

From: [Perry, John](#)
To: [Haigh, Mitchell \(DPaC\)](#)
Subject: FW: Urgent Brief - Group 6 Metals - Ministerial Roundtable
Date: Friday, 30 August 2024 9:38:00 AM
Attachments: [20240829 Issues Brief - Group 6 Metals - Resources Ministerial Roundtable.docx](#)
 out of scope x
Importance: High

To you correct email

out of scope
 Office of the Coordinator-General
 CH Smith Centre
 20 Charles Street, Launceston TAS 7250
 out of scope
www.cg.tas.gov.au

From: Bennett, David out of scope
Sent: Friday, August 30, 2024 9:25 AM
To: Hochman, Matthew out of scope >; Haigh, Mitchell
 out of scope >; Morton, Alastair out of scope
Cc: Perry, John out of scope
Subject: Urgent Brief - Group 6 Metals - Ministerial Roundtable

Hi Matt, Mitch Al

Please see attached an urgent Issue Brief re Group 6 Metals and the potential for Australian Government Support for the Dolphin Mine. This provides some talking points that may assist if the minister is able to have a discussion with the Minister King about potential support for Group 6 Metals

I have also attached the issues brief provided to the Premier earlier this week re the most recent update from Group 6 Metals, section 35

Please contact me if you have any questions.

Thanks

David

David Bennett | Executive Director – Investment Attraction
 Office of the Coordinator-General
 47-49 Cattley Street, Burnie, TAS 7320 | PO Box 1186 Launceston TAS 7250

out of scope
 out of scope
www.cg.tas.gov.au

Courage to make a difference through



DEPARTMENT OF STATE GROWTH

Dept. Ref _____
Critical Date _____

NOTED
SIGNED: _____
DATE: _____

Issues Briefing Note for the Minister for Business, Industry and Resources

SUBJECT: GROUP 6 METALS (G6M)

Minister's notation:

Summary and Talking Points:



Current Situation:

This briefing is provided as further information to the attached Issues Brief to the Premier dated 27 August 2024 regarding the Dolphin Tungsten Mine on King Island.

section 27

out of scope

out of scope

Background:

Tasmanian Government Support

In 2020, the then Minister for State Growth approved a \$10 million loan to Australian Tungsten Pty Ltd (ATPL) to assist with the capex requirements for the Dolphin Mine restart. On 27 October 2022 the loan was executed, the loan was fully drawn down in two tranches of \$5 million each in October and November 2022.

The then Minister and Treasurer also approved a grant of up to \$2 million to be provided to Hydro Tasmania to upgrade infrastructure assets (for transmission) required for the mine. These funds were later transferred to Group 6 Metals/ATPL who delivered the required upgrades.

A summary of the financial support provided by the Tasmanian Government is outlined below:

Tasmanian Government Support	Amount
Loan	\$10,000,000
Infrastructure Grant	\$2,000,000
Total	\$12,000,000

Australian Government Support for Critical Minerals

Established in 2021, the \$4 billion Critical Minerals Facility is managed by Export Finance Australia (EFA) and provides financing to projects that are aligned with the Australian Government's Critical Minerals Strategy and are otherwise in Australia's national interest. The Facility aims to help projects suffering from gaps in private finance to overcome these gaps and get off the ground. The funding can come in the form of loans, loan guarantees, bonds and working capital support and is intended as a complement to commercial financing.

The Critical Minerals Facility is administered under the Australian Government's National Interest Account, where the responsible Minister can direct EFA to support transactions that are in the national interest.

The Dolphin Tungsten Mine project aligns closely with a range of other Australian Government initiatives to support Critical Minerals in Australia but either has not yet secured support or the program is not yet open. These initiatives include:

- International Partnerships in Critical Minerals funding to support early to mid-stage projects with international partners.
- Prefeasibility funding to develop critical mineral common user facilities

Strategic Importance of Dolphin Tungsten Mine

The Dolphin Tungsten Mine is known for hosting the highest-grade tungsten deposit of significant size in the western world.

section 27

out of scope

Tungsten

Tungsten is recognised as a critical mineral by the Australian Government as well as in the USA and Europe. Tungsten alloys are some of the hardest metals and Tungsten is in possession of the highest melting point of all metals. China is the largest current producer (and consumer) of Tungsten, producing an estimated 84% of global production. There is strong demand for ex-Chinese supply of Tungsten for applications in EV's, construction, energy, aerospace and defence. This demand and tightening of Chinese domestic supply have driven increases in prices.

Dolphin Tungsten Mine

Group 6 Metals (G6M) has successfully redeveloped the Dolphin Tungsten Mine (the Mine), on King Island after it had been closed since 1992. The focus of G6M is to produce high grade tungsten concentrate with, plans to add value to the concentrate for supply into the upstream tungsten industry.

section 27

out of scope

G6M's first shipment of tungsten concentrate (WO3) was despatched in July 2023 and G6M have continued to progress through the development of the Mine transiting towards areas of higher quality ore and improving the performance of the processing plant.

In the latest quarter to 30 June 2024 G6M reported:

- The mine had set a new production record of 120kt of ore mined.
- Produced 14,606 metric tonne units (mtu) of WO3, a 12% increase compared to the previous quarter, at an average grade of 57% tungsten trioxide.
- Cash received from customers was \$5.1 million for the quarter.

On 6th August G6M reported to the market that it had completed successful ore sorting trials that demonstrated that investment in ore sorting would increase tungsten head grade, reduce milling and processing costs, lower volumes of ore fed to the mill result in reduced energy consumption and operating costs and reduce the environmental impact of the operation.

John Perry
Coordinator-General

29 August 2024

Prepared by:	out of scope	Cleared by:	David Bennett
Position:	out of scope	Position:	Executive Director – Investment Attraction
Email:	out of scope	Email:	out of scope
Phone:	out of scope	Phone:	out of scope

Eric Abetz MP
Minister for Business, Industry and Resources

QUESTION TIME BRIEF

SUBJECT: GROUP 6 METALS

Dated: 09 September 2024

KEY MESSAGES

- The Tasmanian Government is aware of Group 6 Metal's recent announcement that it has initiated a strategic review to determine the optimal capital structure and evaluate potential partnerships with strategic investors.
- We understand that Group 6 Metals has also secured support from four existing lenders to provide funding to progress this strategic review.
- The Tasmanian Government is in regular contact with the company however it is not in discussions about it providing any further finance.
- The Company has recently announced encouraging results in process plant performance and recoveries as well as improvements in mine operations and increases in production output.

Talking Points:

- Mining operations at the Dolphin Mine at Grassy, King Island, commenced in March 2023 and on 1 June 2023 Group 6 Metals (G6M) announced that it has successfully produced

its first tungsten concentrate marking a significant milestone. The last production from the site had occurred in 1990.

- G6M announced the completion of the mine's first export shipment of tungsten concentrate in over 30 years in July 2023.
- The Tasmanian Government supported G6M's plans with a \$10 million commercial loan plus a \$2 million grant towards energy infrastructure on King Island to support the mine.
- G6M has committed to developing a renewable energy solution and has completed a concept study.
- The G6M project at the reactivated mine site has supported over 90 full-time equivalent jobs during construction and around 60 ongoing full-time equivalent jobs on King Island for ongoing mining operations.
- The project is expected to inject more than \$5 million directly into the King Island economy through salaries alone and Tasmania is set to receive more than \$30 million in royalties and taxes over the life of the project.

Political Lines:

- For Minister's Office to insert

Cleared by: David Bennett
Executive Director – Investment

Contact Officer: **out of scope**

Released under RTI

From: [Haigh, Mitchell](#)
To: [Perry, John](#)
Cc: [Bennett, David](#)
Subject: RE: G6M letter
Date: Friday, 13 September 2024 3:29:43 PM

Hi John,
Thanks for getting this one across. No need for a minute, I'm ok with taking it forward directly.
Thanks again and enjoy your weekend!
Mitch

From: Perry, John **out of scope**
Sent: Friday, September 13, 2024 10:33 AM
To: Haigh, Mitchell **out of scope**
Cc: Bennett, David (Coordinator General) **out of scope**
Subject: G6M letter

Hi Mitch
Please see attached the proposed letter for the Minister.
You'll see I've marked it commercially sensitive given G6M's listing.
Would you like a Minute and this sent through the formal channels, or are you ok to take this draft forward from here?
Thanks
John

John Perry | Coordinator-General
Office of the Tasmanian Coordinator-General
Main: CH Smith Centre, 20 Charles Street Launceston TAS 7250 | PO Box 1186 Launceston TAS 7250
Other: 4 Salamanca Place Hobart TAS 7000
out of scope
www.cg.tas.gov.au

This information is provided to you in response to your recent enquiry to the Office of the Coordinator-General. The email is confidential and is for the intended recipient only. It is intended to be general information only and does not constitute professional advice and should not be relied upon as such. Access, disclosure, copying, distribution or reliance on any of it by anyone outside the intended recipient organisation is prohibited and may be a criminal offence. Please delete if obtained in error and confirm with the sender.

While effort has been made to ensure the material provided is current, no representation or warranty is made as to the accuracy, adequacy or completeness of any of the information. Accordingly, you should make your own enquiries and seek independent professional advice before considering acting on, or relying upon, any of the information provided.

The Crown, its officers, employees and agents do not accept any liability however arising, including liability for negligence, for any loss that may result from the use of, or reliance upon, any of the information.

The Hon Eric Abetz MP
Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: Minister.Abetz@dpac.tas.gov.au



Hon. Madeleine King MP
Madeliene.king.mp@aph.gov.au

Commercially Sensitive

Dear Minister King

Request for Federal Funding Assistance for Group 6 Metals Dolphin Tungsten Mine on King Island

It was good to meet recently and discuss national resources matters. I look forward to meeting next time in person.

Following on from the discussion of critical minerals mining operations and Group 6 Metals (G6M) specifically, I am writing to seek your consideration of Australian Government financial support for Group 6 Metals (G6M) to help ensure the long-term viability of the Dolphin Tungsten Mine on King Island, Tasmania. The mine, which re-opened in August 2023, holds one of the highest-grade tungsten deposits globally and is critical to Australia's strategic minerals objectives, given tungsten's vital role in industries such as mining, defence, energy, and aerospace.

Since January 2022, G6M has invested approximately **section 27** in the Dolphin Tungsten Mine and currently employs 110 full-time staff, including 87 direct employees and 23 contractors.

The Tasmanian Government has been a strong supporter, providing an early commitment of \$12 million (\$10 million loan and \$2 million grant) of financial assistance to help start the process of getting the mine reopened. This support was instrumental in helping G6M raise private capital to fund the reopening and start operations.

section 27

section 27

The Dolphin Tungsten Mine stands out as one of the most developed tungsten projects in Australia, but it requires further investment to reach a sustainable financial position. G6M has identified significant opportunities to increase production and improve profitability, including a [section 27](#) investment in new equipment to enhance concentrate processing.

The alignment between G6M's objectives and the strategic priorities of the Australian Government, the Critical Minerals Office, and Austrade makes this project a key candidate for federal support. Tungsten is officially recognised as a critical mineral under the Australian Government's Critical Mineral's Strategy, as well as by the United States and Europe, due to its strategic importance. Tungsten alloys are some of the hardest metals, and tungsten itself has the highest melting point of any metal, making it indispensable for the mining sector, industries critical to national security and the transition to net zero. However, over 80 per cent of the world's tungsten supply is controlled by a single country, with international reserves depleting rapidly. This places significant pressure on diversifying supply chains for this crucial mineral and makes ensuring supply from Australia's reserves an important sovereign risk and geo-political consideration.

The ongoing operation and development of the Dolphin Tungsten Mine aligns strongly with many of the Australian Government's strategies and incentives to support critical mineral projects including those in partnership with Foreign Governments such as the US-Australia Climate, Critical Minerals and Clean Energy Transformation Compact (US- Australia Compact) and the recently signed United States and Australia critical minerals funding pact. One of the aims of the US-Australia Compact is to promote responsible, sustainable, and stable supply of critical minerals and to achieve this each Government intends to identify and address financial and non-financial barriers to accelerating and expanding development of critical minerals industries in our respective countries. [section 27](#)

Considering the strategic importance of tungsten and the necessity for diversified and sustainable supply chains for critical minerals, and the advanced stage of this mine, we believe there is a strong case for the Australian Government to provide similar financial assistance to G6M as that provided by the Tasmanian Government. As our Government's early support helped provide the momentum to raise sufficient private capital to restart the mine, support from the Australian Government now would play a key role in helping enable the successful recapitalisation of the company and ensuring the long-term viability of one of Australia's key critical mineral projects, which is also a major contributor to the King Island economy.

In addition to the challenges currently faced by G6M and the Dolphin Mine, [out of scope](#)

out of scope

out of scope

The Tasmanian Government believes investing in the G6M mining operations is an important opportunity for the Australian Government to reinforce its commitment to securing the supply of critical minerals vital to the nation's future, and I look forward to discussing this matter further with you.

Yours sincerely

Eric Abetz MP
Minister for Transport

Released under RTI

Eric Abetz MP
Minister for Business, Industry and Resources

QUESTION TIME BRIEF

SUBJECT: GROUP 6 METALS

Dated: 10 September 2024

KEY MESSAGES

- The Tasmanian Government is aware of Group 6 Metal's (G6M) announcement on 27 September 2024 to request voluntary suspension of trading on the Australian Stock Exchange (ASX).
- The request was made due to the pending release of an announcement regarding a potential transaction in connection with a recapitalisation of G6M.
- We understand that the voluntary trading suspension will be in place until such time as G6M lodges its Annual Accounts and that it is otherwise appropriate for G6M's securities to be reinstated to quotation.
- Existing lenders are providing funding support while G6M undertakes this strategic review.
- The Tasmanian Government, through the various Government departments, is in regular contact with Group 6 Metals and a number of stakeholders as the company works through this challenging period.
- The Tasmanian Government will consider a request for financial assistance to ensure the continued operation of the

Dolphin Mine. Any such request will be considered through appropriate channels such as the Tasmanian Development and Resources Board and will be subject to relevant approvals.

Talking Points:

- Mining operations commenced in March 2023. The last production from the site had occurred in 1990.
- G6M continues to develop the mine and optimise the plant efficiencies after 12 months operation achieving quarterly record production in the June quarter.
- On 1 June 2023 G6M announced that it has successfully produced its first tungsten concentrate and the first export shipment of tungsten concentrate was despatched in July 2023.
- The Tasmanian Government supported G6M's plans with a \$10 million commercial loan plus a \$2 million grant towards energy infrastructure on King Island to support the mine.
- The company employs 110 full-time staff, with 87 direct employees and 23 contractors. Local residential employment is a priority for the company, and it expects to create a significant number of jobs during the mine's construction and operation phases.
- The project is expected to inject more than \$5 million directly into the King Island economy through salaries alone and Tasmania is set to receive more than \$30 million in royalties and taxes over the life of the project.

- In the latest quarter to 30 June 2024 G6M reported the mine had set a new production record of 120kt of ore mined. The company continues to refine operational efficiencies utilising the knowledge gained over the last 12 months of operation.
- On 6 August G6M reported to the market that it had completed successful ore sorting trials that demonstrated that investment in ore sorting would increase tungsten head grade, reduce milling and processing costs, lower volumes of ore fed to the mill result in reduced energy consumption and operating costs and reduce the environmental impact of the operation.
- G6M has appointed MA Moelis to conduct a strategic review of the optimal capital structure and to consider merger and acquisition activities. G6M senior lenders have provided over \$4 million in credit and extended maturity dates for near term debt to sustain operations while the review is completed.
- The Tasmanian Government is aware of recent media reports that G6M is in discussion with several parties for short- and medium-term funding to allow the company to progress to sustainable production.
- The Tasmanian Government is in regular contact with Group 6 Metals and a number of stakeholders as the Company works through this challenging period.
- The Tasmanian Government will consider a request for financial assistance to ensure the continued operation of the Dolphin Mine. Any such request will be considered through appropriate channels such as the Tasmanian Development

and Resources Board and will be subject to relevant approvals.

Political Lines:

- For Minister's Office to insert

Released under RTI

Background and Facts

- The Dolphin Tungsten Mine is known for hosting the highest-grade tungsten deposit of significant size in the western world.
- Tungsten is a strategically significant metal and a key input to industries vital to the national interest (including mining and defence (national security)).
- At full production, the redeveloped Dolphin Mine is expected to produce approximately 2,000 tonnes of tungsten trioxide per annum, contained in 3,100 tonnes of concentrate. This is a significant quantity of tungsten supply into the world market.
- In June 2024 G6M reported its Quarterly Production highlighting the mine progress:
 - Production of mtu (metric tonne units) of WO₃ at 14,606, a 12 per cent increase compared to the previous quarter.
 - The mine has set a new production record of 120kt of ore mined for the quarter.
 - The processing plant had an average daily ore processing rate of 669 tonnes per day, which was a 12 per cent increase from the previous quarter.
 - 12,290 metric tonne units (mtu) of WO₃ in tungsten concentrate was shipped, and cash received from customers was \$5.1 million for the quarter.
- In August 2024 G6M announced encouraging results from an ore sorting trial. The trial confirmed that its ore sorting process has the potential to increase the grade of tungsten ore processed, reduce milling and processing costs, improve metal recovery and reduce environmental impact. According to G6M these improvements will deliver improved financial returns and bring the mine to cash flow positive.
- In line with its ECG principles G6M is collaborating with Climate Capital Pty Ltd to develop a Power Purchase Agreement to integrate renewable energy at Dolphin Tungsten Mine featuring a solar array and battery storage.

Cleared by: David Bennett
Executive Director – Investment

Contact Officer: out of scope
out of scope

Eric Abetz MP
Minister for Business, Industry and Resources

QUESTION TIME BRIEF

SUBJECT: GROUP 6 METALS

Dated: 13 November 2024

KEY MESSAGES

- The Tasmanian Government is aware of Group 6 Metal's (G6M) announcement on 27 September 2024 to request voluntary suspension of trading on the Australian Stock Exchange (ASX).
- The request was made due to the pending release of an announcement regarding a potential transaction in connection with a recapitalisation of Group 6 Metals (Group 6).
- We understand that the voluntary trading suspension will be in place until it is appropriate for Group 6's shares to be reinstated to quotation, which is a matter for Group 6 and the ASX.
- Existing lenders have been providing funding support while the company progresses the recapitalisation plans.
- The Tasmanian Government, through the various Government departments, is in regular contact with Group 6 Metals and a number of stakeholders as the company works through these matters.

- The Tasmanian Government will consider a request for financial assistance to help ensure the continued operation of the Dolphin Mine, and its consideration would be through the Government's appropriate channels and be subject to relevant approvals.

Talking Points:

- Mining operations commenced in March 2023. The last production from the site had occurred in 1990.
- G6M continues to develop the mine and optimise the plant efficiencies after 12 months operation achieving quarterly record production in the June quarter.
- On 1 June 2023 G6M announced that it has successfully produced its first tungsten concentrate and the first export shipment of tungsten concentrate was despatched in July 2023.
- The Tasmanian Government supported G6M's plans with a \$10 million commercial loan plus a \$2 million grant towards energy infrastructure on King Island to support the mine.
- The company employs 110 full-time staff, with 87 direct employees and 23 contractors. Local residential employment is a priority for the company, and it expects to create a significant number of jobs during the mine's construction and operation phases.
- The project is expected to inject more than \$5 million directly into the King Island economy through salaries alone and

Tasmania is set to receive more than \$30 million in royalties and taxes over the life of the project.

- In the latest quarter to 30 June 2024 G6M reported the mine had set a new production record of 120kt of ore mined. The company continues to refine operational efficiencies utilising the knowledge gained over the last 12 months of operation.
- On 6 August G6M reported to the market that it had completed successful ore sorting trials that demonstrated that investment in ore sorting would increase tungsten head grade, reduce milling and processing costs, lower volumes of ore fed to the mill result in reduced energy consumption and operating costs and reduce the environmental impact of the operation.
- G6M has appointed MA Moelis to conduct a strategic review of the optimal capital structure and to consider merger and acquisition activities. G6M senior lenders have provided over \$4 million in credit and extended maturity dates for near term debt to sustain operations while the review is completed.
- The Tasmanian Government is aware of recent media reports that G6M is in discussion with several parties for short- and medium-term funding to allow the company to progress to sustainable production.
- The Tasmanian Government is in regular contact with Group 6 Metals and a number of stakeholders as the Company works through this challenging period.
- The Tasmanian Government will consider a request for financial assistance to ensure the continued operation of the Dolphin Mine. Any such request will be considered through

appropriate channels such as the Tasmanian Development and Resources Board and will be subject to relevant approvals.

Background and Facts

- The Dolphin Tungsten Mine is known for hosting the highest-grade tungsten deposit of significant size in the western world.
- Tungsten is a strategically significant metal and a key input to industries vital to the national interest (including mining and defence (national security)).
- At full production, the redeveloped Dolphin Mine is expected to produce approximately 2,000 tonnes of tungsten trioxide per annum, contained in 3,100 tonnes of concentrate. This is a significant quantity of tungsten supply into the world market.
- In June 2024 G6M reported its Quarterly Production highlighting the mine progress:
 - Production of mtu (metric tonne units) of WO₃ at 14,606, a 12 per cent increase compared to the previous quarter.
 - The mine has set a new production record of 120kt of ore mined for the quarter.
 - The processing plant had an average daily ore processing rate of 669 tonnes per day, which was a 12 per cent increase from the previous quarter.
 - 12,290 metric tonne units (mtu) of WO₃ in tungsten concentrate was shipped, and cash received from customers was \$5.1 million for the quarter.
- In August 2024 G6M announced encouraging results from an ore sorting trial. The trial confirmed that its ore sorting process has the potential to increase the grade of tungsten ore processed, reduce milling and processing costs, improve metal recovery and reduce environmental impact. According to G6M these improvements will deliver improved financial returns and bring the mine to cash flow positive.
- In line with its ECG principles G6M is collaborating with Climate Capital Pty Ltd to develop a Power Purchase Agreement to integrate renewable energy at Dolphin Tungsten Mine featuring a solar array and battery storage.

Cleared by: David Bennett
Executive Director – Investment

Contact Officer:

out of scope

Released under RTI

From: [Haigh, Mitchell](#)
To: out of scope
Subject: RE: G6M QTB
Date: Wednesday, 13 November 2024 4:07:41 PM

Thanks out of scope – appreciate it!

From: out of scope @cg.tas.gov.au>
Sent: Wednesday, November 13, 2024 8:19 AM
To: Haigh, Mitchell out of scope
Subject: RE: G6M QTB

Hi Mitch,

Please find attached updated brief.

New inclusions summarised below, which David cleared last night.

- We understand that the voluntary trading suspension will be in place until such time as G6M lodges its Annual Accounts and that it is otherwise appropriate for G6M's securities to be reinstated to quotation.
- Existing lenders are providing funding support while G6M undertakes this strategic review.
- The Tasmanian Government, through the various government departments, is in regular contact with Group 6 Metals and a number of stakeholders as the company works through this challenging period.
- The Tasmanian Government will consider a request for financial assistance to ensure the continued operation of the Dolphin Mine. Any such request will be considered through appropriate channels such as the Tasmanian Development and Resources Board and will be subject to relevant approvals

Let me know if anything further is required.

Thanks,

out of scope

Office of the Coordinator-General
CH Smith Centre, 20 Charles Street Launceston TAS 7250

out of scope

cg.tas.gov.au

www.cg.tas.gov.au

Disclaimer

This information is provided to you in response to your recent enquiry to the Office of the Coordinator-General. The email is confidential and is for the intended recipient only. It is intended to be general information only and does not constitute professional advice and should not be relied upon as such. Access, disclosure, copying, distribution or reliance on any of it by anyone outside the intended recipient organisation is prohibited and may be a criminal offence. Please delete if obtained in error and confirm with the sender.

While effort has been made to ensure the material provided is current, no representation or warranty is made as to the accuracy, adequacy or completeness of any of the information. Accordingly, you should make your own enquiries and seek independent professional advice before considering acting on, or relying upon, any of the information provided. The Crown, its officers, employees and agents do not accept any liability however arising, including liability for negligence, for any loss that may result from the use of, or reliance upon, any of the information.

From: Haigh, Mitchell <Mitchell.Haigh@cg.tas.gov.au>
Sent: Monday, November 11, 2024 5:26 PM
To: @cg.tas.gov.au
Cc: Bennett, David @cg.tas.gov.au
Subject: G6M QTB

Hi ,

Can you have a look at the attached QTB on G6M and add in anything from OCG's perspective please? This version has come from MRT so would appreciate a point or two about Government working closely with the company during this period and a line or two about considering any request that will see the mine continue operations.

Thanks

Mitch

Mitchell Haigh

Senior Adviser

Office of the Hon Eric Abetz MP

Minister for Business, Industry and Resources

Minister for Transport

Leader of the House

Liberal Member for Franklin

53 St John St, Launceston

@cg.tas.gov.au

CONFIDENTIALITY NOTICE AND DISCLAIMER

The information in this transmission may be confidential and/or protected by legal professional privilege, and is intended only for the person or persons to whom it is addressed. If you are not such a person, you are warned that any disclosure, copying or dissemination of the information is unauthorised. If you have received the transmission in error, please immediately contact this office by telephone, fax or email, to inform us of the error and to enable arrangements to be made for the destruction of the transmission, or its return at our cost. No liability is accepted for any unauthorised use of the information contained in this transmission.

CONFIDENTIALITY NOTICE AND DISCLAIMER

The information in this transmission may be confidential and/or protected by legal professional privilege, and is intended only for the person or persons to whom it is addressed. If you are not such a person, you are warned that any disclosure, copying or dissemination of the information is unauthorised. If you have received the transmission in error, please immediately contact this office by telephone, fax or email, to inform us of the error and to enable arrangements to be made for the destruction of the transmission, or its return at our cost. No liability is accepted for any unauthorised use of the information contained in this transmission.

CONFIDENTIALITY NOTICE AND DISCLAIMER

The information in this transmission may be confidential and/or protected by legal professional privilege, and is intended only for the person or persons to whom it is addressed. If you are not such a person, you are warned that any disclosure, copying or dissemination of the information is unauthorised. If you have received the transmission in error, please immediately contact this office by telephone, fax or email, to inform us of the error and to enable arrangements to be made for the destruction of the transmission, or its return at our cost. No liability is accepted for any unauthorised use of the information contained in this transmission.

QUESTION TIME BRIEF

SUBJECT: GROUP 6 METALS

Dated: 13 November 2024

KEY MESSAGES

- The Tasmanian Government is aware of Group 6 Metal's (G6M) announcement on 27 September 2024 to request voluntary suspension of trading on the Australian Stock Exchange (ASX).
- The request was made due to the pending release of an announcement regarding a potential transaction in connection with a recapitalisation of Group 6 Metals (Group 6).
- We understand that the voluntary trading suspension will be in place until it is appropriate for Group 6's shares to be reinstated to quotation, which is a matter for Group 6 and the ASX.
- Existing lenders have been providing funding support while the company progresses the recapitalisation plans.
- The Tasmanian Government, through the various Government departments, is in regular contact with Group 6 Metals and a number of stakeholders as the company works through these matters.

- The Tasmanian Government will consider a request for financial assistance to help ensure the continued operation of the Dolphin Mine, and its consideration would be through the Government's appropriate channels and be subject to relevant approvals.

Talking Points:

- Mining operations commenced in March 2023. The last production from the site had occurred in 1990.
- G6M continues to develop the mine and optimise the plant efficiencies after 12 months operation achieving quarterly record production in the June quarter.
- On 1 June 2023 G6M announced that it has successfully produced its first tungsten concentrate and the first export shipment of tungsten concentrate was despatched in July 2023.
- The Tasmanian Government supported G6M's plans with a \$10 million commercial loan plus a \$2 million grant towards energy infrastructure on King Island to support the mine.
- The company employs 110 full-time staff, with 87 direct employees and 23 contractors. Local residential employment is a priority for the company, and it expects to create a significant number of jobs during the mine's construction and operation phases.
- The project is expected to inject more than \$5 million directly into the King Island economy through salaries alone and

Tasmania is set to receive more than \$30 million in royalties and taxes over the life of the project.

- In the latest quarter to 30 June 2024 G6M reported the mine had set a new production record of 120kt of ore mined. The company continues to refine operational efficiencies utilising the knowledge gained over the last 12 months of operation.
- On 6 August G6M reported to the market that it had completed successful ore sorting trials that demonstrated that investment in ore sorting would increase tungsten head grade, reduce milling and processing costs, lower volumes of ore fed to the mill result in reduced energy consumption and operating costs and reduce the environmental impact of the operation.
- G6M has appointed MA Moelis to conduct a strategic review of the optimal capital structure and to consider merger and acquisition activities. G6M senior lenders have provided over \$4 million in credit and extended maturity dates for near term debt to sustain operations while the review is completed.
- The Tasmanian Government is aware of recent media reports that G6M is in discussion with several parties for short- and medium-term funding to allow the company to progress to sustainable production.
- The Tasmanian Government is in regular contact with Group 6 Metals and a number of stakeholders as the Company works through this challenging period.
- The Tasmanian Government will consider a request for financial assistance to ensure the continued operation of the Dolphin Mine. Any such request will be considered through

appropriate channels such as the Tasmanian Development and Resources Board and will be subject to relevant approvals.

Background and Facts

- The Dolphin Tungsten Mine is known for hosting the highest-grade tungsten deposit of significant size in the western world.
- Tungsten is a strategically significant metal and a key input to industries vital to the national interest (including mining and defence (national security)).
- At full production, the redeveloped Dolphin Mine is expected to produce approximately 2,000 tonnes of tungsten trioxide per annum, contained in 3,100 tonnes of concentrate. This is a significant quantity of tungsten supply into the world market.
- In June 2024 G6M reported its Quarterly Production highlighting the mine progress:
 - Production of mtu (metric tonne units) of WO₃ at 14,606, a 12 per cent increase compared to the previous quarter.
 - The mine has set a new production record of 120kt of ore mined for the quarter.
 - The processing plant had an average daily ore processing rate of 669 tonnes per day, which was a 12 per cent increase from the previous quarter.
 - 12,290 metric tonne units (mtu) of WO₃ in tungsten concentrate was shipped, and cash received from customers was \$5.1 million for the quarter.
- In August 2024 G6M announced encouraging results from an ore sorting trial. The trial confirmed that its ore sorting process has the potential to increase the grade of tungsten ore processed, reduce milling and processing costs, improve metal recovery and reduce environmental impact. According to G6M these improvements will deliver improved financial returns and bring the mine to cash flow positive.
- In line with its ECG principles G6M is collaborating with Climate Capital Pty Ltd to develop a Power Purchase Agreement to integrate renewable energy at Dolphin Tungsten Mine featuring a solar array and battery storage.

Cleared by: David Bennett
Executive Director – Investment

Contact Officer:

out of scope

Released under RTI

From: [Bennett, David](#)
To: [Haigh, Mitchell \(DPaC\)](#)
Subject: Attachments for upcoming G6M minute
Date: Friday, 13 December 2024 5:01:00 PM
Attachments: .pdf

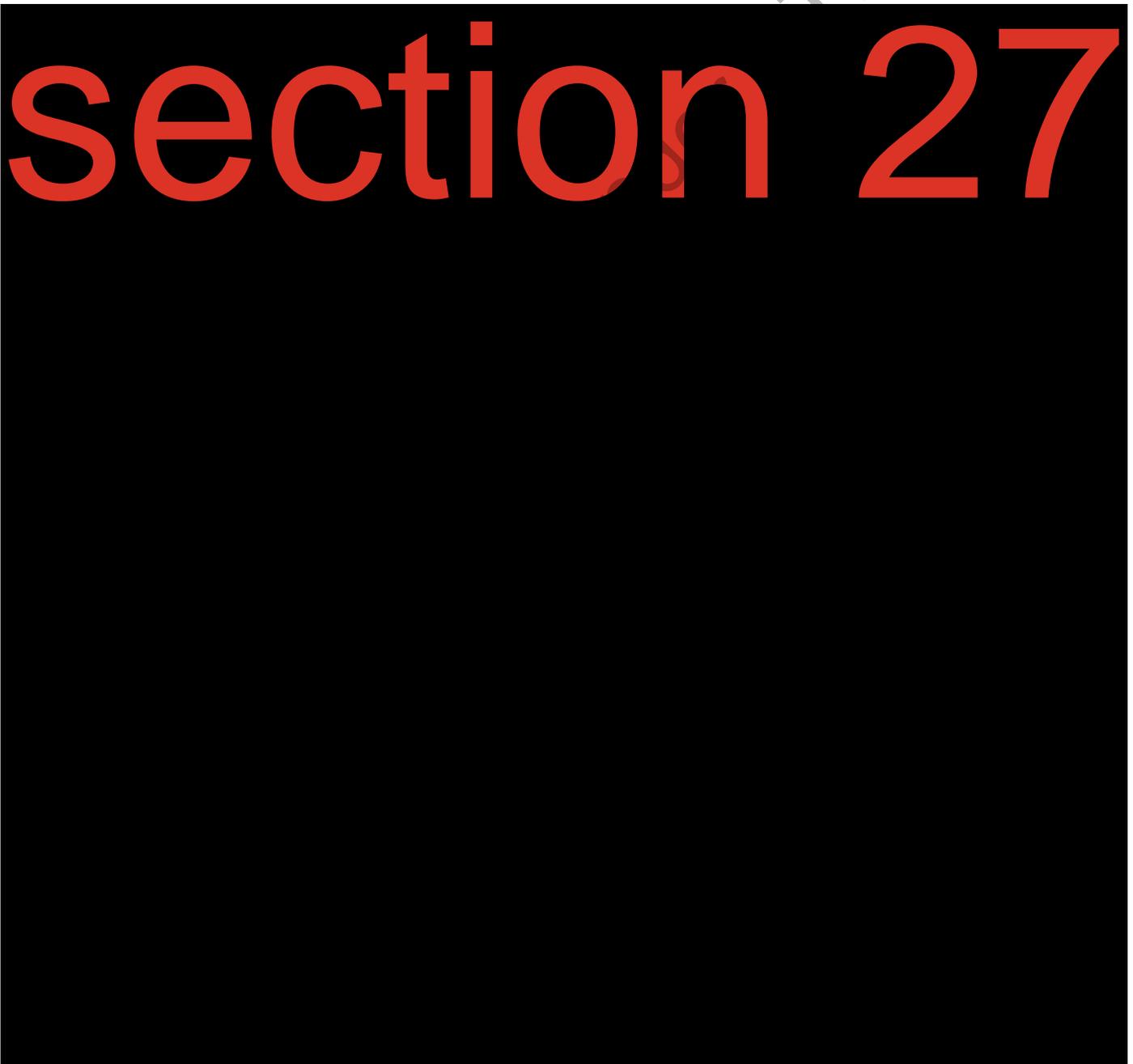
CONFIDENTIAL

Hi Mitch

Just sending the attachments through ahead of the upcoming minute re the G6M conversion.
The proposed recommendations are set out below but

Recommendation:

That you:



section 27

section 27

Let me know if you have any questions

Thanks

David

David Bennett | Executive Director – Investment Attraction

Office of the Coordinator-General

47-49 Cattley Street, Burnie, TAS 7320 | PO Box 1186 Launceston TAS 7250

out of scope

out of scope

www.cg.tas.gov.au

Courage to make a difference through

TEAMWORK | INTEGRITY | RESPECT | EXCELLENCE

From: [Bennett, David](#)
To: [High, Mitchell \(DPS\)](#)
Cc: [\[out of scope\]](#)
Subject: [COV Processing Plant Facility - draft minute attachments](#)
Date: Thursday, 9 January 2025 12:28:00 AM
Attachments: [TDR Board Paper - G6M - November 2, 2024.pdf](#)
[Att: S.Tompson_FinalUse_Analysis_2023.pdf](#)
[msoeAU.jpg](#)

Hi Mitch

Further to my email regarding the conversion to equity of the existing \$10.49m section 35 loan to Group 6 Metals [section 27](#)

[section 27](#)

In anticipation of the minister's review of this matter I wanted to share with you the attachments to the draft minute and the draft recommendations for your consideration.

Please see attached a copy of the TDR Board Paper relating to this proposed support and the relevant attachments to this document.

The recommendations from the draft of the minute to the Minister for Business Industry and Resources are set out below:

Recommendation



Please let me know if you have any questions or require additional information.

Note that we have sent draft information to Treasury in anticipation of consideration of this matter.

We will send through the minute

Thanks

David

David Bennett | Executive Director – Investment Attraction
Office of the Coordinator-General
47-49 Cattleby Street, Burnie, TAS 7320 | PO Box 1186 Launceston TAS 7250
[\[out of scope\]](#)
[\[out of scope\]](#)
www.cq.tas.gov.au

Courage to make a difference through
TEAMWORK | INTEGRITY | RESPECT | EXCELLENCE



Released under R

Deputy Premier
Treasurer
Attorney-General
Minister for Justice

Level 10, 15 Murray Street, HOBART TAS 7000
GPO Box 123 HOBART TAS 7001
Phone: 03 6165 7678
Email: Barnett.correspondence@dpac.tas.gov.au



7 FEB 2025

Hon Eric Abetz MP
Minister for Business, Industry and Resources
via email: Eric.Abetz@dpac.tas.gov.au

Dear Minister, *Eric,*

Thank you for your letter of 5 February 2025 regarding appropriation of funds to convert the Tasmanian Government's Group 6 Metals loan to equity through the Board of Tasmanian Development and Resources (TDR).

section 27

Approving this appropriation of \$10.49 Million, comprising the original loan and accrued interest, will impact the 2024-25 Budget Net Operating Balance and this amount has been included in the Revised Estimates Report.

On this basis, I approve the appropriation to TDR to acquire the equity in Group 6 Metals.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Guy Barnett".

Hon Guy Barnett MP
Treasurer

From: [Bennett, David](#)
To: [Haigh, Mitchell \(DPaC\)](#); [Perry, John](#)
Cc: [Hendriks, Lara \(DPaC\)](#)
Subject: RE: Urgent - G6M
Date: Wednesday, 5 February 2025 1:03:27 PM

Hi Mitch

out of scope

I will get onto the draft media release now. I will give you call to discuss when the forum finishes at 2pm

John I will contact you later today to discuss this.

Thanks

David

From: Haigh, Mitchell out of scope
Sent: Wednesday, 5 February 2025 11:41 AM
To: Bennett, David out of scope Perry, John out of scope
Cc: Hendriks, Lara (DPaC) out of scope
Subject: Urgent - G6M

Hi both,

Haven't been able to get onto either of you this morning so sending through this email.

Can you please prepare a draft media release on the G6M debt to equity conversion that we will be looking at putting out over the weekend. If you could get something through by early afternoon tomorrow that would be appreciated.

section 35

Any questions give me a buzz.

Thanks

Mitch

Mitchell Haigh | Senior Adviser – Business, Industry and Resources

Office of the Hon. Eric Abetz MP

Minister for Business, Industry and Resources

Minister for Transport

Leader of the House

Liberal Member for Franklin

Ground Floor, 53 St John St, Launceston 7250

Phone: out of scope

Department of Premier & Cabinet

www.premier.tas.gov.au

Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: Minister.Abetz@dpac.tas.gov.au



Hon Guy Barnett MP
Treasurer
Email: Guy.Barnett@dpac.tas.gov.au

11 FEB 2025

Dear Treasurer *Guy,*

REQUEST FOR APPROVAL - GROUP 6 METALS section 27

Further to recent correspondence regarding financial assistance for Group 6 Metals (G6M) and the Dolphin Tungsten Mine (the Mine), section 27

section 27

In October 2024, G6M and its Senior Lending Group (SLG) proposed a recapitalisation plan to address sustained operational underperformance and transform the Mine's operations. As part of this proposal, the SLG sought two key tranches of support from the Tasmanian Government:

1. Conversion of the existing Tasmanian Government debt (approximately \$10.5 million) to equity in G6M; and

section 27

At its out of session meeting on 29 November 2024, the Tasmanian Development Board (TD Board)

section 27

section 27

- G6M and the SLG will be required to provide further information and ongoing reporting on the Transformation Plan.

section 27

Key Terms and Conditions of the Loan

The key terms and conditions of the loan include:

out of scope

- A loan term of three years.
- The loan will become repayable from 30 July 2025 with quarterly repayments to commence on 30 September.

- The security of the loan will be a first ranking general security deed from Australian Tungsten Pty Ltd and a corporate guarantee from Group 6 Metals Limited. All security will be shared equally with other Senior Lenders in proportion to their debt contributions.
- The interest rate for the loan will be 12% per annum.

section 27

For any further information or clarification, please do not hesitate to contact my office or the Office of the Coordinator-General.

Yours sincerely

out of scope

Hon Eric Abetz MP
Minister for Business, Industry and Resources

Attachment 1 – section 27

Deputy Premier
Treasurer
Attorney-General
Minister for Justice



Level 10, 15 Murray Street, HOBART TAS 7000
GPO Box 123 HOBART TAS 7001
Phone: 03 6165 7678
Email: Barnett.correspondence@dpac.tas.gov.au

13 MAR 2025

Hon Eric Abetz MP
Minister for Business, Industry and Resources
via email: Eric.Abetz@dpac.tas.gov.au

Dear Minister, *Eric*

Thank you for your letter of 11 February 2025

section 27

section 27

I note the information contained in your letter and the associated papers from the TD Board in relation to this request, **section 27** and the impacts that a mine closure would have on King Island.

I also note the considerable benefits, to both King Island and Tasmania, if the operational issues can be resolved and the mine able to reach sustainable, positive operating cashflow.

section 27

Yours sincerely

out of scope

Hon Guy Barnett MP
Treasurer

DRAFT MEDIA RELEASE

Hon Eric Abetz MP, Minister for Business, Industry and Resources

G6M Debt to Equity Conversion

section 35

DRAFT MEDIA ADVISORY

Member, Portfolio

Media Opportunity

Body text.

When:

Where:

DRAFT
Released under RTI

From: [Tasmanian Government Media](#)
To: [Haigh, Mitchell \(DPaC\)](#)
Subject: Future of King Island mine secure
Date: Monday, 10 February 2025 1:24:34 PM



Eric Abetz, Minister for Business, Industry and Resources

10 February 2025

Future of King Island mine secure

The Tasmanian Government has taken decisive action to secure King Island jobs and support the long-term future of the Dolphin Tungsten Mine.

An agreement to convert debt-to-equity for Group 6 Metals (G6M) has meant that the Mine's operations will continue, ensuring ongoing economic activity for the island.

Minister for Business, Industry and Resources, Eric Abetz, said the mine is a critical part of the King Island economy, supporting around 95 direct jobs and many local businesses.

“The Dolphin Tungsten Mine is a major employer on King Island and a key contributor to the local economy,” Minister Abetz said.

“To give the mine the best chance of success, the Government is converting its existing \$10 million loan into an equity stake in Group 6 Metals, as part of a broader turnaround plan developed by the company and its senior lenders.”

The Government’s decision strengthens G6M’s financial position and allows for critical improvements to mine operations.

As part of our 2030 Strong Plan for Tasmania’s Future, the Tasmanian Government announced plans to enable the State to co-invest in strategic projects that benefit Tasmania.

It follows recent legislative changes that enable the Government to stimulate investment and economic growth by co-investing in strategic projects that benefit Tasmania.

“Our support ensures the mine has the opportunity to succeed and continue creating jobs and economic activity for King Island,” Minister Abetz said.

“This is intended to be a short to medium-term investment to help stabilise the mine through challenging global conditions.

“The Tasmanian Government remains committed to working closely with the company to support the mine’s ongoing operations and ensure its long-term viability.”

The equity conversion remains subject to regulatory and shareholder approvals.

Contact: Will Sanderson

Phone: out of scope

Copyright 2025 Tasmanian Government, All rights reserved.

Our mailing address is:
15 Murray St Hobart, TAS 7000

Want to change how you receive these emails?
[Update your preferences](#) or [Unsubscribe](#) from this list.