545
Provisions	A15	**345,087**	-
Other non-current liabilities		**241,846**	153,014
Total non-current liabilities		**43,616,869**	23,877,016
Total liabilities		**56,911,658**	31,406,188
Net assets		**46,314,680**	23,873,972
Equity			
Issued capital	A5	**117,255,634**	103,100,310
Reserves	A8	**18,568,469**	1,963,831
Accumulated losses		**(89,509,423)**	(81,190,169)
Total Equity		**46,314,680**	23,873,972

The condensed notes on pages 12 to 38 are an integral part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SIX MONTHS ENDED 31 DECEMBER 2022

	Note	Ordinary fully paid shares	Share option reserve	Accumulated losses	**Total Equity**
		$	$	$	**$**
Balance at 1 July 2021		69,849,763	4,342,968	(67,542,110)	**6,650,621**
Equity settled share-based payments	A8	55,000	(2,895,211)	-	**(2,840,211)**
Capital raisings	A6	34,234,610	-	-	**34,234,610**
Capital raising costs	A6	(1,037,814)	-	-	**(1,037,814)**
Total comprehensive income for the interim period		-	-	(7,428,359)	**(7,428,359)**
Balance at 31 December 2021		**103,101,559**	**1,447,757**	**(74,970,469)**	**29,578,847**
Balance at 1 July 2022		103,100,310	1,963,831	(81,190,169)	**23,873,972**
Equity settled share-based payments	A8	-	524,628	-	**524,628**
Capital raisings	A6	15,080,000	-	-	**15,080,000**
Financial instruments	A12, A14	-	16,080,010	-	**16,080,010**
Capital raising costs	A6	(924,676)	-	-	**(924,676)**
Total comprehensive income for the interim period		-	-	(8,319,254)	**(8,319,254)**
Balance at 31 December 2022		**117,255,634**	**18,568,469**	**(89,509,423)**	**46,314,680**

The condensed notes on pages 12 to 38 are an integral part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 31 DECEMBER 2022

	Note	2022	2021
		$	$
Cash flows used in operating activities			
Other income received		-	5,210
Cash paid to suppliers and employees		(4,862,703)	(919,960)
Interest paid		(68,618)	(2,607)
Interest received		28,814	958
Net cash used in operating activities		(4,902,507)	(916,400)
Cash flows used in investing activities			
Payments for property, plant and equipment		(32,972,988)	(7,332)
Payments for mine development costs		(507,221)	(8,637,084)
Other deposits paid		-	(586,479)
Net cash used in investing activities		(33,480,209)	(9,230,895)
Cash flows from financing activities			
Proceeds from capital raisings	A6	15,080,000	34,234,625
Payments for capital raising costs	A6	(924,676)	(1,037,829)
Payment of lease liabilities		(479,722)	(23,227)
Proceeds from borrowings	A14	32,770,000	9,834,545
Interest paid on borrowings		(518,188)	-
Net cash generated from financing activities		45,927,414	43,008,114
Net increase in cash and cash equivalents		7,544,698	32,860,819
Cash and cash equivalents at 1 July		4,529,465	3,190,383
Cash and cash equivalents at 31 December		12,074,163	36,051,202

The condensed notes on pages 12 to 38 are an integral part of these interim financial statements.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

SECTION A KEY FINANCIAL INFORMATION AND PREPARATION BASIS

A1 REPORTING ENTITY

Group 6 Metals Limited (**Company**) is a company domiciled in Australia. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily focused on redeveloping the well-understood and high-grade Dolphin Tungsten Mine on King Island.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2022 is available upon request from the Company's registered office at Level 26, 259 George Street, Sydney NSW 2000, or the Company's website at www.g6m.com.au.

A2 BASIS OF PREPARATION

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

They do not include all of the information required for a full annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2022.

These interim financial statements were approved by the Board of Directors on 15 March 2023. The Company is not of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and, in accordance with the Class Order, amounts in these interim financial statements and directors' report have been rounded to the nearest dollar unless otherwise stated.

A3 USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2022, other than those outlined below.

<u>Calculation of rehabilitation costs</u>

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, the 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.

Significant estimation is required in determining the provision for site rehabilitation as there are several factors that may impact the timing and ultimate cost of rehabilitating the sites where mining and its associated infrastructure will take place. These factors include changes to development/ exploration activities, fluctuation in the cost of restoration activities and changes to legal and regulatory approvals. These factors may result in actual future expenditures differing from the amounts provided.

A4 GOING CONCERN

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

During the year, the Company incurred an operating loss of $8,319,254. Included in the operating loss for the year is the fair value at 31 December 2022 of 12,000,000 performance options ($524,628) granted but not vested to Directors as non-cash consideration for market-based remuneration.

At 31 December 2022, the Company had a cash balance of $12,074,163. During the period, the Company had negative operating cash flows of $4,902,507.

At 31 December 2022, the Company had an undrawn loan facility of $2,500,000. In addition, the Company had $5,414,000 undrawn under the OEM mobile fleet facility.

During the six months to 31 December 2022, the Company raised $14,710,000 in the first tranche of a two-tranche share placement to a range of institutional and sophisticated investors and $370,000 upon the exercise of unquoted options.

Subsequent to year-end, the Company has raised $2,790,000 via the issue of 16,411,767 Placement Shares at $0.17 each and $4,473,580 via the issue of 26,315,179 SPP Shares following the completion of the Share Purchase Plan. The company has also drawn the full $2.5 million under the unsecured loan facility provided by Abex Limited.

Management have prepared 12-month cashflow forecasts underpinning the basis of preparation as a going concern. Management prepared cashflow forecasts for the Group which rely on the following assumptions:

- Securing additional funding in the next quarter for the completion of construction of the Dolphin Tungsten Mine; and
- Securing additional funding in the next quarter to maintain operations through to steady state production and positive cashflows.

The going concern basis presumes that the above funding, as deemed appropriate by the Directors, will be achieved and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The combined effect of the above represents material uncertainty as to whether the Group would continue as a going concern.

The directors of the Company consider it appropriate that the Group will continue to fulfil all obligations as and when they fall due for the foreseeable future given the history of successful capital raises and the near-term production outlook of the project and accordingly consider the Group's financial statements should be prepared on a going concern basis. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Based on the above and taking into account budgeted expenditure commitments, the Board has prepared these Financial Statements on a going concern basis.

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

A5 ISSUED CAPITAL

	Note	**31 December 2022**	30 June 2022
		$	$
Ordinary fully paid shares	A6	**117,255,634**	103,100,310

A6 ORDINARY FULLY PAID SHARES

	Note	**Number**	**$**
Balance 1 July 2021		376,006,725	69,849,763
Exercise of quoted options		29,946,157	2,994,609
Exercise of unquoted options		3,000,000	240,000
Shares placement		221,428,579	31,000,001
Equity settled share-based payment		373,254	55,000
Capital raising costs		-	(1,037,814)
Balance 31 December 2021	A5	**630,754,715**	**103,101,559**
Balance 1 July 2022		630,754,715	103,100,310
Exercise of unquoted options		4,375,000	370,000
Shares placement		86,529,409	14,710,000
Capital raising costs		-	(924,676)
Balance 31 December 2022	A5	**721,659,124**	**117,255,634**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

A7 OPTION MOVEMENTS

	Exercise Price per share	Expiry Date	Opening 1 July Number	Issued Number	Exercised Number	Expired Number	Closing 31 December Number
Half year ended 31 December 2021							
Unquoted	6 cents	31 Dec 2022	2,000,000	-	(1,000,000)	-	**1,000,000**
Unquoted	8 cents	31 Dec 2022	2,375,000	-	(1,000,000)	-	**1,375,000**
Unquoted	10 cents	31 Dec 2022	3,000,000	-	(1,000,000)	-	**2,000,000**
Unquoted	11 cents	15 Oct 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	13 cents	15 Oct 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	15 cents	15 Oct 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	11 cents	7 Sept 2024	-	1,000,000	-	-	**1,000,000**
Unquoted	13 cents	7 Sept 2025	-	1,000,000	-	-	**1,000,000**
Unquoted	15 cents	7 Sept 2026	-	1,000,000	-	-	**1,000,000**
			10,375,000	3,000,000	(3,000,000)	-	**10,375,000**
Quoted	10 cents	1 Aug 2021	30,726,013	-	(29,946,157)	(779,856)	**-**
			41,101,013	**3,000,000**	**(32,946,157)**	**(779,856)**	**10,375,000**
Half year ended 31 December 2022							
Unquoted	6 cents	31 Dec 2022	1,000,000	-	(1,000,000)	-	**-**
Unquoted	8 cents	31 Dec 2022	1,375,000	-	(1,375,000)	-	**-**
Unquoted	10 cents	31 Dec 2022	2,000,000	-	(2,000,000)	-	**-**
Unquoted	11 cents	15 Oct 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	13 cents	15 Oct 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	15 cents	15 Oct 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	11 cents	7 Sept 2024	1,000,000	-	-	-	**1,000,000**
Unquoted	13 cents	7 Sept 2025	1,000,000	-	-	-	**1,000,000**
Unquoted	15 cents	7 Sept 2026	1,000,000	-	-	-	**1,000,000**
			10,375,000	-	(4,375,000)	-	**6,000,000**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

A8 RESERVE

	31 December 2022	30 June 2022
	$	$
Share option reserve	**18,568,469**	1,963,831

Share option reserve movements	31 December 2022	31 December 2021
	$	$
Balance at 1 July	**1,963,831**	4,342,968
Derivative financial instruments	**11,859,135**	(9,576,503)
Compound financial instruments- equity	**4,220,875**	-
Equity settled share-based payments for the interim period	**524,628**	6,681,292
Balance at 31 December	**18,568,469**	1,447,757

Director's Options

No new options were granted to Directors during the six months to 31 December 2022. The options in the previous period were granted at no cost to the recipient. The fair value of the options at the Grant Date is determined using the Black Scholes model. The options expense relating to Director options for the interim period to 31 December 2022 totals $524,628 (2021 $1,324,796).

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.

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

Group 6 Metals Limited Unquoted Options

Exercise Price per share	Vesting Date	Expiry Date	Johann Jacobs Number	Chris Ellis Number	Gregory Hancock Number	**Total Number**
30 June 2022						
6 cents	21 Dec 2017	31 Dec 2022		1,000,000	-	**1,000,000**
8 cents	21 Dec 2017	31 Dec 2022	375,000	1,000,000	-	**1,375,000**
10 cents	21 Dec 2017	31 Dec 2022	1,000,000	1,000,000	-	**2,000,000**
11 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
13 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
15 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
			1,375,000	3,000,000	3,000,000	**7,375,000**
Performance Options						
0 cents	30 Sept 2021^	30 Sept 2026	3,000,000	3,000,000	3,000,000	**9,000,000**
0 cents	30 Sept 2023*	30 Sept 2028	4,000,000	4,000,000	4,000,000	**12,000,000**
			7,000,000	7,000,000	7,000,000	**21,000,000**
31 December 2022						
11 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
13 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
15 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
			-	**-**	**3,000,000**	**3,000,000**
Performance Options						
0 cents	30 Sept 2021^	30 Sept 2026	3,000,000	3,000,000	3,000,000	**9,000,000**
0 cents	30 Sept 2023*	30 Sept 2028	4,000,000	4,000,000	4,000,000	**12,000,000**
			7,000,000	7,000,000	7,000,000	**21,000,000**

^ Vested

* Vesting is subject to the satisfaction of certain performance hurdles

On 5 February 2021, 21,000,000 unquoted performance options were issued to the Company's three directors, at the time, (7,000,000 unquoted options each) for no consideration as follows:

(a) Vesting is subject to certain performance hurdles;

(b) An exercise period of five (5) years commencing from the vesting date;

(c) Nil exercise price; and

(d) otherwise on the terms and conditions set out in the AGM's explanatory memorandum.

After shareholder approval was obtained at the Company's Annual General Meeting held on 8 January 2021.

Share based payments

On 7 September 2021, the Group issued 3,000,000 unquoted options to a Key Management Personnel.

The options were granted at no cost to the recipient. The fair value of the options at the Grant Date is determined using the Black Scholes model. The options expense relating to KMP options for the interim period to 31 December 2022 totals $524,628 (2021 $410,460).

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

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

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

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

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

Group 6 Metals Limited Unquoted Options & Warrants

Exercise Price per share	Vesting Date	Expiry Date	KMP Number	Pure Number	**Total Number**
31 December 2022					
11 cents	7 Sept 2021	7 Sept 2024	1,000,000	-	**1,000,000**
13 cents	7 Sept 2021	7 Sept 2025	1,000,000	-	**1,000,000**
15 cents	7 Sept 2021	7 Sept 2026	1,000,000	-	**1,000,000**
			3,000,000	**-**	**3,000,000**
Warrants					
21 cents	18 Nov 2021	31 Dec 2025	-	46,428,571	46,428,571
			-	**46,428,571**	**46,428,571**

Financial instruments

On 18 November 2021, the Group issued 101,785,715 warrants to four providers of convertible loan facilities. The warrants were issued as part of the total convertible loan facilities of $19,000,000.

The warrants were granted at no cost to the recipient. The fair value of the warrants at the Grant Date is determined using the Black Scholes valuation model. Refer to Note A12 for further details.

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

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

At 31 December 2022, the convertible loan facilities are fully drawn. The derivative liabilities have been derecognised.

Compound financial instruments are recognised at the draw down date of the loans. Refer to Note A14 for further details.

Group 6 Metals Limited- Unquoted Warrants

Exercise Price per share	Vesting Date	Expiry Date	Chrysalis	Abex	Elphinstone	D.A.CH.S	
			Number	Number	Number	Number	**TOTAL**
31 December 2022							
19.6 cents	18 Nov 2021	Various	24,107,143	34,821,429	26,785,714	16,071,429	101,785,715
			24,107,143	**34,821,429**	**26,785,714**	**16,071,429**	**101,785,715**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

A9 PROPERTY, PLANT AND EQUIPMENT

	31 December 2022 $	30 June 2022 $
Property, plant & equipment	77,891,944	43,012,301
	77,891,944	43,012,301

Movements in property, plant & equipment	31 December 2022 $	31 December 2021 $
Balance at 1 July	**43,012,301**	3,689,790
Additions	**35,025,870**	7,332
Depreciation charge for the period	**(146,227)**	(94,027)
Balance at 31 December	**77,891,944**	3,603,095

Acquisitions and disposals

During the six months to 31 December 2022, the Group made acquisitions of property, plant and equipment totalling $35,025,870 (2021: $7,332). The Group identified indirect costs which could not be directly attributable to the cost base of property, plant and equipment. Following an internal review, $5,605,148(2021: $nil) was expensed as construction expenses.

A10 RIGHT OF USE ASSETS

	31 December 2022 $	30 June 2022 $
Right of use assets	7,008,032	2,531,224
	7,008,032	2,531,224

Movements in mine development costs	31 December 2022 $	31 December 2021 $
Balance at 1 July	**2,531,224**	135,801
Additions	**4,722,662**	-
Depreciation charge for the period	**(245,854)**	(58,201)
Balance at 31 December	**7,008,032**	77,600

Commitments

On 8 November 2021, the Company announced that it had secured a $10.22 million Equipment Finance Facility. The Group had drawn $4.806 million on the facility at 31 December 2022.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

A11 MINE DEVELOPMENT COSTS

	31 December 2022	30 June 2022
	$	$
Mine development costs	1,038,942	296,371
	1,038,942	296,371

Movements in mine development costs	**31 December 2022**	31 December 2021
	$	$
Balance at 1 July	**296,371**	-
Additions	**397,484**	12,665,669
Environmental rehabilitation	**345,087**	-
Balance at 31 December	**1,038,942**	12,665,669

Acquisitions and disposals

During the six months to 31 December 2022, the Group undertook mine development works totalling $397,484 (2021: $12,665,669). During the financial year ended 30 June 2022, the Group reallocated $12,369,298 to property plant and equipment (assets under construction. The Group identified indirect costs which could not be directly attributable to the cost base of mine development costs. Following an internal review, $116,538 (2021: $nil) was expensed as construction expenses.

A12 DERIVATIVE LIABILITIES

	31 December 2022	30 June 2022
	$	$
Derivative financial instruments	**-**	11,859,135
	-	11,859,135

Movements in financial assets	**31 December 2022**	31 December 2021
	$	$
Balance at 1 July	**11,859,135**	-
Additions	**-**	9,576,503
Change is fair value of the derivative financial instrument	**-**	(2,165,443)
Derecognition of derivative financial instrument	**(11,859,135)**	-
Balance at 31 December	**-**	7,411,060

The Group initially measures and recognises derivative financial instruments by calculating the level 3 fair value of the instruments using the discounted cash flow method net of the fair value of warrants issued.

The Group has utilised 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 takes into account the risk-free interest rate and the share price volatility. Expected volatility is estimated by considering the historical 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 going to the profit and loss.

As at 31 December 2022, all Shareholder loans were fully drawn. The Group has derecognised the financial derivatives.

A13 LEASE LIABILITIES

The balance of lease liabilities as at 31 December 2022 is detailed below.

	31 December 2022	30 June 2022
Lease liabilities		
Current Liability	**1,210,334**	464,409
Non-Current Liability	**3,296,531**	1,230,322
	4,506,865	1,694,731

A14 NON-CURRENT LIABILITIES

Borrowings

The balance of the loan together with interest payable as at 31 December 2022, is detailed below.

	31 December 2022	30 June 2022
Secured loans		
Borrowings – loan interest payable	**117,534**	117,534
Borrowings – secured loans payable	**39,733,405**	10,634,545
	39,850,939	10,752,079

During the half year ended 31 December 2021, secured loan funding of $10,000,000 less transaction costs was provided to the Group by Pure. The purpose of the loan is to assist the Group with the development of the Dolphin Tungsten Mine at Grassy on King Island.

Key terms of the Pure loan agreements are:

Terms	Pure Asset Management Facility (PURE)
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited.
Facility	Interest only, cash advance facility of $10,000,000.
Term	Three years.
Termination Date	10 November 2024.
Repayment	On Termination Date. Early repayment of the facility is permitted at any time.
Interest rate	8.25% per annum. Interest is payable quarterly.
Security	General security agreement (GSA) given by Group 6 Metals Limited and its two wholly owned subsidiaries, Australian Tungsten Pty Ltd and Scheelite Management Pty Ltd, over all assets of each entity.
Purpose	The development of Dolphin Tungsten Mine, Grassy, King Island, including fees and expenses in connection with the Pure loan facility, working capital in connection with the mine and capitalisation of interest and fees.

As at 31 December 2022, the Pure Asset Management Loan is fully drawn.

Borrowings (continued)

On 3 February 2022, the Group purchased the Ballarat Clarendon College Grassy Campus for $1,000,000 plus GST. The purchase was partly funded by an $800,000 loan provided by the vendor, with an interest rate of 5% pa and repayable on 31 December 2024. The purchase of the Campus provides the Group with property suitable for the construction of accommodation facilities for its construction and operational workforce.

Key terms of the BCC loan agreement are:

Terms	**Ballarat & Clarendon College Ltd (BCC)**
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited.
Facility	Interest only, cash advance facility of $800,000.
Termination Date	31 December 2024.
Repayment	On Termination Date. Early repayment of the facility is permitted at any time.
Interest rate	5.00% per annum. Interest is payable monthly
Security	First ranking charge over the property.
Purpose	The purchase of the Campus provides the Group with property suitable for the construction of accommodation facilities for its construction and operational workforce.

As at 31 December 2022, the Ballarat & Clarendon College Loan is fully drawn.

Borrowings (continued)

On 27 October 2022, the Group executed a $10m secured loan agreement with the State of Tasmanian represented by the Department of State Growth (Tasmanian Government).

Key terms of the Tasmanian Government loan agreement are:

Terms	Tasmanian Government Loan (TASMANIAN GOVERNMENT)
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited.
Facility	Cash advance facility of $10,000,000.
Term	Seven years.
Termination Date	28 October 2029.
Repayment	On Termination Date. Early repayment of the facility is permitted at any time.
Interest rate	Variable Currently 7.74% per annum. Interest is payable monthly in arrears.
Security	Second ranking general security agreement (GSA) given by Group 6 Metals Limited and its two wholly owned subsidiaries Australian Tungsten Pty Ltd and Scheelite Management Pty Ltd over all assets of each entity.
Purpose	Funding for the ongoing construction, operating activities and working capital at the Dolphin Tungsten Mine.

As at 31 December 2022, the Tasmanian Government Loan is fully drawn.

Borrowings (continued)

On 9 December 2022, the Group executed a $2.5m unsecured loan agreement with Abex Limited (Abex). The loan will convert to equity on the same terms as the Placement upon receipt of approval by the Foreign Investment Review Board (FIRB) for Abex to increase their ownership in the Group. The key terms of the facility are summarised below;

Key terms of the Abex loan agreements are:

Terms	Abex Facility (Abex)
Borrower	Australian Tungsten Pty Ltd, a wholly owned subsidiary of Group 6 Metals Limited.
Facility	Cash advance facility of $2,500,000.
Term	Three years.
Termination Date	16 January 2026.
Repayment	On Termination Date. Early repayment of the facility is permitted at any time.
Interest rate	0% per annum.
Security	Unsecured.
Purpose	Funding for the ongoing construction, operating activities and working capital at the Dolphin Tungsten Mine.

The Abex loan was available but undrawn at 31 December 2022.

On 6 September 2021, the Group announced that it had secured $33 million in debt finance via a group of financiers for the redevelopment of its Dolphin Tungsten Mine. Four of the Group's major shareholders have provided finance by way of convertible debt facilities. The loans which are fully drawn at 31 December 2022 can be converted to equity via the exercise of warrants issued on 18 November 2021.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

The key terms of the derivative financial instruments are summarised below;

	CJRE Maritime Pty Ltd	Abex Limited	Elphinstone Holdings Pty Ltd	D.A.CH.S Capital AG
Commitment	Convertible debt facility of $4,500,000 plus capitalised interest Debt only facility of $4,000,000	Convertible debt facility of $6,500,000 plus capitalised interest	Convertible debt facility of $5,000,000 plus capitalised interest	Convertible debt facility of $3,000,000 plus capitalised interest.
Term	42 months from project commissioning	42 months from project commissioning	42 months from project commissioning	42 months from project commissioning
Repayment	Semi-annual repayments of $750,000 commencing 12 months after project commissioning (convertible debt)	Semi-annual repayments of $1,083,333 commencing 12 months after project commissioning	Semi-annual repayments of $833,333 commencing 12 months after project commissioning	Semi-annual repayments of $500,000 commencing 12 months after project commissioning
Applicable Interest rate	6.5% per annum (convertible debt) 8.25% per annum (debt only)	6.5% per annum	6.5% per annum	6.5% per annum
Default Interest Rate	5% per annum above the applicable interest rate	5% per annum above the applicable interest rate	5% per annum above the applicable interest rate	5% per annum above the applicable interest rate
Warrants	24,107,143 warrants (exercise price $0.196, expiry over 42 months from project commissioning date)	34,821,429 warrants (exercise price $0.196, expiry over 42 months from project commissioning date)	26,785,714 warrants (exercise price $0.196, expiry over 42 months from project commissioning date)	16,071,429 warrants (exercise price $0.196, expiry over 42 months from project commissioning date)
Security	General security agreement (GSA) given by Group 6 Metals Limited and its two wholly owned subsidiaries Australian Tungsten Pty Ltd and Scheelite Management Pty Ltd, over-all assets of each entity.			
Purpose	The development of Dolphin Tungsten Mine, Grassy, King Island including fees and expenses in connection with the Pure loan facility, working capital and capitalisation of interest and fees in connection with the mine.			

Borrowings (continued)

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the 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 Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

A15 PROVISIONS

	31 December 2022	30 June 2022
Provisions		
Non-Current Liability – Rehabilitation	**345,087**	-
	345,087	-

Movements in rehabilitation	31 December 2022	31 December 2021
	$	$
Balance at 1 July	**-**	-
Provisions made during the year	**345,087**	-
Balance at 31 December	**345,087**	-

Initial recognition of the provision is based on an estimated cost of closure and reclamation of disturbed areas over the life of the mine, discounted to present value. Significant estimation is required in determining the provision for site rehabilitation as there are several factors that may impact the timing and ultimate cost of rehabilitating the sites where mining and its associated infrastructure will take place. These factors include changes to development/ exploration activities, fluctuation in the cost of restoration activities and changes to legal and regulatory approvals. These factors may result in actual future expenditures differing from the amounts provided. The Group assesses site rehabilitation liabilities on a half-yearly basis.

A16 OTHER INCOME

	Note	31 December 2022	31 December 2021
		$	$
Rental income		**-**	2,880
Other income		**-**	2,880

A17 DIVIDENDS

No dividends were paid by the Company during the six months to 31 December 2022 (2021 $Nil).

A18 COMMITMENTS

Office Lease

The Group continues to occupy office space at Level 26, 259 George Street, Sydney, with no fixed lease term and no other lease commitments.

Exploration

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the Tasmanian Government. Subsequent to the period end, the Group announced the recommencement of regional exploration drilling at Investigator 24 (EL 19/2001).

Details of mining tenements held at 31 December 2022 and their location are:

Tenement Reference	Details	Expiry Date	Location	Interest Held	Expenditure Commitments
				%	$
EL 19/2001 Exploration Licence	Exploration for minerals over 63 square kilometres	14 December 2029	Grassy, King Island, Tasmania	100	$300,000 by 14 December 2024
CML 2080P/M Mining Lease	Mining operation approved over 566ha of combined Mining Lease ML 1M/ 2006 and ML 2060 P/M	5 June 2029	Grassy, King Island, Tasmania	100	-

All Dolphin Project licences are in good standing at the date of this report.

Security Bond

In order to maintain current rights of tenure to its mining licence, the Group is required to pay a security deposit to ensure there will be sufficient funds available for the remediation of mining activities should the licensee default on their obligations.

On 19 January 2022, the Group paid a cash security deposit of $2,840,000 to the Department of State Growth-Mineral Resources Tasmania in respect to its mining license 2080P/M.

A19 SEGMENT REPORTING

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 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 is currently completing the construction of the Dolphin Tungsten Mine on King Island Tasmania. As such, it currently provides no products for sale.

Geographical Areas

The Group's development activities are located solely in Australia.

A20 CONTINGENCIES

Purchase price and royalty

The Dolphin Tungsten Project has a liability to a third-party in respect of the acquisition of the tenements. If the decision to mine is taken and there is receipt of sufficient finance (at least $1,000,000), the amount payable to the third party is $250,000 plus an additional royalty of 1.5% on tungsten sale amounts received, after selling costs, transport costs for delivery to the buyer, and any taxes (other than income tax).

Adjoining land

On 12 July 2005, the Company entered into an agreement with a third-party vendor to acquire a 5-hectare block of land immediately on the northern boundary of the mine lease to ensure that an appropriate buffer zone is in place between the planned mine and Grassy township. The terms of this purchase were an initial payment of $700,000 plus an additional $100,000 payable upon the Company obtaining a permit for planning and development approval to carry on an extractive industry, both of which have been paid in full. There is a further $100,000 payable to the third-party vendor contingent upon the commencement of operations.

Hunan Nonferrous Metals Corporation Ltd

Under the agreed terms relating to the termination of the Dolphin Joint Venture, effective 17 December 2010, the Company's wholly owned subsidiary, Australian Tungsten Pty Ltd, has a liability to Hunan Nonferrous Metals Corporation Ltd, which is contingent on the successful extraction of tungsten ore or concentrate from the Dolphin Project on King Island. The amount payable is a 2% royalty on gross revenue and the maximum royalty amount payable is $3,900,000.

King Island Council

On 1 July 2011, the Company entered into two agreements with King Island Council that have since been registered under Part 5 of the *Land Use Planning Approvals Act 1993 (TAS)*. These agreements provide that the Company pay, in each financial year, the amounts of $50,000 inclusive of GST to the King Island Council for upgrading and improvement of Grassy infrastructure; and $50,000 inclusive of GST to a Trust Fund, mainly for the purpose of upgrading and developing the community facilities in Grassy and surrounding areas.

The Company paid the first instalments of these in advance, a total of $100,000 inclusive of GST, on 1 July 2011. These advances are to be deducted from future payments over five years at the rate of $20,000 per annum inclusive of GST. Future payments will be made over the operational life of the mine.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

A21 SUBSEQUENT EVENTS

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

1. On 4 January 2023, the Group announced the recommencement of regional exploration drilling at Investigator 24.

2. On 16 January 2023, the Group announced that it had been advised by its lead engineering, procurement and construction (EPC) contractor, Gekko Systems Pty Ltd, of constraints that have caused higher than expected costs in the execution of the EPC contract. These costs were estimated to be approximately $7.5 million.

3. On 20 January 2023, the Group lodged a supplementary prospectus with the Australian Securities & Investment Commission (ASIC), to extend the Share Purchase Plan to 1 February 2023 and to increase the maximum amount to be raised to $4.5 million.

4. On 23 January 2023, the Group issued 15,176,472 New Placement Shares at $0.17 each (Tranche 2), 50,852,909 New Placement Options each with an exercise price of $0.28, expiring 31/1/2025 and 29,411,765 New Broker Options each with an exercise price of $0.28, expiring 31/1/2026.

5. On 20 February 2023, the Group announced the appointment of Michael Zannes as its Chief Financial Officer. It was considered necessary to develop a sole CFO role and to engage an executive with the appropriate skills as the Group nears production at the Dolphin Tungsten Mine.

6. On 22 February 2023, the Group announced it had raised $4.74 million under the Share Purchase Plan (SPP). The Group issued 26,315,179 New SPP Shares and 13,157,494 New SPP Options each with an exercise price of $0.28, expiring 31/1/2025. The Group also issued 1,235,295 New Placement Shares at $0.17 each and 617,647 New Placement Options, each with an exercise price of $0.28, expiring 31/1/2025 following the delayed settlement of a Placement Application.

7. On 23 February 2023, the Group issued 392,018 New Shares at $0.178563 each in consideration for government liaison consultation.

8. On 28 February 2023, approval from the Foreign Investment Review Board (“FIRB”) was received for Abex Limited to increase their ownership in the Group. The $2.5m unsecured loan will be converted to equity on the same terms as the placement.

SECTION B RISK AND JUDGEMENT

B1 FAIR VALUES

Certain provisions of the Group's accounting policies and disclosures require the measurement of fair values for share-based payment arrangements, and financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

SECTION C KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES

C1 RELATED PARTY TRANSACTIONS

Johann Jacobs

The Group continues to utilise consulting services through a company related to Mr Jacobs, effective from 1 August 2013. The material terms of this agreement are:

(a) Provision of executive services to the Group by Mr Jacobs.

(b) Mr Jacobs' services are required to be requested by the Group.

(c) Consulting fees are payable to a company related to Mr Jacobs at the rate of $2,100 per day (excluding GST). Notwithstanding this agreement, Mr Jacobs is charging the Company at the rate of $1,600 per day. Consulting fees charged by the company related to Mr Jacobs for the six months ending 31 December 2022 total $87,034 (2021 $163,834).

(d) These fees are in addition to Mr Jacobs' Chairman fees, payable at $30,987 per annum, plus statutory superannuation.

On 6 December 2022, 375,000 fully paid ordinary shares at $0.08 per share and 1,000,000 fully paid ordinary shares at $0.10 per share were issued to an entity related to Mr Jacobs to raise $130,000 upon the conversion of unquoted options. Subsequent to the period end, on 23 January 2023, a further 294,118 fully paid ordinary shares were issued to an entity related to Mr Jacobs at $0.17 per share and 147,059 unquoted options (exercise price $0.28, expiry 31/01/2025) to raise $50,000 under the tranche two share placement. Shareholder approval of the issue of the shares and options was obtained at the Company's Extraordinary General Meeting held on 17 January 2023.

Gregory Hancock

The Group also utilises consulting services through a company related to Mr Hancock, effective from 11 July 2019. The material terms of this agreement are:

(a) Provision of consulting services to the Group by Mr Hancock.

(b) Mr Hancock's services are required to be requested by the Group.

(c) Consulting fees are payable to a company related to Mr Hancock at the rate of $1,600 per day (excluding GST) on an as-required basis. Consulting fees charged by the company related to Mr Hancock for the six months ending 31 December 2022 were $nil (2021 $28,800).

(d) These fees are in addition to Mr Hancock's Director fees, payable at $26,400 per annum, plus statutory superannuation.

Christopher Ellis

During the period, the Group issued drawdown notices on a debt facility of $4,000,000 and a convertible debt facility of $4,500,000 from CJRE Maritime Pty Ltd, a company related to Mr Ellis. The two facilities are fully drawn at 31 December 2022.

The loans were negotiated on an arm's length basis. On 18 November 2021, 24,107,143 warrants were issued to CJRE Maritime Pty Ltd in relation to the convertible loan. The terms of the loan agreements and warrants are detailed in Note A12.

This is in addition to Mr Ellis' Director fees payable at $26,400 per annum, plus statutory superannuation.

RELATED PARTY TRANSACTIONS (continued)

On 9 December 2022, 1,000,000 fully paid ordinary shares at $0.06 per share, 1,000,000 fully paid ordinary shares at $0.08 per share and 1,000,000 fully paid ordinary shares at $0.10 per share were issued to an entity related to Mr Ellis to raise $240,000 upon the conversion of unquoted options. Subsequent to the period end, on 23 January 2023, a further 14,705,883 fully paid ordinary shares were issued to an entity related to Mr Ellis at $0.17 per share and 7,352,942 unquoted options (exercise price $0.28, expiry 31/01/2025) to raise $2,500,000 under the tranche two share placement. Shareholder approval of the issue of the shares and options was obtained at the Company's Extraordinary General Meeting held on 17 January 2023.

During the half year ended 31 December 2021, the Group secured a debt facility of $4,000,000 and a convertible debt facility of $4,500,000 from CJRE Maritime Pty Ltd, a company related to Mr Ellis. The two facilities are fully drawn at 31 December 2022.

The loans were negotiated on an arm's length basis. On 18 November 2021, 24,107,143 warrants were issued to Chrysalis Investments Pty Ltd in relation to the convertible loan. The terms of the loan agreements and warrants are detailed in Note A12.

This is in addition to Mr Ellis' Director fees payable at $26,400 per annum, plus statutory superannuation.

Keith McKnight

During the six months to 31 December 2022, the Group continued to pay a consultancy fee to a company related to Mr McKnight for the services of Mr McKnight as the Managing Director and Chief Executive Officer. The material terms of this agreement are:

(a) Provision of executive services to the Group by Mr McKnight.

(b) Mr McKnight's services are required to be requested by the Group.

(c) Consulting fees are payable to the company related to Mr McKnight at the rate of $30,150 per month (excluding GST). Consulting fees charged by the company related to Mr McKnight for the six months ending 31 December 2022 total $180,900 (2021 $nil).

Subsequent to the period end, on 23 January 2023, a further 176,471 fully paid ordinary shares were issued to entities related to Mr McKnight at $0.17 per share and 88,236 unquoted options (exercise price $0.28, expiry 31/01/2025) to raise $30,000 under the tranche two share placement. Shareholder approval of the issue of the shares and options was obtained at the Company's Extraordinary General Meeting held on 17 January 2023.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

RELATED PARTY TRANSACTIONS (continued)

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

	Transaction Value for six months ended		Balance Outstanding		Terms
	31 Dec 2022	31 Dec 2021	**31 Dec 2022**	30 June 2022	
	$	$	**$**	$	
Directors' Fees	**46,138**	46,007	**18,207**	8,483	Payable at call
Consulting Fees	**267,934**	192,634	**98,467**	78,467	Payable at call
Underwriting Fees	**-**	110,793	**-**	-	Payable at call
	314,072	349,434	**116,674**	86,950	
Loan funding					
Principal	**4,000,000**	**-**	**4,000,000**	-	Refer Note A14
Compound financial instrument-debt	**3,527,785**	**-**	**3,527,785**	-	Refer Note A14
Compound financial instrument-equity	**972,215**	**-**	**972,215**	-	Refer Note A8
Interest	**235,027**	**-**	**235,027**	-	
Derivative liability	-	1,755,251	-	2,282,632	Refer Note A12
	8,735,027	**1,755,251**	**8,735,027**	**2,282,632**	

Refer to Notes A12 and A14 for further details about the loan funding.

On 5 February 2021, 21,000,000 unquoted performance options were issued to the Company's three directors, at that time, (7,000,000 unquoted options each) for no consideration as follows:

(a) Vesting subject to certain performance hurdles;

(b) An exercise period of five (5) years commencing from the vesting date;

(c) Nil exercise price; and

(d) otherwise on the terms and conditions set out in the AGM's explanatory memorandum.

after shareholder approval was obtained at the Company's Annual General Meeting held on 8 January 2021. During the six months to 31 December 2022, 9,000,000 performance options were vested.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

SECTION D OTHER DISCLOSURES

D1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2022 other than those outlined below;

Significant judgements and estimates

Calculation of rehabilitation costs

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, the 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.

Significant estimation is required in determining the provision for site rehabilitation as there are several factors that may impact the timing and ultimate cost of rehabilitating sites where mining and its associated infrastructure will take place. These factors include changes to development/ exploration activities, fluctuation in the cost of restoration activities and changes to legal and regulatory approvals. These factors may result in actual future expenditures differing from the amounts provided.

DIRECTORS' DECLARATION

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

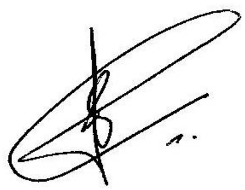
(a) the condensed consolidated financial statements and notes set out on pages 8 to 38, are in accordance with the *Corporations Act 2001,* including:

i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six-month period ended on that date; and

ii. complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Johann Jacobs
Chairman

Sydney

15 March 2023

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

To the Directors of Group 6 Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Group 6 Metals Limited for half year ended 31 December 2022 that there have been:

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

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

KPMG

Shane O'Connor

Partner

Sydney

15 March 2023

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Independent Auditor's Review Report

To the shareholders of Group 6 Metals Limited

Report on the Interim Financial Report

Conclusion

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

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

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2022 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises

- Condensed Consolidated Statement of Financial Position as at 31 December 2022.
- Condensed Consolidated Statement of profit or loss and other comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the Interim Period ended on that date
- Notes A1 to D1 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

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

The ***Interim Period*** is the 6 months ended on 31 December 2022.

Basis for Conclusion

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

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

KPMG

Material uncertainty related to going concern

We draw attention to Note A4, "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note A4, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

KPMG

Shane O'Connor

Partner

Sydney

15 March 2023

SECURITY HOLDER INFORMATION

At 28 February 2023, issued capital was 764,778,088 ordinary fully paid shares held by 6,287 holders and 269,721,388 unquoted options (with various exercise prices and expiry dates – refer SECTIONS B, C & D below).

SECTION A Quoted Shares

The 20 largest shareholders at 28 February 2023 were:

Rank	Beneficial Shareholder	Number of Shares	% of Issued Capital
1	MR CHRISTOPHER ELLIS (DIRECTOR)	104,584,306	13.68%
2	MR RICHARD CHADWICK AND MRS GWENDA CHADWICK	100,884,704	13.19%
3	D.A.CH.S. CAPITAL AG	71,693,710	9.37%
4	ELPHINSTONE HOLDINGS PTY LTD	26,166,116	3.42%
5	MR ANTHONY JAMES HAGGARTY	18,540,960	2.42%
6	MRS CATHERINE JEANNE MORRITT	11,752,299	1.54%
7	BELGRAVIA STRATEGIC EQUITIES PTY LTD	8,789,917	1.15%
8	MR JOHANN JACOBS (DIRECTOR)	8,491,973	1.11%
9	MR GIUSEPPE CORONICA & MRS YVONNE PRICE	8,276,871	1.08%
10	INVIA CUSTODIAN PTY LIMITED <AJ & LM DAVIES FAMILY A/C>	7,208,011	0.94%
11	CITICORP NOMINEES PTY LIMITED	6,867,015	0.90%
12	BNP PARIBAS NOMINEES PTY LTD <DRP>	5,441,143	0.71%
13	NATIONAL NOMINEES LIMITED	5,402,299	0.71%
14	MR ANDREW PLUMMER	5,170,590	0.68%
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,871,847	0.64%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,854,582	0.63%
17	HUNAN NONFERROUS METALS CORPORATION LIMITED	4,450,000	0.58%
18	NORFOLK ENCHANTS PTY LTD <TROJAN RETIREMENT FUND A/C>	4,200,000	0.55%
19	MR DEAN ANDREW KENT	2,892,746	0.38%
20	GEKKO SYSTEMS PTY LTD	2,829,780	0.37%
	Totals: Top 20 holders of ORDINARY SHARES (TOTAL)	**413,368,869**	**54.05%**

Distribution of shareholders and holdings at 28 February 2023:

Range	Total holders	Number of Shares	% of total Issued Capital
1 - 1,000	72	6,988	0.00
1,001 - 5,000	1,877	6,135,390	0.80
5,001 - 10,000	1,059	8,507,044	1.11
10,001 - 100,000	2,522	91,446,414	11.96
100,001 Over	757	658,682,252	86.13
Rounding	-	-	0.00
Total	**6,287**	**764,778,088**	**100.00**

SECURITY HOLDER INFORMATION (continued)

Unmarketable Parcels	Minimum Parcel Size	Holders	Number of Shares
Minimum $500.00 parcel at $0.1700 per Share	2,942	899	1,857,173

SECTION B Unquoted Options

Unquoted option holders at 28 February 2023 were:

			Various	**Joint Lead Managers**	**KMP**	**Total**
Exercise Price per share	Vesting Date	Expiry Date	Number	Number	Number	**Number**
11 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
13 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
15 cents	15 Oct 2019	15 Oct 2024	-	-	1,000,000	**1,000,000**
10 cents	7 Sept 2021	7 Sept 2024	-	-	1,000,000	**1,000,000**
12 cents	7 Sept 2021	7 Sept 2025	-	-	1,000,000	**1,000,000**
15 cents	7 Sept 2021	7 Sept 2026	-	-	1,000,000	**1,000,000**
28 cents	various	31 Jan 2025	57,039,813	-	7,588,237	**64,628,050**
28 cents	24 Jan 2023	31 Jan 2026	-	29,411,765	-	**29,411,765**
			57,039,813	**29,411,765**	**13,588,237**	**100,039,815**

SECTION C Performance Options

At 28 February 2023, there were 21,000,000 performance options with various vesting and expiry dates, held by three holders.

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

^ Vested
* Vesting is subject to the satisfaction of certain performance hurdles

SECURITY HOLDER INFORMATION (continued)

SECTION D Warrants

At 28 February 2023, there were 148,214,286 warrants with various vesting and expiry dates, held by five holders.

Exercise Price	Vesting Date	Expiry Date	Holder					Total
			Pure Asset Management Pty Ltd	Elphinstone Holdings Pty Ltd	D.A.CH.S Capital A G	Abex Limited	Chrysalis Investments Pty Ltd	
			Number	Number	Number	Number	Number	**Number**
$0.210	18 Nov 2021	31 Dec 2025	46,428,571	-	-	-	-	**46,428,571**
$0.196	18 Nov 2021	Various	-	26,785,714	16,071,429	34,821,429	24,107,143	**101,785,715**
TOTAL			**46,428,571**	**26,785,714**	**16,071,429**	**34,821,429**	**24,107,143**	**148,214,286**