

Quarterly Activities Report

for the period ended 31 March 2025

Karonga (Base Metals)

- Karonga licence area was formally granted during the quarter.
- The licence covers an area of approximately 36km² and has the potential for copper mineralisation, as confirmed from preliminary reconnaissance/surveillance work.
- Preliminary reconnaissance/ surveillance sampling work conducted on the licence area during the quarter revealed the occurrence of elevated Cu grades, with initial portable XRF results ranging from 1.4 to 7.8% Cu in rock.* Results are to be verified using standard laboratory-based XRF analytical assaying methods.¹
- DY6 has recently acquired and completed reprocessing of historic hyperspectral survey data, which has been used to map areas with high probability for copper mineralisation. The results from this exercise correlate well to the mineralisation identified in the sampling work.
- Historic anomalies from regional airborne geophysical radiometric and magnetic data appear to correlate with both the hyperspectral probability copper mineralisation mapping and the preliminary sampling reconnaissance work conducted.
- Exploration for Cu and other minerals will continue on the licence area.

**Cautionary Statement on pXRF – pXRF (Portable X-Ray Fluorescence) results that are announced in this report are from uncrushed, rock-chip samples and are preliminary only. The use of pXRF is an indication only of the order of magnitude of expected final assay results.*

Tundulu (REE)

- DY6 has commissioned preliminary metallurgical testwork to be undertaken on a select bulk sample from Tundulu to determine the suitability of the Tundulu deposit to produce a separate rare earth and phosphate concentrate.
- Initial results of size liberation testwork from this preliminary program, which is being undertaken by Auralia Metallurgy in Perth, is expected in the coming weeks.

Loyalty Options Entitlement Issue

The Company raised approximately \$204,750 pursuant to a fully underwritten loyalty options entitlement offer (offering 1 unlisted option for every 2 shares held) pursuant to a prospectus dated 19 December 2024.

Heavy rare earths and critical metals explorer DY6 Metals Ltd (ASX: DY6) (“DY6”, “the Company”) is pleased to present its quarterly activities report for the March 2025 quarter.

¹ Refer ASX announcement dated 19 March 2025.

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OPERATIONS

Karonga Project (Base Metals)

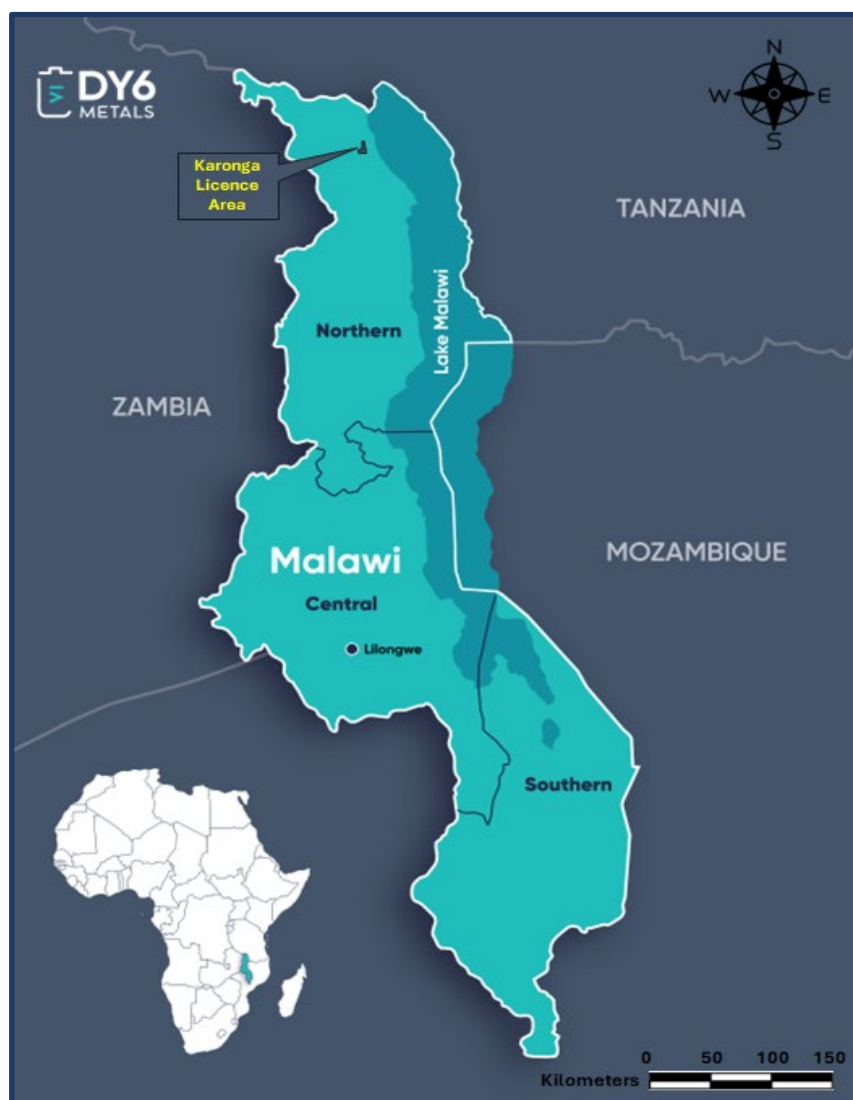


Figure 1. Location map of newly granted Karonga licence

The Karonga Project is located about 440km north of the capital Lilongwe Figure 1. It can easily be accessed using Karonga-Chitipa M1 Road turning to the west at Kasikisi School signpost along the M1 Road (Figure 2).

Geology and Mineralisation

The Karonga area is associated with a series of NW-SE and N-S trending ridges with metamorphic Basement complex rocks commonly identified as windows within the Karroo System which overlies the basement. The Karroo System units are typically sandstones with carbonaceous shale formations.

The eastern part of the licence area is overlain by several patches of Karoo sediments and Cretaceous to recent lacustrine sediments, the interrelations of which are complex due to unconformities and faulting (Figure 3A). This area is part of the northern sub-province of the Malawi Province of the

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Mozambique belt, active between about 700-400 million years ago. The major lithological components are gneisses and intrusives of the Misuku Belt, representing the south-eastern extension of the Ubendian Mobile Belt of south-western Tanzania into Malawi.

On a more local scale, the licence area is comprised of a suite of quartzite rocks, pegmatitic rocks and amphibole gneisses that intrude into the basement gneissic rocks forming the wall rock of the project area. The lithologies have a general NW-SE trend and are dipping west / south-west at very steep angles ranging from 60° to 85°.

The presence of base metals and other related metal mineralisation is evident in the pegmatitic rocks and quartz zone (quartzite) group. The quartzite unit have clear malachite and azurite coexisting with sulphides minerals indicating the presence of copper and other base metals.

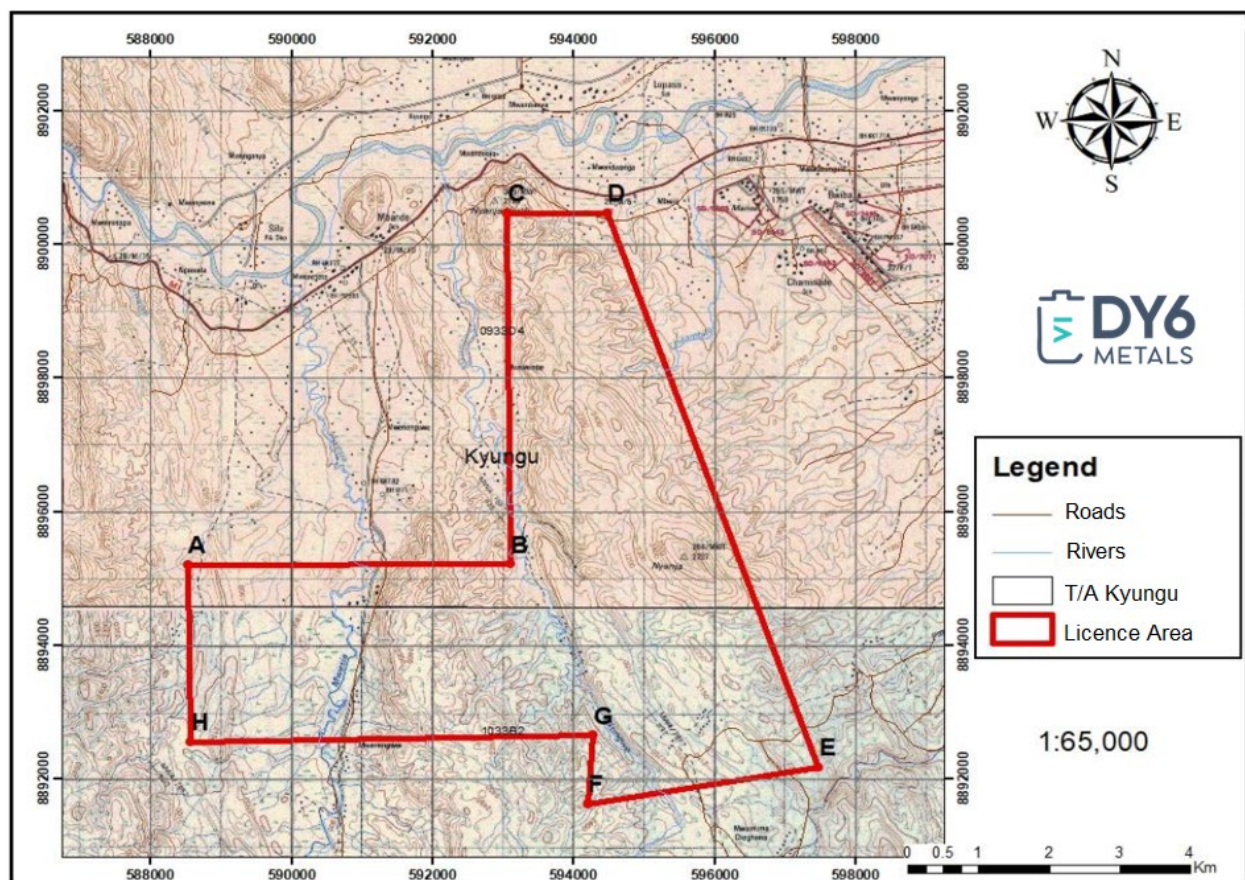


Figure 2. Topographical map of the Karonga licence EL0782/24

Surveillance/Initial Reconnaissance Work Done

1. Surveillance Site Visit

Four samples (Table 1) were collected on a recent reconnaissance visit to the site. The visit targeted an anomaly which was identified using a combination of geology and aeromagnetic data (Figures 3A & B). The samples were collected on a mineralised quartzite zone, which displayed disseminated mineralisation of malachite and azurite with sulfides. These samples were analysed using an Olympus Avanta Portable XRF (pXRF) machine.

Table 1: Samples collected on surveillance site visit Cu analytical results (pXRF-based)

Sample ID	Longitude	Latitude	Altitude (m)	Cu (%) – pXRF Reading
KARS022	8898932	594735.6	577.49	1.4
KARS022B	8898988	594714.62	572.51	6.1
KARS022C	8898977	594714.15	581.93	7.5
KARS022D	8898992	594715.84	576.97	7.8

Results showed elevated Cu grades ranging from 1.4% to 7.8% Cu (Table 1 & Figure 3B). These samples were collected on a 60cm thick zone of an exposed portion of a 40 – 50m long quartzite zone.

The samples will be sent to SGS Randfontein laboratory in South Africa for a standard XRF analytical procedure to verify the Cu grades and other minerals grades obtained from the pXRF.

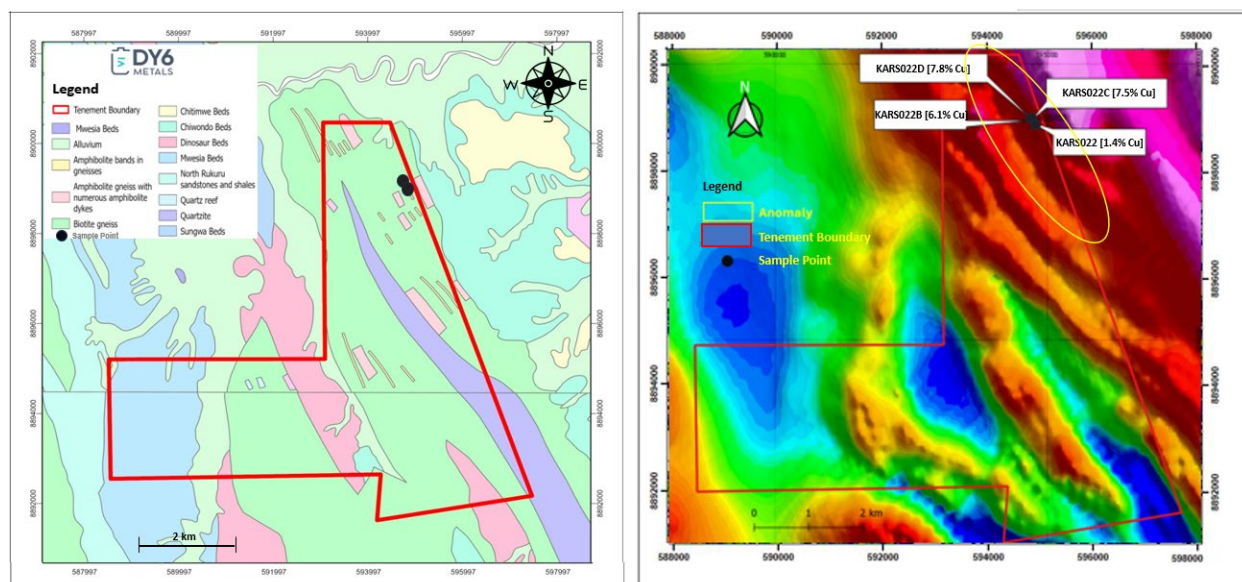


Figure 3: A – Geology of the Karonga Licence & B – Aeromagnetic signature of the Karonga Licence

Next Steps

- Further exploration work is currently planned to follow the anomalies identified in the surveillance activities, including geochemical analysis of the four collected samples at SGS Randfontein laboratory in South Africa to verify and validate the results obtained from the pXRF machine;
- Detailed geological mapping of the licence area; and
- Detailed geochemical sampling of surface outcrop rock chips, soils and where possible trenching to be considered.

The outcome of the activities above will lead to target generation for a future drill program, which will in turn be used for mineral resource and reserve estimations.

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Tundulu Project (REE)

- During the quarter, DY6 commissioned preliminary metallurgical testwork to be undertaken on a select bulk sample from Tundulu to determine the suitability of the Tundulu deposit to produce a separate rare earth and phosphate concentrate.
- Initial results of size liberation testwork from this preliminary program, which is being undertaken by Auralia Metallurgy in Perth, is expected in the coming weeks.

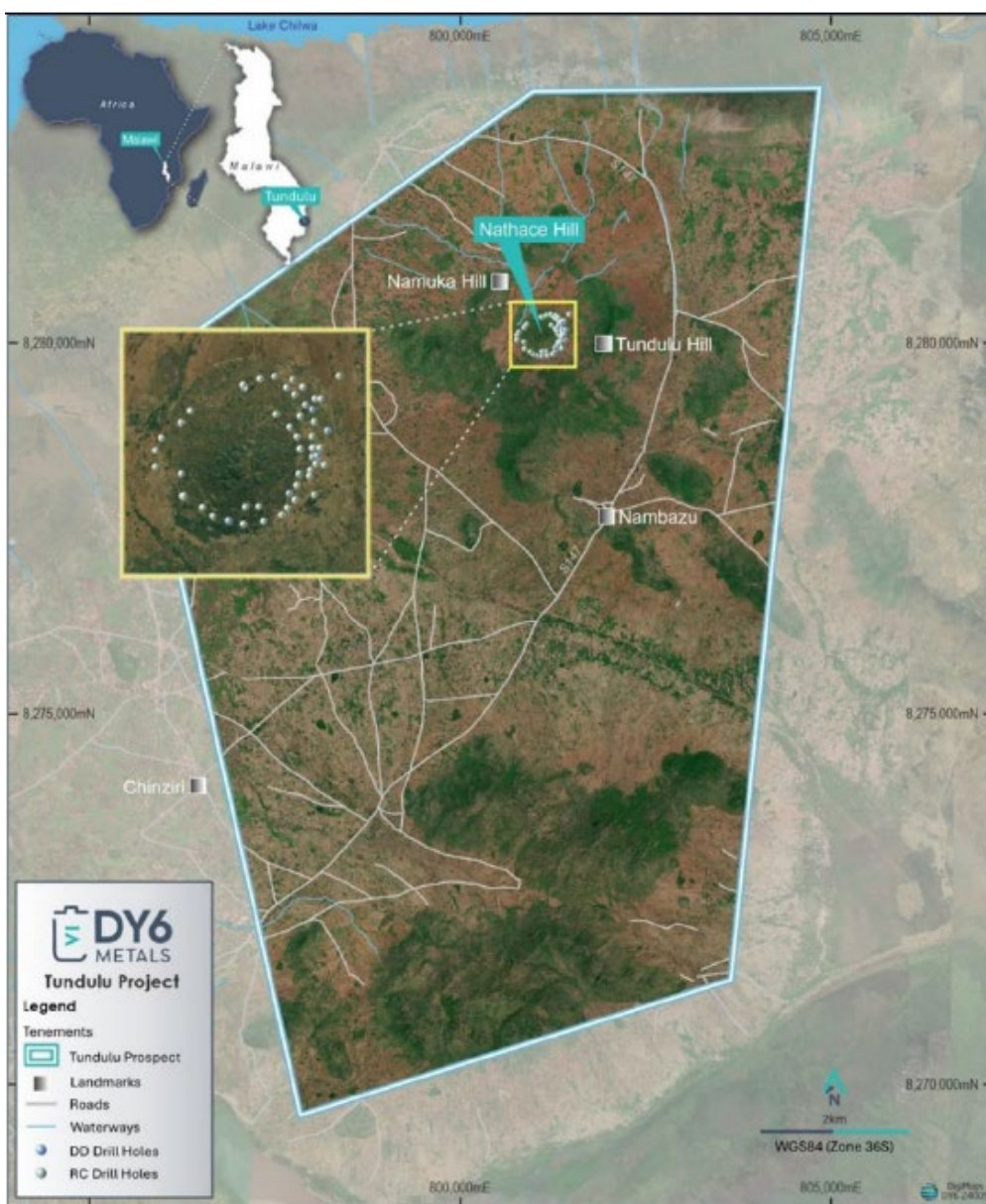


Figure 4. Map of the Tundulu licence

Mzimba/Machinga/Ngala Hill & Salambidwe

No work was conducted on these Projects during the quarter.

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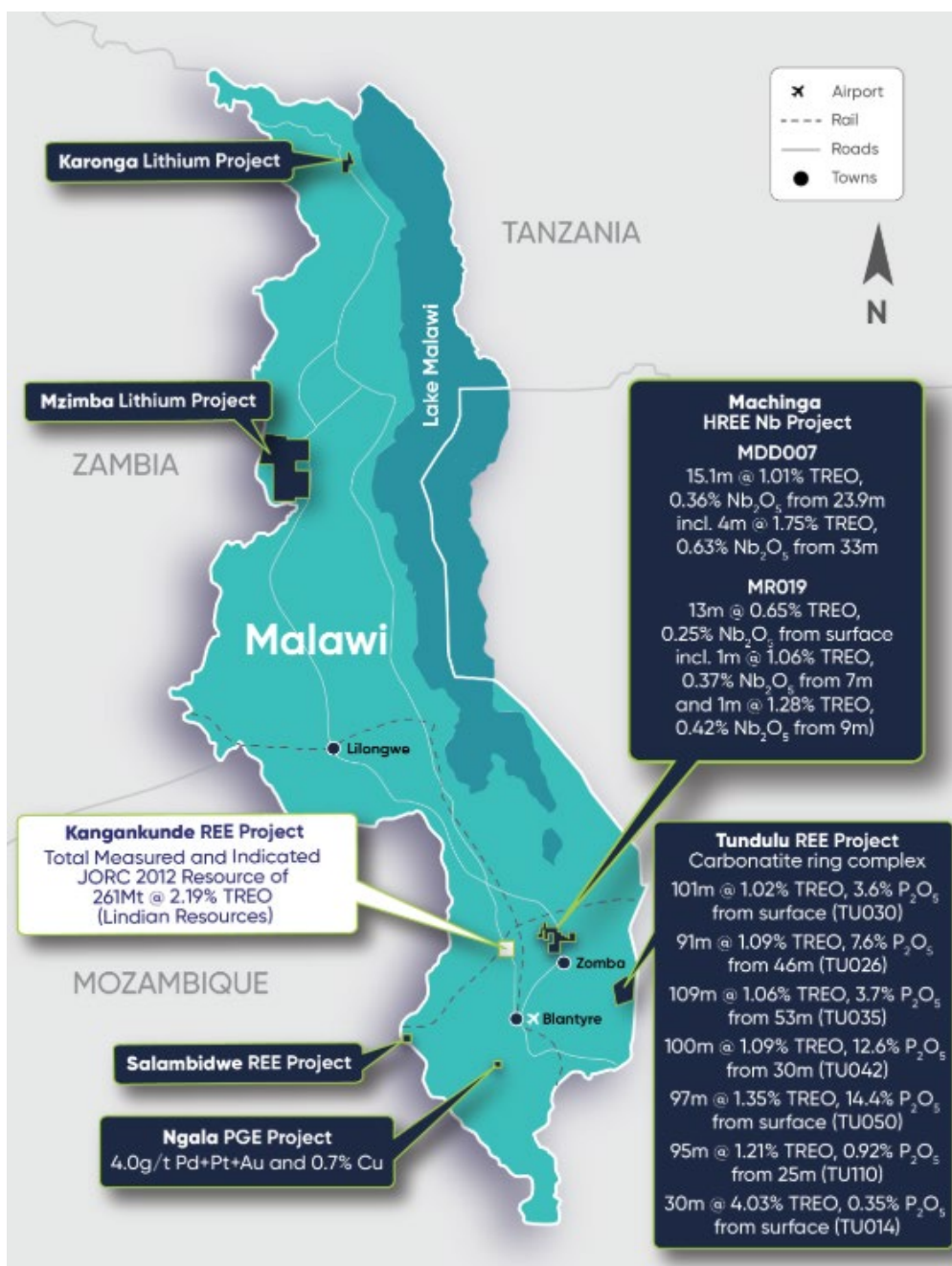


Figure 5. Location of the Company's Projects in Malawi

Corporate

Securities

On 21 January 2025, a total of 29,249,978 unlisted options exercisable at \$0.07 each expiring on or before 21 January 2029 were issued to participants and underwriters pursuant to the Company's fully underwritten loyalty option entitlement offer. The entitlement issue raised ~\$204,000 (before costs).

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 31 March 2025:

Activity Description	Prospectus	Actual (from 1 June 23 to 31 March 25)	Variance
Exploration – Machinga (2 years)	\$2,450,000	\$2,455,897	(\$5,897)
Exploration – Salambidwe (2 years)	\$1,000,000	\$199,336	\$800,664
Exploration – Ngala Hill (2 years)	\$475,000	\$57,418	\$417,582
Administration (2 years)	\$750,000	\$1,143,809	(\$393,809)
Working Capital (2 years)	\$1,565,000	\$822,638	\$742,362
New Project Evaluation	\$800,000	\$505,270	\$294,730
Expenses of the Offer ¹	\$665,000	\$441,260	\$223,740
TOTAL	\$7,705,000	\$5,625,628	\$2,079,372

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.

In respect of the variances above, the Company provides the following commentary: since listing the Company has applied for additional licence areas in Malawi being Tundulu, Karonga and Mzimba to complement its existing project portfolio. Given tough market conditions for junior exploration companies, the Company's predominate focus has been advancing exploration at the Machinga project and progressing the newly granted Tundulu project. The Company has also recently conducted reconnaissance and sampling programs at Ngala Hill and its Karonga and Mzimba licences. In addition, the Company will also continue to evaluate new project opportunities that may complement its existing portfolio. The Company continues to monitor its corporate and overhead costs given market conditions.

Summary of Mining Exploration Activities Expenditure

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

- Title management and other consultants: \$13,007
- Mapping and sampling: \$38,232
- Drilling and assaying: \$12,000
- Field supplies, vehicles, travel and other: \$14,368
- New project expenditures: \$69,280

Appendix 5B Disclosures

At 31 March 2025, the Company had cash on hand of approximately \$1.6m.

Note 6 to Appendix 5B:

Payments to related parties of the entity and their associates: during the March quarter a total of \$64,444 was paid to Directors and associates for director, company secretarial, accounting and consulting fees.

New Opportunities

The Company continues to evaluate new project opportunities that may complement its existing portfolio. The Company continues to monitor its corporate and overhead costs given market conditions.

-ENDS-

This announcement has been authorised by the Board of DY6.

More information

Mr Dan Smith	Mr John Kay	Mr Luke Forrester
Non-Executive 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

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- **MREE**=Nd, Pr, Dy, Tb
- **P** = Phosphorus
- **P₂O₅** = Phosphorus pentoxide

Competent Persons 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.

For further information with respect to exploration results during the March quarter, please refer to ASX announcement dated 19 March 2025.

Cautionary Statement

Visual observations of the presence of rock or mineral types and abundance should never be considered a proxy or substitute for petrography and laboratory analyses where mineral types, concentrations or grades are the factor of principal economic interest. Visual observations and estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. At this stage it is too early for the Company to make a determinative view on the abundances of any of these minerals. These abundances will be determined more accurately through petrography, assay, and XRF analysis. The observed presence of known copper-bearing minerals does not necessarily equate to copper mineralisation. It is not possible to estimate the concentration of copper by visual estimation and this will be determined by chemical analysis.

Annexure 1. Tenements held directly by DY6 Metals Ltd or subsidiary companies as at 31 March 2025:

Project	Tenement Details	Status	Acquired during quarter	Disposed of during quarter	Held at end of quarter	State/Country
Machinga (Main)	EPL0529	Granted	-	-	100%	Malawi
Machinga (Extended Area)	EPL0705	Granted	-	-	100%	Malawi
Salambidwe	EPL0518	Granted	-	-	100%	Malawi
Ngala Hill	EPL0510	Granted	-	-	100%	Malawi
Tundulu	EL0731	Granted	-	-	100%	Malawi
Mzimba (West)	APL0540	Application	-	-	100%	Malawi
Mzimba (Central)	EL0732	Granted	-	-	100%	Malawi
Mzimba (South)	APL0538	Application	-	-	100%	Malawi
Karonga	EL0782/24	Granted	-	-	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")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(150)	(523)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	22
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	(149)	(501)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(147)	(646)
(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 (9 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	(147)	(646)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	205	205
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	(11)	(20)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3)	(23)
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	190	161

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,704	2,584
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(149)	(501)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(147)	(646)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	190	161

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,598	1,598

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	1,598	1,704
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)	1,598	1,704

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	64
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.

- Director/company secretarial fees/accounting/consulting fees \$64,444.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(149)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(147)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(296)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,598
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,598
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.40
<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: 10 April 2025

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.