

Quarterly Activities Report for the Period Ended 30 September 2023

Highlights

- **Successful completion of the Company's maiden reverse circulation ("RC") and diamond drilling ("DD") program at the Machinga Main Northern Anomaly**
- **Initial two batches of RC drill assays to date (being a total of 22 RC holes) reporting high-grade HREE and Nb₂O₅ intercepts**
- **Drilling confirms Machinga Main Northern Zone is particularly enriched in valuable heavy rare earths dysprosium (Dy) and terbium (Tb)**
- **Remaining assays from phase drilling program at Machinga (13 RC and 8 DD holes remaining) to be reported throughout Q4 2023**
- **A comprehensive sampling and geophysics program has commenced at Salambidwe, a virgin REE project with limited previous exploration**
- **Appointment of a highly experienced rare earths executive, Lloyd Kaiser as the Company's CEO and the appointment of an experienced geologist, Troth Saindi as the Company's Senior Exploration Geologist to help drive the Company's growth strategy**

Heavy rare earths and niobium explorer DY6 Metals Ltd (ASX: DY6) ("DY6", "the Company") is pleased to present its quarterly activities report for the September 2023 quarter.

Operations

Machinga Main Northern Zone

During the quarter the Company completed its maiden RC and DD drilling program at the Machinga Main Northern Zone, part of the Company's flagship Machinga project in southern Malawi for a total of 4,543m, consisting of 35 reverse circulation (RC) holes for 3,643m and 8 diamond drill (DD) holes for 900m.

The initial two batches of RC drill assays received to date (being a total of 22 RC holes) have reported widespread rare earth mineralisation endowed in valuable HREE and Nb₂O₅ (based on a 0.25% total rare earth oxide + yttrium (TREO) cut-off grade), including:

- **7m @ 1.42% TREO with 0.49% Nb₂O₅ (MR011) and 16m @ 0.54% TREO with 0.21% Nb₂O₅ (MR005);**
- **13m @ 0.65% TREO, 0.25% Nb₂O₅ from surface (3.6% DyTb/TREO) incl. 1m @ 1.06% TREO, 0.37% Nb₂O₅ from 7m, and 1m @ 1.28% TREO, 0.42% Nb₂O₅ from 9m (MR019);**
- **5m @ 0.72% TREO, 0.27% Nb₂O₅ from 44m, including 1m @ 1.65% TREO from 45m; and 3m @ 0.46% TREO, 0.16% Nb₂O₅ from 66m, including 1m @ 1.05% TREO from 66m (MR002);**

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- **16m @ 0.54% TREO, 0.21% Nb₂O₅ (3.6% DyTb:TREO) from 78m, including 3m @ 1.63% TREO, 0.7% Nb₂O₅ from 87m (MR005);**
- **4m @ 1.47% TREO, 0.62% Nb₂O₅ (3.6% DyTb:TREO) from 17m (MR021); and**
- **3m @ 1.10% TREO, 0.56% Nb₂O₅ (4.0% DyTb:TREO) from 41m (MR013).**

The mineralisation at the Machinga alkaline complex contains a higher proportion of valuable dysprosium-terbium (DyTb) with results indicating an average 3.2% DyTb:TREO in samples greater than 0.25% TREO.

The host rocks to the mineralisation are a complex mix of syenitic intrusives relating to the nearby Malosa pluton that have been emplaced in the basement metamorphic gneisses and migmatites. A strongly mineralised hydrothermal breccia system striking NW-SE and dipping shallowly ~35° to the NE has been confirmed by the recent drilling. Pleasingly, very high-grade zones have been intersected, as well as the suggestion of the mineralised zones thickening at depth. Refer to ASX announcements dated 3 October 2023 and 10 October 2023 for further details, including cross-sections of the recent drilling.

The breccia host was not recognised until the diamond drilling commenced, with the RC chips then being reviewed. Samples will be selected for petrography from both the DD core and RC chips.

All Machinga site works have now been completed, with the rigs and crew demobilised and the team relocated to DY6's Salambidwe project. Exploration activity at Salambidwe is now underway.

Results for the remaining RC holes from Machinga Main Northern Zone are expected to be released progressively during October and the first batch of DD assays (from eight diamond holes drilled for 900m) are expected in the December quarter.

Drilling at the Machinga Main Northern target – one of six targets identified to date within the overall Machinga concession – aims to follow up on previous work undertaken by Globe Mining & Metals Limited during 2010/12. Exploration drilling by Globe intersected strong REE mineralisation alongside the holes drilled by DY6 at the northern end of the Machinga Main anomaly. Intercepts reported by Globe included **11m @ 1.0% TREO with 330ppm dysprosium oxide (Dy₂O₃)** from 12m (MARC005), **5m @ 1.5% TREO with 596ppm Dy₂O₃** from 26m (MARC015) and **3m @ 2.2% TREO with 295ppm dysprosium oxide (Dy₂O₃)** from 66m (MARC033).

The host rocks to the mineralisation are a complex mix of syenitic intrusives relating to the nearby Malosa pluton that have been emplaced in the basement metamorphic gneisses and migmatites.

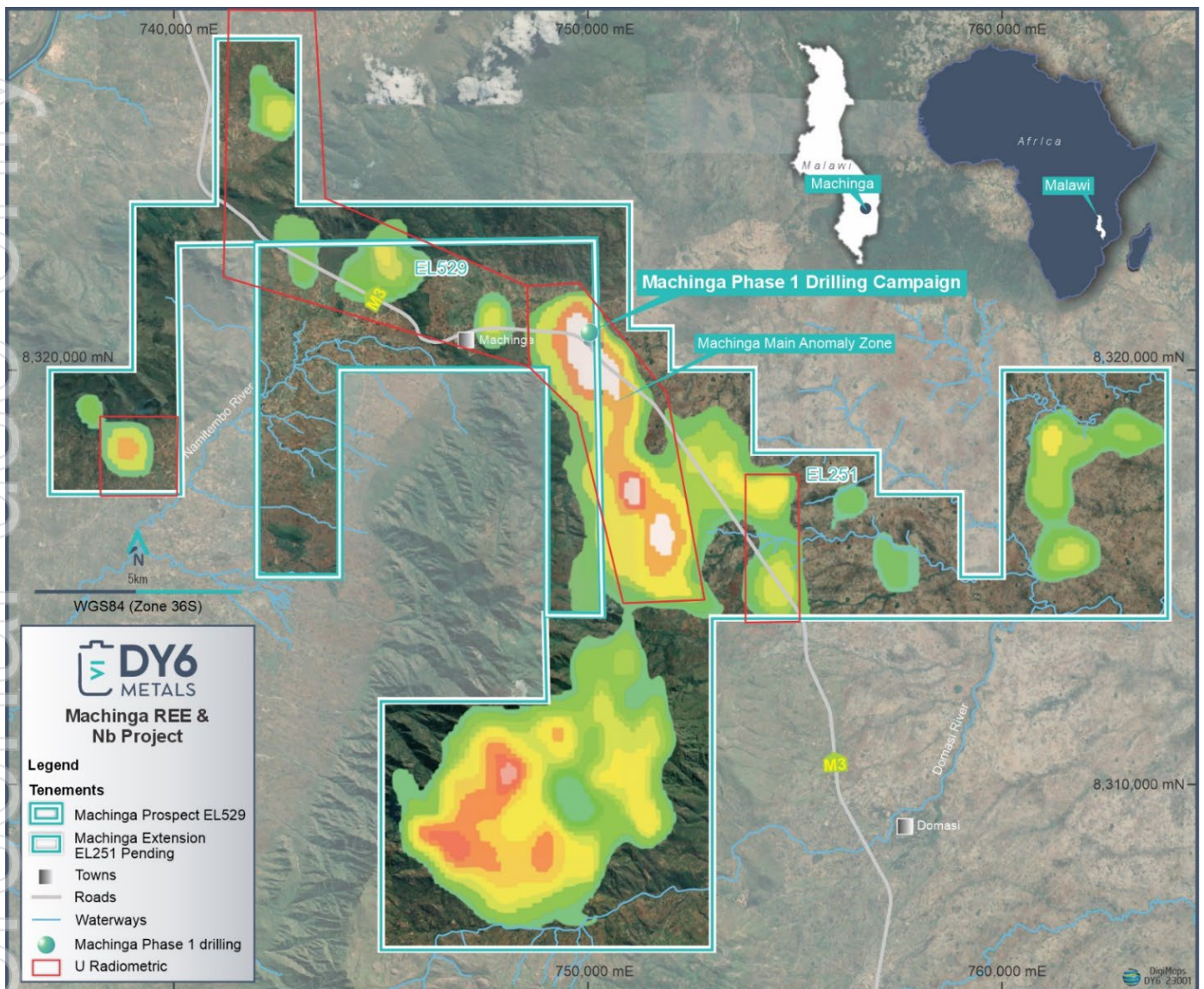


Figure 1: Machinga Project location in Southern Malawi

Salambidwe Exploration Program Update

Since completion of work programs at Machinga, the geological team mobilised to our other highly prospective REE and Nb project, Salambidwe to commence a comprehensive geochemical sampling and geophysical survey within the 24.9km² boundary of DY6's tenement. Detailed geological mapping of the entire licence area has commenced with emphasis on the anomalous central zone and covering most of the intrusion within the tenement.

Approximately 500 soil and rock chip samples over 50km are planned along with an airborne geophysical program consisting of 45-line kilometres of electromagnetic plus radiometric surveying to map the magnetic and conductive properties of the geology of Salambidwe.

The geochemical and geophysical data will be assessed during the quarter and aid the Company in defining targets for a maiden drilling campaign to occur in 2024.

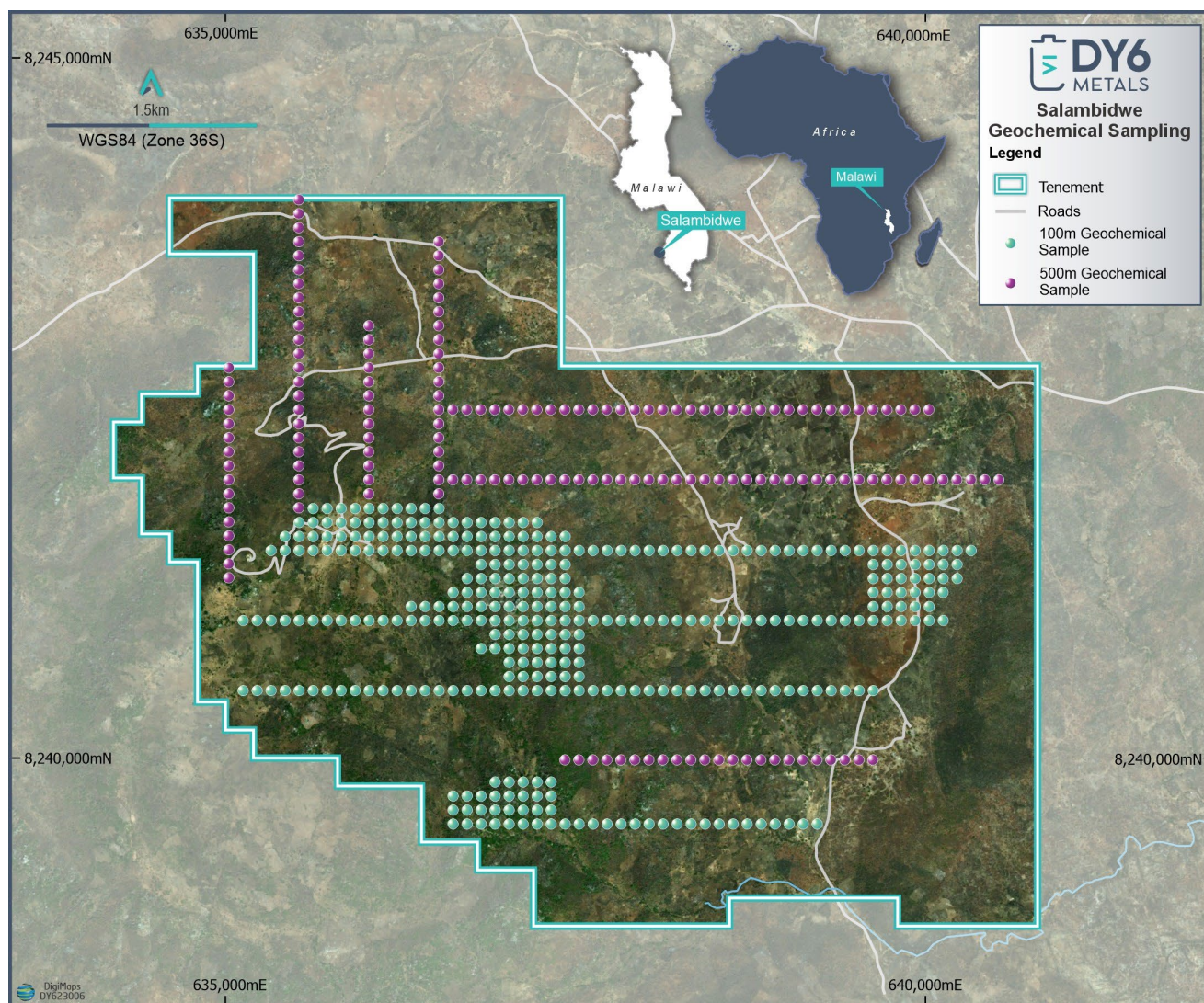


Figure 2: Geochemical Sampling Program within Salambidwe Prospect

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About Salambidwe

The Salambidwe Ring Complex forms part of the Chilwa Alkaline province of southern Malawi that also hosts the Kangankunde Deposit, Machinga REE Project and numerous other REE prospects.

The complex is approximately six kilometres in diameter (approximately 85% occurs within the licence) and is dominated by syenite and nepheline syenite with a core of agglomeratic rocks. These alkaline rock suites are known hosts to a variety of critical minerals based on historical geochemical sampling work completed by Global Metals in 2010/12.

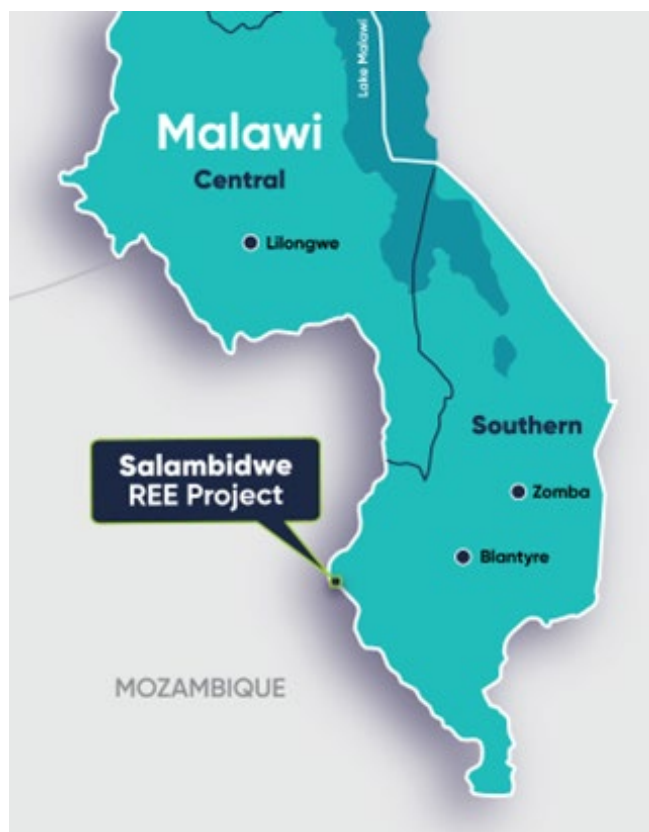


Figure 3. Map location of Salambidwe Project

Ngala Hill

The Ngala Hill prospect is located 35 km south-southwest of Blantyre in southern Malawi. The deposit is characterised as an outcropping ultramafic chonolith with widespread Pd-Pt-Au-Cu mineralisation that is palladium-rich. No significant modern exploration has been undertaken on the prospect including no electromagnetics (EM) to target higher-grade massive sulphides. Three zones of palladium rich Pd, Pt, Au, Cu mineralisation have been identified to date.

The main mineralised zone has only had limited drilling. The Company believes there is significant potential for increased PGE grade in fresh rock (i.e., Julimar deposit). The prospect is proximal to the Nacala rail/ port corridor and grid power.

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No immediate work has been planned at Ngala Hill in the near term.

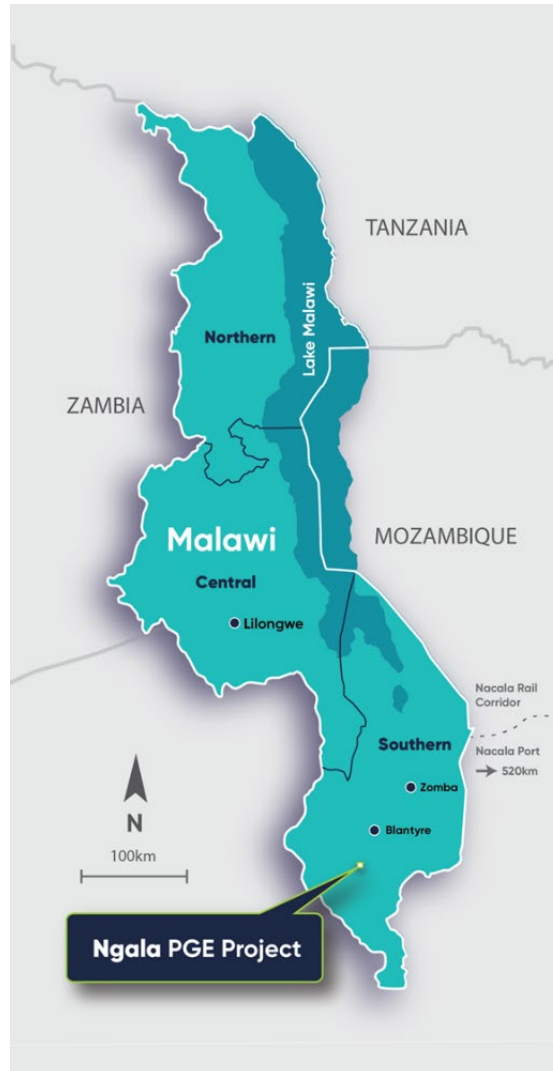


Figure 4. Map location of Ngala Hill project

Corporate

Senior Management Appointments

On 27 August 2023, the Company announced that it had appointed Mr Lloyd Kaiser as its CEO and Mr Troth Saindi as the Company’s Senior Exploration Geologist to help drive the Company’s growth strategy.

Mr Kaiser is a highly experienced rare earths executive with extensive technology and marketing experience in the industry. Mr Saindi has extensive experience in exploration and mining, with

significant contribution to conversion of both greenfields and brownfields exploration projects into operating mines.

Finance and Use of Funds

Pursuant to ASX Listing Rule 5.3.4, the Company provides a comparison of its actual expenditure against the estimated expenditure on items set out in Section 1.6 of the Company's IPO prospectus. The analysis below reflects the period from 1 June 2023 to 30 September 2023:

Activity Description	Prospectus	Actual (from 1 June 23 to 30 Sept 23)	Variance
Exploration – Machinga (2 years)	\$2,450,000	\$1,283,017	(\$1,166,983)
Exploration – Salambidwe (2 years)	\$1,000,000	\$56,663	(\$943,337)
Exploration – Ngala Hill (2 years)	\$475,000	\$0	(\$475,000)
Administration (2 years)	\$750,000	\$122,445	(\$627,555)
Working Capital (2 years)	\$1,565,000	\$311,584	(\$1,253,416)
New Project Evaluation	\$800,000	\$0	(\$800,000)
Expenses of the Offer ¹	\$665,000	\$431,698	(\$233,302)
TOTAL	\$7,705,000	\$2,205,407	(\$5,499,593)

¹Note: certain expenses of the Offer as part of the Company's IPO were also paid out prior to 1 June 2023 and therefore not accounted for in the above table.

Summary of Mining Exploration Activities Expenditure

During the September quarter, the Company made the following payments in relation to mining exploration activities:

- Title management and other consultants: \$257,218
- Mapping and sampling: \$82,017
- Drilling and assaying: \$737,456
- Field supplies, vehicles, travel and other: \$180,289

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the September quarter a total of \$159,722 was paid to Directors and associates for director, company secretarial, accounting and consulting fees.

-ENDS-

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This announcement has been authorised by the Board of DY6.

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More information

Mr Dan Smith	Mr John Kay	Mr Luke Forrestal
Chairman	Director & Company Secretary	Investor Relations
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Abbreviations

- **TREO** = Total Rare Earth Oxides – La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Y₂O₃
- **HREO** = Heavy Rare Earth Oxides – Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Y₂O₃
- **HREO%** = HREO/TREO * 100
- **DyTb:TREO** = (Dy₂O₃ + Tb₄O₇)/TREO * 100

Compliance Statement

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is a consultant of the Company. Mr Younger has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Younger consents to the inclusion of this information in the form and context in which it appears in this report. Mr Younger holds shares in the Company.

The exploration results contained in this report were first reported by the Company in its prospectus dated 3 April 2023 and announced to ASX on 27 June 2023, 6 July 2023, 12 September 2023, 3 October 2023 and 10 October 2023. The results were reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus.

Annexure 1: DY6 Metals Ltd – tenements held directly by DY6 Metals Ltd or subsidiary companies as at 30 September 2023:

Project	Tenement Details	Acquired during quarter	Disposed of during quarter	Held at end of quarter	State/Country
Machinga	EL0529, APL0251	100%	-	100%	Malawi
Salambidwe	EL0518	100%	-	100%	Malawi
Ngala Hill	EL0510	100%	-	100%	Malawi

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

DY6 Metals Limited

ABN

91 663 592 318

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(463)	(463)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(445)	(445)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(2)
(d) exploration & evaluation	(1,257)	(1,257)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,259)	(1,259)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(309)	(309)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(309)	(309)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,727	6,727
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(445)	(445)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,259)	(1,259)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(309)	(309)

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,714	4,714

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,714	6,727
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,714	6,727

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	160
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

- Consulting fees of approximately \$111,560 and director/company secretarial fees \$48,162.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(445)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,257)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,702)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,714
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,714
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.77
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 17 October 2023

The board of directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.