



ABX Group Ltd  
ACN 139 494 885

## OPTIONS PROSPECTUS

January 2024

### Entitlement Offer

For a non-renounceable offer of one (1) SPP Option (exercisable at \$0.12 before 6 September 2025) for every two (2) Shares subscribed for and issued to Eligible Shareholders who participated under the Company's recent Share Purchase Plan (**Entitlement Offer**).

This Entitlement Offer is made only to and is only being sent to Eligible Shareholders who participated in the SPP.

The issue of the SPP Options is subject to Shareholder approval at a forthcoming General Meeting of shareholders.

### Cleansing Offer

This Prospectus also includes a cleansing offer for Placement Options (**Cleansing Offer**) to remove any trading restrictions on the sale of Placement Options issued prior to the Closing Date.

The Offers close at 5.00pm Sydney Time on 6 February 2024 (which date may change without notice).

This Prospectus is not to be distributed outside Australia and New Zealand.

#### **THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY**

If you do not understand its contents, you should consult your stockbroker, accountant, or other professional adviser without delay.

The SPP Options offered under this Prospectus and shares issued upon exercise of SPP Options are considered speculative.

**CORPORATE DIRECTORY**

<p><b>Issuer</b></p> <p>ABx Group Limited ACN 139 494 885</p> <p>Level 5 52 Phillip Street Sydney NSW 2000</p> <p>p: +61 2 9251 7177 f: +61 2 9251 7500</p> <p>e: <a href="mailto:corporate@abxgroup.com.au">corporate@abxgroup.com.au</a> w: <a href="http://www.abxgroup.com.au">www.abxgroup.com.au</a></p> <p><b>ASX Code</b></p> <p>ABX</p>	<p><b>Directors</b></p> <p>Paul Lennon AO (Non-Executive Chairman) Ken Boundy (Non-Executive Director) Ian Levy (Non-Executive Director) Mark Cooksey (Managing Director and CEO)</p> <p><b>Company Secretary</b></p> <p>Henry Kinstlinger</p> <p><b>Chief Financial Officer</b></p> <p>Francis Choy</p>
<p><b>Share Registry*</b></p> <p>The Registrar Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 (Melbourne)</p> <p>p: +61 (3) 9415 4000 and 1300 850 505</p>	<p><b>Auditors*</b></p> <p>K.S. Black &amp; Co Level 6, 350 Kent Street Sydney NSW 2000</p>

\* This entity is included for information purposes only and has not been involved in the preparation of this Prospectus.

Any questions concerning the Entitlement Offer should be directed to the ABx Group Secretary on +61 2 9251 7177.

**IMPORTANT NOTE**

This Prospectus is dated 11 January 2024. A copy of the Prospectus was lodged with the Australian Securities & Investments Commission (“ASIC”) on the same date. Neither the ASIC nor ASX Limited (“ASX”) nor their respective officers take any responsibility as to the contents of the Prospectus.

This Prospectus contains and applies to the offer of SPP Options.

You should read this document carefully before you make a decision to apply for SPP Options. An investment in ABx Group has risks, which you should consider before making a decision to invest. The SPP Options offered under this Prospectus and shares issued upon exercise of SPP Options should be considered speculative.

Key dates for investors	
Lodgement of Prospectus	11 January 2024
Prospectus despatched to Eligible Shareholders	17 January 2024
Opening Date of Entitlement Offer and Cleansing Offer	
Last date to receive Entitlement Forms from Eligible Shareholders who do not wish to participate in the Entitlement Offer	6 February 2024
Closing date of Entitlement Offer and Cleansing Offer*	
General Meeting date to approve issue of SPP Options	14 February 2024
Anticipated issue date	21 February 2024
Trading Date (if ASX requirements satisfied)	26 February 2024

\*The above dates should be regarded as **indicative only**. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, ABx Group reserves the right to change the above dates, to close the Entitlement Offer before the date stated above, to extend the Closing Date and subsequent dates, or not to proceed with the Entitlement Offer.

**Important Information**

This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this Prospectus.

This Prospectus is dated 11 January 2024 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus..

**Expiry Date**

No SPP Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

**ASX Quotation**

The Company, subject to compliance with ASX rules, will apply for quotation of the SPP Options offered under this Prospectus within 7 days after the date of this Prospectus.

**Prospectus Availability**

A copy of this Prospectus is available for inspection at the registered office of the

Company at Level 5, 52 Phillip Street, Sydney NSW 2000 during normal business hours.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company’s registered office by contacting the Company.

**Target Market Determination**

The Company issued a Target Market Determination Statement on 11 January 2024 (TMD).

The TMD was released on the ASX on the same date and is available on the Company’s website at [www.abxgroup.com.au](http://www.abxgroup.com.au).

Any person may request, and ABx Group will provide free of charge, a copy of the TMD.

**Entitlement Offer Conditional**

The issue of the SPP Options is subject to Shareholder approval at a forthcoming General Meeting of shareholders.

**Offer Speculative**

The SPP Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

**Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Entitlement Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Entitlement Offer.

This document is important and should be read in its entirety before deciding to participate in the Entitlement Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3. Definitions of certain terms used in this Prospectus are contained in Section 12. All references to currency are to Australian dollars and all references to time are to Sydney Time unless otherwise indicated.

**Geographic Restrictions**

No action has been taken to permit the offer of SPP Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

**Transaction Specific Prospectus**

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a

disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

**No Exposure Period**

The Options Issue is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Options in the seven calendar day period after the date of lodgement of this Prospectus with ASIC.

**On-sale of Shares**

This Prospectus has been prepared in respect of the offer of the Options such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if the Options are issued with disclosure under this Prospectus, then any Shares issued upon the exercise of the Options can be on-sold within 12 months of their issue (even if the Shares were issued without disclosure or lodgement of a cleansing statement). This is because the Options are issued with disclosure and the exercise of the Option does not involve any further offer.

**Risk factors**

Potential investors should be aware that subscribing for and holding Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3 of this Prospectus. These risks together with other general risks applicable to all investments in listed companies not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities.

**Overseas Investors**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this

Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law. Persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Entitlement Form will be taken by the Company to constitute a representation that there has been no breach of such laws.

No action has been taken to register or qualify the SPP Options, or the Entitlement Offer, or otherwise to permit an Entitlement Offering of the SPP Options, in any jurisdiction outside Australia and New Zealand.

The Entitlement Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia and New Zealand.

**New Zealand**

The Entitlement Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5

of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008. The Entitlement Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law.

In the main, the Corporations Act sets out how the Entitlement Offer must be made. There are differences in how securities are regulated under Australian law. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities. Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Entitlement Offer.

If you need to make a complaint about the Entitlement Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint. Please note that the taxation treatment of Australian securities is not the same as for New Zealand securities.

**Competent Person Statement**

The information in this Prospectus that relates to Exploration Information and Mineral Resources are based on information compiled by Ian Levy who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Levy is a qualified geologist and a director of ABx Group Limited.

Mr Levy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Levy has consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

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**Letter from the Chairman**

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Entitlement Offer for SPP Options. The Entitlement Offer is made to participants of the Company's recent share purchase plan (**SPP**) as a sign of goodwill from the Company for assisting the Company during its recent SPP capital raising.

Why is the Company offering SPP Options to SPP Participants?

The SPP follows ABX Group's successful placement conducted in September 2023 of 18,750,000 Shares at \$0.08 per Share with attaching options on a 1 for 2 basis, exercisable at \$0.12 before 6 September 2025 (**Placement**) which raised \$1.5 million before costs of the Placement.

The purpose of this Prospectus is to extend the offer of additional options to the participants in the SPP on the same terms as the Placement options were offered to participants of the Placement (**SPP Options**).

By offering the Options under a Prospectus, any Shares issued on exercise of the Options will be able to be on-sold immediately (should you so choose) without the need for such on-sale to be made under a disclosure document or without the need for the Company to issue a 'cleansing statement' under Part 6D.2 of the Corporations Act.

The SPP Options have a nil issue price and will be exercisable at \$0.12 each and exercisable on or before 6 September 2025. The full terms and conditions of the SPP Options are set out in Section 7 of this Prospectus.

**Eligible Shareholders will be deemed to have accepted their respective Entitlement if the Company does not receive notice to the contrary prior to the Closing Date in response to an Entitlement Form accompanying this Prospectus. Accordingly, an Eligible Shareholder does not need to do anything to accept the Entitlement Offer applicable to them.**

The issue of the SPP Options is subject to Shareholder approval at a forthcoming General Meeting of Shareholders.

It is important that Shareholders read this Prospectus in its entirety and seek professional advice where necessary.

The SPP Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 2 9251 7177.

If you have any general shareholder enquiries, please call the share registry, Computershare, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8:30 am to 5:00 pm (Sydney Time) Monday to Friday.

Thank you for your continued support of ABX Group.

Yours sincerely



Paul Lennon  
Chairman

**Investment Overview**

Please read and consider this Prospectus in full in conjunction with any specific matters which have or may be referred to in ABx Group’s ASX announcements before making any decision regarding applying for SPP Options, exercising options or investment in ABx Group. In particular, the risks described in Section 3 include risk areas considered specific to ABx Group:

<b>Key Information</b>	<b>Further Information</b>
<p><b>Transaction Specific Prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for offers of SPP Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	<p>Section 6.2</p>
<p><b>Risk Factors</b></p> <p>Potential investors and Shareholders should be aware that the issue of the SPP Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of:</p> <p><b>General Economic Conditions:</b> Changes in the general economic climate in which the Company operates or holds investments in may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, currency fluctuations, inflation, supply and demand, industrial disruption, changes in investor sentiment, infectious diseases, terrorism or other hostilities and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.</p> <p><b>Taxation implications:</b> The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for the SPP Options. However, investors are cautioned that the subscription of convertible securities such as the SPP Options may give rise to adverse taxation consequences. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for SPP Options, and in particular, tax advisers should be made aware that there is a possibility that the exercise price of the SPP Options may be lower than Company's underlying share price at the time of issue.</p> <p>The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.</p>	<p>Section 3</p>

**Exercise Price of SPP Options:** If SPP Options are exercised, there is no guarantee that Shares issued on exercise of those SPP Options will trade above the exercise price paid for those Shares.

**Technological Risk:** The Company's 83% owned subsidiary, Alcore Limited, is developing chemical engineering processes to recover hydrogen fluoride and aluminium fluoride from recycled industrial waste.

This involves the control of feed material properties and process conditions to achieve suitable product quality at an acceptable rate and yield. There can be challenges in scaling-up from the existing laboratory-scale proof of concept to an industrial-scale process, because some phenomena exhibit different behaviour at larger scale.

The Alcore process requires feed materials, energy and labour. The cost of these can vary and affect the commercial viability of the process.

**Exploration Success:** Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company.

**Future Capital Requirements:** The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements. The Company's ability to raise further equity or debt, or to divest part of its interest in a tenement, and the terms of such transactions will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities. Additional financing may not be available on terms acceptable to the Company, or at all.

**Entitlement Offer**

Pursuant to the SPP Options Entitlement Offer under this Prospectus, the Company offers, for nil cash consideration, up to 3,849,750 SPP Options exercisable at \$0.12 and exercisable on or before 6 September 2025, on the basis of one (1) Free-Attaching SPP Option for every two (2) Shares subscribed for by Eligible Shareholders under the SPP.

No funds will be raised as a result of the Entitlement Offer.

Section 4

**Eligible Participants**

The Entitlement Offer is made only to SPP Participants who participated in the SPP.

Section 2.1

<p><b>Use of Funds</b></p> <p>Nil funds will be raised as a result of the Entitlement Offer.</p> <p>The Company will receive \$0.12 for each SPP Option exercised. If all SPP Options are issued and exercised, the Company will receive approximately \$461,970. There is no certainty that any SPP Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the SPP Options will be used towards continued development on the Company's existing projects and for working capital.</p>	<p>Section 2.1</p>															
<p><b>ASX Quotation</b></p> <p>Application for Official Quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The expected date for Shares to commence trading on ASX is 26 February 2024 (this date is subject to change).</p>	<p>Section 4.2</p>															
<p><b>Indicative Capital Structure</b></p> <p>Assuming that no existing SPP Options are exercised before the date of this Prospectus, the effect of the Entitlement Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table:</p> <table border="1" data-bbox="220 1099 1115 1509"> <thead> <tr> <th></th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>250,040,314</td> <td>11,025,000</td> </tr> <tr> <td>Maximum to be issued pursuant to the Entitlement Offer</td> <td>Nil</td> <td>3,849,750</td> </tr> <tr> <td>Total on issue post Entitlement Offer</td> <td>250,040,314</td> <td>14,874,750</td> </tr> </tbody> </table>		Shares	Options	Balance at the date of this Prospectus	250,040,314	11,025,000	Maximum to be issued pursuant to the Entitlement Offer	Nil	3,849,750	Total on issue post Entitlement Offer	250,040,314	14,874,750	<p>Section 4.2</p>			
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<p><b>Directors' participation and interests</b></p> <p>The relevant interests of each of the Directors in Securities as at the date of this Prospectus, is set out below*.</p> <table border="1" data-bbox="220 1715 1115 2016"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Paul Lennon</td> <td>4,609,869</td> <td>150,000</td> </tr> <tr> <td>Ken Boundy</td> <td>2,728,089</td> <td>150,000</td> </tr> <tr> <td>Ian Levy</td> <td>6,676,316</td> <td>150,000</td> </tr> <tr> <td>Mark Cooksey</td> <td>535,000</td> <td>300,000</td> </tr> </tbody> </table>	Director	Shares	Options	Paul Lennon	4,609,869	150,000	Ken Boundy	2,728,089	150,000	Ian Levy	6,676,316	150,000	Mark Cooksey	535,000	300,000	<p>Section 8</p>
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<p>*Excludes any SPP Options pursuant to the Entitlement Offer.</p>	
<p><b>Forward Looking Statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'anticipates' or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. The risk factors are in Section 3.</p>	<p>Important Information</p>
<p><b>What is my SPP Entitlement?</b></p> <p>The number of SPP Options for which you are entitled to apply and receive is set out on your Entitlement Form accompanying this Prospectus.</p> <p>If you choose to accept your Entitlement to SPP Options under the Entitlement Offer, you must accept your Entitlement in full.</p>	<p>Section 2.1</p>
<p><b>Is the SPP Entitlement conditional?</b></p> <p>The issue of the SPP Options is subject to Shareholder approval at a forthcoming General Meeting of shareholders.</p>	<p>Section 2.7</p>
<p><b>What is the Cleansing Offer?</b></p> <p>The purpose of the Cleansing Offer is to facilitate the secondary trading of the Placement Options (defined in Section 12).</p>	<p>Section 2.3</p>

<p><b>Is the offer underwritten?</b></p> <p>No, the Entitlement Offer is not underwritten.</p>	<p>Section 2.5</p>
<p><b>How do I accept my Entitlement?</b></p> <p>Detailed instructions on how to accept the Entitlement are set out in Section 5.</p> <p>If you choose not to accept your Entitlement under the Entitlement Offer, then your Entitlement will lapse at the Closing Date.</p>	<p>Section 5 and the Entitlement Form</p>
<p><b>Is there a minimum subscription amount?</b></p> <p>There is no minimum subscription amount.</p> <p>If the Cleansing Offer is not fully subscribed, ABx Group will pay the balance of the costs of the Offers from existing funds.</p>	<p>Section 2.1</p>
<p><b>What are the tax implications of participating in the Entitlement Offer?</b></p> <p>Taxation implications will vary depending upon your specific circumstances.</p> <p>You should obtain your own professional advice as to the particular taxation treatment that will apply to you.</p>	<p>Section 9.2</p>
<p><b>How and when will I know if my application was successful?</b></p> <p>A holding statement confirming the issue of your SPP Options will be sent to you on or about 28 February 2024.</p> <p>Anyone who trades SPP Options or shares issued upon exercise of SPP Options before receiving a holding statement does so at their own risk.</p>	<p>Section 6</p>
<p><b>Where can I find more information about ABx Group?</b></p> <p>For more information on ABx Group and its projects please see ABx Group's website (<a href="http://www.abxgroup.com.au">www.abxgroup.com.au</a>) and ABx Group's ASX announcements (also available on ABx Group's website, and on the ASX's website, <a href="http://www.asx.com.au">www.asx.com.au</a>).</p>	<p>Section 1</p>
<p><b>What if I have any questions about the Entitlement Offer?</b></p> <p>You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for SPP Options, exercising options or investment in ABx Group.</p> <p>Questions concerning the Entitlement Offer can also be directed to ABx Group Secretary, Henry Kinstlinger, on +61 2 9251 7177.</p>	<p>Section 9.9</p>

\* All dates are subject to change without notice – see the timetable on page 3 for the anticipated timetable for the Entitlement Offer and further information about dates.

## **1. About ABx Group**

### **Rare earth elements (REE)**

Rare earths have many applications in a wide variety of industries. Permanent magnets are the most valuable application, representing over 90% of the total value of rare earths demand. Permanent magnets are used in electric vehicles, wind turbines, smartphones and military applications. The four most important rare earths for permanent magnets are neodymium, praseodymium, dysprosium and terbium. The demand for these four rare earths is predicted to grow significantly in coming years, potentially leading to significant supply shortfalls. The supply risk is highest for dysprosium and terbium, the two heavy rare earths in permanent magnets.

Globally, most rare earths are sourced from hard-rock mines. These typically require large, costly processing plants and a significant lead time to reach production.

A less common source of rare earths is ionic adsorption clay (IAC) deposits, which have historically been mined only in southern China. A major advantage of IAC deposits is that the rare earths can be extracted from the clay via a low-cost desorption process. Secondly, they often exist at shallow depth. These advantages enable a project to be developed rapidly and at lower cost. Furthermore, IAC deposits typically contain a higher proportion of heavy rare earths compared to hard rock deposits, and low concentrations of radioactive elements such as uranium and thorium.

ABx is the first company to discover rare earths in Tasmania and has reported a JORC-compliant mineral resource of 27 million tonnes at its Deep Leads / Rubble Mound project (24 Mt inferred and 4 Mt indicated).

ABx engaged Australian Nuclear Science and Technology Organisation (ANSTO) to conduct desorption tests, which found the highest extractions under relatively neutral conditions reported from any clay-hosted project in Australia<sup>1,2</sup>. This proves the mineralisation to be of the IAC type. Low-cost processing is crucial for clay-hosted rare earth deposits, and industry processing experts indicate that low-cost processing can only be achieved using desorption with low acid consumption. Additionally, the rare earths in the Deep Leads / Rubble Mound resource have the highest proportion of DyTb (4.3% of TREO) of any clay-hosted rare earths resource in Australia. These factors put ABx at the forefront for customers and countries seeking to diversify rare earths supply.

Following these excellent discovery and processing results, ABx has built significant momentum and will continue to conduct further exploration, which will include targeting new areas within its tenements that have geological features considered prospective for additional rare earths.

The ABx strategy is to produce a mixed rare earth carbonate (MREC) that can be sold to rare earth refineries. The ABx MREC will be high in heavy rare earths and low in radioactive elements, which is expected to be attractive to many prospective customers. Market discussions with several potential customers endorse this strategy.

### **Alcore aluminium fluoride**

Hydrogen fluoride is an essential chemical for the production of fluorocarbons and aluminium fluoride. Aluminium fluoride is an essential chemical for aluminium metal production.

Hydrogen fluoride is mainly produced from fluorspar, which is obtained from the mineral fluorite. Fluorspar is relatively high cost and has been identified as a critical material by the USA, Europe, Japan and Canada.

Australia does not mine any fluorite, or produce any fluorspar, hydrogen fluoride or aluminium fluoride, and so must import all its requirements. The Australian demand for hydrogen fluoride is small, and it is imported at high cost. Conversely, Australia is a significant producer of aluminium and so its demand for aluminium fluoride is high.

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<sup>1</sup> ASX announcement 31 May 2022

<sup>2</sup> ASX announcement 2 February 2023

Australia is the largest producer of primary aluminium metal without its own domestic aluminium fluoride production, so Australian aluminium smelters rely entirely on imported aluminium fluoride.

Most modern aluminium smelters produce excess bath, for which the only meaningful market is new smelters, which require bath to commence operations. Aluminium industry forecasts suggest that the global bath market will increasingly be in surplus, because far fewer new smelters are being constructed. All of the major global aluminium producers are eager for alternative applications for excess bath, to avoid the unpalatable options of on-site storage or landfill.

Alcore has developed a world-first process to recover hydrogen fluoride from aluminium smelter bath. This is combined with aluminium hydroxide to produce aluminium fluoride. Alcore is also investigating the use of dross (another aluminium smelter waste) and bauxite as alternatives to aluminium hydroxide as the source of aluminium. The use of dross or bauxite would further lower the production cost.

Alcore intends to construct commercial hydrogen fluoride and aluminium fluoride plants in Bell Bay, Tasmania. The aluminium source for the initial aluminium fluoride production is likely to be aluminium hydroxide, as this is lower risk and allows a faster path to production. Subsequent production may use aluminium from dross or bauxite to further improve the financial and environmental outcomes.

The initial plant is proposed to transform 1,600 tonnes per year of aluminium smelter bath into hydrogen fluoride and other industrial chemicals. A proportion of the hydrogen fluoride will be further processed to aluminium fluoride. The relative amounts of hydrogen fluoride and aluminium fluoride produced can be optimised to suit market demand. Alcore's longer term plan is to expand the plant by 15 times, which will process all of Australia's aluminium smelter bath and supply more than 80% of Australia's aluminium fluoride requirements.

### **New bauxite mine developments**

The ABx strategy is to selectively produce metallurgical grade, cement grade and fertiliser grade bauxite, with a focus on profitability.

The largest project is Binjour, with a JORC compliant resource of 37 million tonnes (14.2 Mt Inferred and 22.8 Mt Indicated), supporting 20-25 years production. In February 2022, ABx entered a JV with Alumin for the development of the Sunrise Bauxite Project, comprising a bauxite mine at Binjour plateau and port operations at Bundaberg in Queensland<sup>3</sup>. Alumin is an Australian special purpose vehicle company associated with our strategic marketing partner, Rawmin India, having extensive experience in funding long term sustainable investments in projects involving mining and bulk-shipping of metallurgical grade bauxite to end users around the world.

It is anticipated that the mine at Binjour will export 500,000 tonnes per year of metallurgical grade bauxite in its first year of production, then scale up to full operational capacity of 1.5 million tonnes per year. ABx plans to begin exporting product in H1 2025.

In Tasmania, ABx has a JORC compliant resource of 13.9 million tonnes (11.2 Mt Inferred and 2.7 Mt Indicated) across three deposits. ABx plans to recommence bauxite mining in Tasmania by Q2 2024, at the DL130 Bauxite Project. The primary products are likely to be cement grade and fertiliser grade bauxite.

## **2. The Offers**

### **2.1 The Entitlement Offer**

As announced on 27 November 2023, the Company has recently undertaken a Share Purchase Plan (**SPP**). As set out in the SPP, Eligible Shareholders that took up their rights under the SPP were entitled to participate in an offer of one (1) SPP Option for every two (2) Shares subscribed for and issued under the SPP. The Entitlement Offer therefore is open to the Company's Shareholders who participated in the SPP (**Eligible Shareholders**).

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<sup>3</sup> ASX Announcement 28 February 2022

ABx Group Limited (**Company** or **ABx Group**) is offering up to 3,849,750 options exercisable at 12 cents (\$0.12) and expiring on 6 September 2025 each to acquire one (1) fully paid ordinary share of ABx Group upon exercise (**SPP Options**), for nil consideration.

7,699,500 Shares from 132 Shareholders were applied for and issued under the SPP, meaning that approximately 3,849,750 SPP Options will be issued under the Entitlement Offer, subject to rounding.

The SPP Options are offered only to SPP Participants who receive a personalised Entitlement Form.

There is no minimum subscription amount.

No funds will be raised from the issue of SPP Options pursuant to the Entitlement Offer.

All of the SPP Options offered under this Prospectus will be issued on the terms and conditions set out in Section 7 of this Prospectus.

All of the Shares issued upon the future exercise of the SPP Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7.9 of this Prospectus.

### **SPP Entitlement**

The number of SPP Options for which you are entitled to apply and receive is set out on your Entitlement Form accompanying this Prospectus.

No payment is required to take up your Entitlement.

Entitlements are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you will be unable to transfer your Entitlement to another party.

If you choose to accept your Entitlement to SPP Options under the Entitlement Offer, you must accept your Entitlement in full.

### **Accepting the Entitlement**

Detailed instructions on how to accept your Entitlement are set out in Section 5 below.

If you choose not to accept your Entitlement under the Entitlement Offer, then your Entitlement will lapse at the Closing Date.

### **Reasons to apply for SPP Options**

The SPP Options, if applied for, will be issued for nil consideration. There are no brokerage fees or other costs payable by Eligible Shareholders to acquire SPP Options. It is noted that in order to be entitled to these SPP Options, Eligible Shareholders paid \$0.08 for each Share subscribed for in the SPP.

There is no obligation to apply for or exercise any of the SPP Options that you are entitled to. However, Eligible Shareholders should note that they will be deemed to have accepted their respective Entitlement if the Company does not receive notice to the contrary prior to the Closing Date in response to an Entitlement Form accompanying this Prospectus.

Eligible Shareholders should seek and rely on their own taxation advice regarding the exercise of SPP Options as the taxation consequences will depend on the particular circumstances of the individual.

## **2.2 Placement**

The Company conducted a successful institutional placement in September 2023 of 18,750,000 Shares at \$0.08 per Placement Share with attaching options on a 1 for 2 basis, exercisable at \$0.12 before 6 September 2025 (**Placement Options**) which raised \$1.5 million before costs of the Placement (**Placement**).

A total of \$1,500,000 (before costs) was raised in the Placement.

The Placement Options were issued as free-attaching to Placement Shares and 9,375,000 Placement Options were issued in total. The Placement Options have the same terms as the SPP Options, which are set out in full in Section 7.

The Placement Options were issued under the Company's Listing Rule 7.1 capacity.

### **2.3 Cleansing Offer**

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 options at a nil issue price (**Cleansing Offer**).

The Cleansing Offer may only be extended to specific parties on invitation from the Company. Application Forms will only be provided by the Company to such parties.

All of the Placement Options offered under this Prospectus will rank equally with options on issue at the date of this Prospectus. Please refer to Section 7 for further information regarding the rights and liabilities attaching to the Options.

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Placement Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

The Directors do not expect to issue any options under the Cleansing Offer.

### **2.4 Opening and Closing Dates**

The Company will accept Entitlement Forms or Application Forms pursuant to the Cleansing Offer from the opening date 17 January 2024 until 6 February 2024 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules. The Company reserves the right to make amendments to the indicative timetable without providing notice, including closing the Offers early.

### **2.5 Underwriting**

The Entitlement Offer is not underwritten.

### **2.6 Minimum Subscription**

There is no minimum subscription.

### **2.7 Conditional Offer**

The Entitlement Offer is conditional upon the Company obtaining Shareholder approval to issue the SPP Options at a General Meeting of Shareholders proposed to be held on 14 February 2024. If Shareholder approval is not obtained for the issue of the SPP Options, the SPP Options will be issued.

### **2.8 Effect on Control**

The Company is of the view that the Entitlement Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Entitlement Offer.

### **2.9 ASX Listing**

The Company, subject to compliance with ASX rules, will apply for quotation of the SPP Options within seven days after the date of this Prospectus.

ASX takes no responsibility for the contents of this Prospectus.

### 2.10 Issue

SPP Options issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and timetable set out on page 3 of this Prospectus.

Holding statements for SPP Options issued under the Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out on page 3 of this Prospectus as soon as practicable after their issue.

The Company will apply for any Shares issued on exercise of the SPP Options and Placement Options to be quoted on ASX.

### 2.11 ASX Quotation

Within seven days after the date of this Prospectus, application will be made to the ASX for the SPP Options offered by this Prospectus to be granted Official Quotation within 7 days after the date of this Prospectus.

### 2.12 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Shareholders will not receive a certificate but will receive a statement of their holding of SPP Options.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of SPP Options issued to you under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of SPP Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes.

Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

### 2.13 Overseas SPP Participants

This Prospectus does not, and is not intended to, constitute an offer of SPP Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the SPP Options may not be offered or sold, in any country outside Australia where it would be unlawful to do so.

It was not practicable for the Company to comply with securities laws of overseas jurisdictions in relation to the SPP. The Company formed this view having considered:

- (a) the number of overseas SPP Participants;
- (b) the number and value of the securities under the SPP that would be offered to those overseas SPP Participants; and
- (c) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Therefore, the SPP was only extended to those Shareholders residing in Australia or New Zealand.

Accordingly, the Entitlement Offer is not being extended, and SPP Options will not be issued to, Shareholders with a registered address which is outside of Australia or New Zealand.

#### **2.14 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to SPP Participants. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

#### **2.15 Risk factors**

An investment in the SPP Options should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 3.

#### **2.16 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for the SPP Options. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for SPP Options, and in particular, tax advisers should be made aware that there is a possibility that the exercise price of the SPP Options may be lower than the Company's underlying share price at the time of issue, which may give rise to taxation liabilities for subscribers.

#### **2.17 Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the financial year ended 31 December 2022, can be found in the Company's Annual Report announced on ASX on 28 April 2023. The Company also released its Half Yearly Report and Accounts to June 2023 on 31 August 2023.

The Company's continuous disclosure notices (i.e. ASX announcements) since 31 March 2021 are listed in Section 6.3.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Shareholders review these and all other announcements.

#### **2.18 Privacy**

If you complete an application for SPP Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Entitlement Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

### 2.19 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 2 9251 7177.

For general shareholder enquiries, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8:30 am to 5:00 pm (Sydney Time) Monday to Friday.

## 3. Risk Factors

### 3.1 Introduction

The SPP Options offered under this Prospectus are considered speculative. Potential investors should consider the potential risks associated with ABx Group's business and risks associated with an investment in SPP Options and ABx Group. The following risk factors may affect the future operating and financial performance of ABx Group, the value of its securities and its future funding requirements. Some of these risk factors may be able to be mitigated by appropriate commercial action. However, many are outside the control of ABx Group and are dependent on policies adopted or approaches taken by regulatory authorities or otherwise cannot be mitigated. In addition these risks and uncertainties are not the only risks facing ABx Group.

Additional risks and uncertainties including those not presently known to ABx Group, or that it currently believes to be immaterial may also affect its business operations.

There can be no guarantee that ABx Group will meet trading performance or financial results guidance that it may provide to the market, or that any forward looking statements contained in this Prospectus will be realised or otherwise eventuate. Investors should note that past performance is not always a reliable indicator of future performance.

As an Applicant, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether SPP Options are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to apply for SPP Options or not, it is recommended that you seek professional guidance from your solicitor, accountant or other independent and qualified professional adviser before deciding to apply.

### 3.2 Risks specific to the SPP Options Entitlement Offer

- (a) **Exercise price of SPP Options:** If the SPP Options are exercised, there is no guarantee that Shares issued on exercise of those SPP Options will trade above the exercise price paid for those Shares.
- (b) **Dilution:** If you do not exercise the SPP Options, because you allow those SPP Options to expire without being exercised, or you do not receive SPP Options because you are an Excluded Holder, and other Shareholders exercise their SPP Options, your shareholding will be diluted.

### 3.3 Risks specific to the Company

#### (a) Technological Risk

The Company's 83% owned subsidiary, Alcore Limited, is developing chemical engineering processes to recover hydrogen fluoride and aluminium fluoride from recycled industrial waste.

This involves the control of feed material properties and process conditions to achieve suitable product quality at an acceptable rate and yield. There can be challenges in scaling-up from the existing laboratory-scale proof of concept to an industrial-scale process, because some phenomena exhibit different behaviour at larger scale.

The Alcore process requires feed materials, energy and labour. The cost of these can vary and affect the commercial viability of the process.

#### (b) Exploration Risk

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

#### (c) Future Capital Requirements

The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements. Further finance will be required to extend the Company's current drilling program.

The Company's ability to raise further equity or debt, or to divest all or part of its interest in a tenement, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities.

Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. The Company may not be able to raise the additional finances that may be required for future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which will impact on the amount of additional capital that may be required.

Additional financing may not be available on terms acceptable to the Company, or at all. Significantly, any additional equity financing or the exercising of SPP Options, may dilute your existing shareholdings; and debt financing, if available, may restrict financing and future activities. If the Company fails to obtain additional financing, as needed, it may have to reduce the scope of its operations or anticipated expansion of its operations, forfeit its interest in some or all of its tenements, incur financial penalties and/ or reduce or terminate its operations.

**(d) Taxation Implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for the SPP Options. However, investors are cautioned that the subscription of convertible securities such as the SPP Options may give rise to adverse taxation consequences. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for SPP Options, and in particular, tax advisers should be made aware that there is a possibility that the exercise price of the SPP Options may be lower than Company's underlying share price at the time of issue.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

**(e) Regulatory Risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species, social licence obligations, bribery, corruption and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

**(f) Tenure, Access and Grant of Applications**

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences/permits for the proposed operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences/permits necessary to develop or continue operating at any particular property.

**(g) Environmental Risk**

Mining and exploration has become subject to increasing environmental responsibility and liability in Australia. The potential for liability is an "ever present" risk. The use and disposal of chemicals and other materials in the mining industry is under constant legislative scrutiny and regulation. Consistent with this, the Company may be required, in some cases, to undertake baseline environmental studies prior to certain exploration or mining activities, so that the environmental impact can be monitored and, as far as possible, minimised. The discovery of any endangered species of fauna and flora may impact upon the Company's ability to freely explore or develop its tenements.

There is no guarantee that nature reserves or parks will not be decreed by government agencies in the areas in which the Company works. These could constrain the Company's ability to operate on its existing or future licences.

**(h) Social Licence**

In order to explore, develop or operate in communities, the general acceptance of certain stakeholder populations may be required. This may include formal agreements that can require extended negotiations with large numbers of stakeholders, for example indigenous communities and groups with native title rights. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to the Company's plans.

**(i) Mine Development Risk**

Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, climate change, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

**(j) Insurance Risks**

There are significant exploration and operating risks associated with exploration including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company and its subsidiaries will be subject to liability for environmental risks such as pollution and damage of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

**(k) Ability to Exploit Successful Discoveries**

Even if an apparently viable deposit is identified, there is no guarantee that the Company can economically exploit it. That is, it may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which it has an interest because such exploitation may require further intensive capital input as well as further licences, mining concessions and clearances from relevant authorities. The Company notes that it may or may not be possible for such conditions to be satisfied.

**(l) Loss of Key Management Personnel**

The Company's success largely depends upon key management personnel for the management of the Company as well as upon other management and technical personnel for the daily operation of the Company. Consequently, there is a possibility that the Company will be adversely affected, particularly in respect of the rate at which its exploration programs and tenements are developed or prioritised, if one or more of the key management personnel cease their employment.

**(m) Exploration Costs**

The exploration costs of the Company are premised upon a number of assumptions and estimates as regards the method and timing of exploration. These assumptions and estimates are, by their nature, speculative and subject to a number of uncertainties. Consequently, the Company does not give any assurance that the cost estimates and the underlying assumptions will be realised in practice, which may adversely affect the Company's budget and forecast cashflows and ultimately the trading price of its Securities.

**(n) Commodity Prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest as well as the Company's ability to raise capital.

**(o) Tax Rules**

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares and the grant of SPP Options involves tax considerations that may differ for each Shareholder. There could be a variety of taxation consequences for Shareholders in relation to the grant of SPP Options including adverse consequences.

Each Shareholder is encouraged to seek professional tax advice in connection with any investment and in relation to the grant of SPP Options in the Company particularly given the current share price of the Company as against the exercise price of the SPP Options.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

**(p) Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

**(q) Competition Risk**

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's business.

**(r) Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

**(s) Land Access Risk**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights.

Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it already owns.

Access to land for exploration and evaluation purposes can be obtained by: private access and compensation agreement with the landowner; purchase of surface rights; or through judicial rulings. However, access rights to the licences can be affected by many factors including:

- (a) travel restrictions, quarantining procedures or other impediments to the freemovement of personnel as a result of COVID-19;
- (b) surface title land ownership negotiations, which are required before ground disturbing exploration activities can commence within the jurisdiction where the Company operates;
- (c) permitting for exploration activities, which are required in order to undertake most exploration and exploitation activities within the jurisdictions where the Company operates;
- (d) social licence to operate (refer to Social Licence Risks in Section 3.3(h)); and
- (e) natural occurrences including inclement weather, floods and earthquakes.

All of these issues have the potential to delay, curtail and preclude the Company's operations. Whilst the Company will have the potential to influence some of these access issues, and retains staff to manage those instances where negotiations are required to gain access, is not possible for the Company to predict the extent to which the above-mentioned risks and uncertainties may adversely impact on the Company's operations.

**(t) Going Concern Risk**

The Company's ability to raise further capital within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, share market and industry conditions and the price of relevant commodities and exchange rates.

If adequate funds are not available on acceptable terms the Company may not be able to develop its projects and it may impact on the Company's ability to continue as a going concern.

**3.4 General Risks**

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

**(a) General Economic Conditions**

Changes in the general economic climate in which the Company operates or holds investments in may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, currency fluctuations, inflation, supply and demand, industrial disruption, changes in investor sentiment, infectious diseases, terrorism or other hostilities and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company. COVID-19 has negatively affected global economies and is likely to continue to negatively affect global economies for an undetermined period of time.

**(b) Economic Risks**

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors (such as the exploration industry or the base metals sector within that industry);
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

**(c) Security Risk**

The business of the Company may be materially impacted by breaches of security, on-site or via technology, either by unauthorised access, theft, destruction, loss of information or release of confidential data. The Company's security measures may not be sufficient to detect or prevent such breaches of security.

**(d) Climate Change Risk**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

**3.5 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the SPP Options offered under this Prospectus.

Therefore, the SPP Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those SPP Options.

Shareholders should consider that their investment in the Company is speculative and should consult their professional advisers for further advice.

**4. Effect of the Entitlement Offer**

**4.1 Purpose of the Entitlement Offer**

The purpose of the Entitlement Offer was to incentivise Eligible Shareholders to participate in the SPP, as set out in the terms and conditions of the SPP.

The purpose of the Entitlement Offer is to issue up to 3,849,750 SPP Options on the basis of 1 Free-Attaching SPP Option for every 2 Shares subscribed for under the SPP.

No funds will be raised through the issue of the SPP Options pursuant to this Prospectus, however if all SPP Options are subscribed for and exercised, the Company will receive approximately \$461,970.

This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued upon exercise of the SPP Options to be issued under the Entitlement Offer. Issuing the SPP Options under this Prospectus will enable persons who are issued the SPP Options to on-sell the Shares issued on exercise of the SPP Options pursuant to ASIC Corporations (Sale Entitlement Offers That Do Not Need Disclosure) Instrument 2016/80.

Funds received from the exercise of options will be applied to ABx Group's working capital requirements at the time of exercise. There is no guarantee that SPP Options will be exercised at any particular time or at all.

4.2 Capital Structure

<b>Capital Structure prior to the Issue</b>	
Shares	250,040,314
Options <sup>^</sup>	11,025,000
<b>Number of Securities to be issued pursuant to this Prospectus</b>	
Shares	Nil
SPP Options offered under this Prospectus (maximum)	3,849,750
<b>Capital structure following completion of the Issue</b>	
Shares	250,040,314
Options	14,874,750

<b>Shares if SPP Options Exercised</b>	
Existing Shares	250,040,314
Number of shares to be issued if SPP Options offered under this Prospectus and all existing Options are exercised in full before expiry	14,874,750
<b>Total ^^</b>	<b>264,915,064</b>

<sup>^</sup> Options on issue consist of 1,650,000 Employee Options exercisable at \$0.1692 expiring on 1 June 2028 and 9,375,000 Placement Options exercisable at \$0.12 expiring on 6 September 2025.

<sup>^^</sup> Assumes the Entitlement Offer is fully subscribed, no further shares issued, and no other options exercised before exercise of the SPP Options. There is no guarantee that SPP Options will be exercised at any particular time or at all.

The directors do not expect any options to be issued under the Cleansing Offer.

**(a) Dilution**

Existing proportional interests of Shareholders in the issued shares of ABx Group will not be diluted through the issue of SPP Options.

Existing proportional interests of Shareholders in the issued shares of ABx Group will be diluted if SPP Options are exercised. Examples of the impact of dilution on existing share holdings where SPP Options are exercised are set out below, assuming the Entitlement Offer is fully subscribed, no further shares issued and no other options exercised before exercise of the SPP Options. There is no guarantee that SPP Options will be exercised at any particular time or at all.

It is further assumed that the notional Shareholders in the example below does not acquire or dispose of shares and does not exercise any existing options it might hold, and that the shareholder is not a recipient of SPP Options.

Shareholder (example)	Share holding at the Date of lodgement of this Prospectus	Existing %	As % of total Shares on issue assuming exercise of all options on issue
A	10,000	0.0040%	0.0038%
B	50,000	0.0200%	0.0189%
C	100,000	0.0400%	0.0377%
D	500,000	0.2000%	0.1887%
E	1,000,000	0.3999%	0.3775%
F	5,000,000	1.9997%	1.8874%

**(b) Substantial Shareholders**

As at the date of this Prospectus there are no major shareholders (>5%) of ABx Group.

**(c) Directors and Other Related Parties**

Directors or other related parties of ABx Group that participated in the SPP will be invited to apply for SPP Options. The issue of SPP Options to directors or related parties will be subject to Shareholder approval at the General Meeting. The issue of SPP Options will not affect the current direct and indirect holdings of Directors or other related parties of ABx Group. The proportionate effect on the current direct and indirect holdings of Directors or other related parties of ABx Group of the exercise of SPP Options, if exercised, will be the same as the proportionate effect on other shareholders.

Directors are not required under the Constitution to hold any Shares.

**4.3 Financial Effect**

The effect of the Entitlement Offer would be a reduction of ABx Group’s cash in hand by approximately \$10,706 in order to pay the costs of the Entitlement Offer.

**5. Application Instructions**

Applications for SPP Options can only be made by Eligible Shareholders at the direction of the Company.

No subscription monies are payable for the SPP Options offered pursuant to this Prospectus as the SPP Options are being issued as an entitlement to Eligible Shareholders on the basis of one (1) SPP Option for every two (2) Shares subscribed for and issued under the SPP.

**Eligible Shareholders will be deemed to have accepted their respective Entitlement if the Company does not receive notice to the contrary prior to the Closing Date in response to an Entitlement Form accompanying this Prospectus. Accordingly, an Eligible Shareholder does not need to do anything to accept the Entitlement Offer applicable to them.**

**6. Further Information**

If you have any questions about applying for SPP Options, please contact ABx Group Secretary on 02 9251 7177 (or by facsimile on 02 9251 7500 or by email [corporate@abxgroup.com.au](mailto:corporate@abxgroup.com.au)). Alternatively, contact your stockbroker or other professional adviser.

The issue of SPP Options is expected to occur after the Entitlement Offer Issue has closed at or about the date set out in the timetable on page 3 of this Prospectus (which dates may change without notice). Thereafter statements of option holdings will be despatched.

ABx Group may reject an application at its discretion. ABx Group reserves the right to reject any application and to allocate and issue fewer SPP Options than applied for by an applicant. If an application is rejected in whole or in part, any application monies (or balance of the application monies) received will be refunded to the applicant without interest. ABx Group may reject an application where payment of the application amount is not received or a cheque is not honoured, or without prejudice to its rights, issue SPP Options in response to the application and recover the outstanding application amount from the recipient.

It is the responsibility of recipients to determine their allocation prior to trading in SPP Options, exercising SPP Options or trading in shares issued upon exercise of SPP Options. Recipients trading shares issued upon exercise of SPP Options before they receive their statements will do so at their own risk.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consent are required or whether formalities need to be observed to enable them to acquire or exercise SPP Options. Return of an Entitlement Form or payment of an application amount will be taken by ABx Group to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of ABx Group, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in ABx Group. Independent expert advice should be sought before any decision is made to apply for SPP Options, exercise options or invest ABx Group.

### **6.1 Litigation**

As at the date of this Prospectus, other than as set out elsewhere in this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **6.2 Continuous Disclosure Obligations**

This Prospectus is issued by ABx Group in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities or options to acquire continuously quoted securities of ABx Group.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities or options offered to acquire securities are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities offered or securities acquired upon exercise of offered options are in a class of securities that were quoted enhanced disclosure securities at all times during the 12 months before the date of this Prospectus.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, ABx Group believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required ABx Group to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information, if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
- (c) the assets and liabilities, financial position and performance, profit and losses and prospects of ABx Group; and
- (d) the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. ABx Group is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

ABx Group seeks and engages in discussions on an ongoing basis in respect of potential opportunities for the establishment of new and the expansion of existing activities and business development opportunities. While ABx Group continues to seek and negotiate potential commercial opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. ABx Group will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

As a disclosing entity under the Corporations Act, ABx Group is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to ABx Group may be obtained from, or inspected at, an office of ASIC.

Any person may request, and ABx Group will provide free of charge, a copy of each of the following documents during the application period of this Prospectus:

- (a) the annual financial report of ABx Group for the financial year ended 31 December 2020 (lodged with ASIC and released to ASX on 31 March 2020), being the most recent annual financial report of ABx Group lodged with ASIC before the lodgement of this Prospectus with ASIC; and
- (b) any continuous disclosure notices given by ABx Group since the lodgement of the annual financial report referred to in (a) above before lodgement of this Prospectus. Continuous disclosure notices given by ABx Group since the lodgement of the annual financial report to the date of this Prospectus are listed in Section 6.3 of this Prospectus.

**6.3 ASX Announcements**

The following announcements (continuous disclosure notices) have been made by ABx Group to ASX since lodging its audited financial statements (annual financial report) for the year ended 31 December 2022 on 28 April 2023:

Date	Headline
02-Jan-24	Appendices 3Y with respect to SPP Shares issued to Directors
02-Jan-24	Application for quotation of securities - ABX
02-Jan-24	Section 708A Cleansing Statement
02-Jan-24	SPP Offer Closed Oversubscribed
21-Dec-23	Oversubscribed SPP to Close Today at 5 pm Sydney Time

Date	Headline
20-Dec-23	ABx 2023 SPP Offer Closing
19-Dec-23	Fluorine Added to Australian Critical Minerals List
13-Dec-23	Positive Results from State-of-the-Art Reactor
06-Dec-23	CEO Presentation Bell Bay Major Projects Conference
04-Dec-23	Share Purchase Plan Offer Opens
27-Nov-23	Proposed issue of securities - ABX
27-Nov-23	Security Purchase Plan
20-Nov-23	50Mt REE Resource Milestone
16-Nov-23	Trading Halt
16-Nov-23	Pause in Trading
08-Nov-23	State-of-the-Art Reactor Commences Operations
07-Nov-23	Drilling Underway Following Highest REE Assay Results
31-Oct-23	CEO Presentation - International Mining and Resources Confer
31-Oct-23	Quarterly Activities/Appendix 5B Cash Flow Report
12-Oct-23	ABx Group Adopts Global Standard for ESG Reporting
27-Sep-23	Record 17,333ppm TREO result from latest 18-hole REE drill p
26-Sep-23	Significant REE Exploration Licences Granted
13-Sep-23	Notification regarding unquoted securities - ABX
13-Sep-23	Section 708A Cleansing Statement
13-Sep-23	Application for quotation of securities - ABX
13-Sep-23	ALCORE Installs State-Of-The-Art Bath Pilot Batch Reactor
11-Sep-23	ABX Signs 5 Year Bauxite Supply Agreement
06-Sep-23	Option Terms
06-Sep-23	Proposed issue of securities - ABX
06-Sep-23	\$1.5M Raising to Fully Fund ALCORE Pilot Plant
04-Sep-23	Trading Halt
31-Aug-23	Half Yearly Report and Accounts
17-Aug-23	Drill testing new rare earth discovery commenced
09-Aug-23	R&D Tax Rebate Received for Rare Earths Activities
03-Aug-23	Managing Director/CEO Participates at ShareCafe Webinar
03-Aug-23	R&D Tax Rebate Received for Alcore
31-Jul-23	Quarterly Activities/Appendix 5B Cash Flow Report
19-Jul-23	CEO Presentation - Noosa Mining Investor Conference
18-Jul-23	ABX REE resource increases to 27m tonnes and new discovery
06-Jul-23	Addendum to the 2022 Annual Report lodged 28 April 2023
06-Jul-23	Appendices 3Y with respect to Unvested Class ABXAB Options
06-Jul-23	Non-Executive Directors Remuneration LR 10.17A

Date	Headline
28-Jun-23	Second \$2.7M instalment of MMI grant received
21-Jun-23	ALCORE Pilot Plant Progress
15-Jun-23	CEO Presentation - Mines & Money Connect
09-Jun-23	Clarification of Appendices 3Y lodged 5 June 2023
06-Jun-23	Company Presentation
05-Jun-23	Appendix 3Y Paul Lennon, Mark Cooksey, Ken Boundy, Ian Levy
02-Jun-23	Notification of cessation of securities - ABX
31-May-23	Results of Meeting
31-May-23	Material to be Delivered at Annual General Meeting
17-May-23	CEO Presents at Resources Rising Stars
09-May-23	CEO Presentation - RIU Sydney Resources Round-up Conference
08-May-23	ABX Achieves 20Mt REE Resource Milestone
28-Apr-23	Notice of Annual General Meeting/Proxy Form

Any person may request, and ABx Group will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

ABx Group may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website, [www.asx.com.au](http://www.asx.com.au) under ABx Group's ASX code "ASX", and will also be made available on ABx Group's web site, [www.abxgroup.com.au](http://www.abxgroup.com.au). Copies of announcements can also be obtained from ABx Group upon request. Prospective investors are advised to refer to ASX's website or ABx Group's website for updated releases about events or matters affecting ABx Group.

In making statements in this Prospectus regard has been had to the fact that ABx Group is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **6.4 Market Price for Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. No trading in the SPP Options has occurred on ASX, as they are not listed on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.08	13 October 2023
Lowest	\$0.066	6 November 2023
Last	\$0.073	10 January 2024

### **7. Terms of Options Offered**

The Options entitle the holder to subscribe for Shares on the following terms and conditions.

#### **7.1 Definitions**

In these option conditions:

**ASX** means ASX Limited;

**Bonus Issue** has the same meaning as ascribed to the expression "bonus issue" in the Listing Rules;

**Business Day** means any day except a Saturday or a Sunday or other public holiday in any State or Territory of Australia;

**Exercise Commencement Date** means the date on which the Options are issued;

**Exercise Notice** means a notice in writing by the Option Holder to the Issuer pursuant to which the Option Holder states that the Option Holder wishes to exercise the Option duly completed and signed accompanied by the Exercise Price;

**Exercise Period** means the period between the Exercise Commencement Date and 6 September 2025;

**Exercise Price** means \$0.12 per Share;

**Issuer** means ABx Group Limited ACN 139 494 885;

**Listing Rules** means the listing rules of the ASX;

**Option** means an option to acquire a Share on the terms and conditions set out in this Schedule;

**Option Certificate** means a certificate of holding of an Option issued by or on behalf of the Issuer;

**Pro Rata Issue** has the same meaning as the expression "pro rata issue" has in the Listing Rules;

**Register** means the register of Option Holders maintained by or for and on behalf of the Issuer;

**Share** means a fully paid ordinary share in the Issuer;

**Tax** includes all income tax, company tax, fringe benefits tax, withholding tax, undistributed profits tax, group tax, payroll tax, sales tax, GST, customs or excise duties, land tax, stamp duty or any other tax or levy imposed by a governmental authority together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing and "Taxation" has a corresponding meaning.

## 7.2 Interpretation

In these Option Conditions, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;
- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more persons means each of them individually and any two or more of them jointly;

- (j) if a party comprises two or more persons:
- (k) reference to a party means each of the persons individually and any two or more of them jointly;
- (l) a promise by that party binds each of them individually and all of them jointly;
- (m) a right given to that party is given to each of them individually;
- (n) a representation, warranty or undertaking by that party is made by each of them individually;
- (o) a provision must not be construed against a party only because that party prepared it;
- (p) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (q) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (r) another grammatical form of a defined expression has a corresponding meaning;
- (s) an expression defined in the Corporations Act 2001 has the meaning given by the act at the date of this agreement.

### **7.3 Option Certificates**

The Issuer must issue to the Option Holder an Option Certificate with respect to the Options.

### **7.4 Registration**

The Issuer must register the Option Holder as the Option Holder of the Options in the Register.

### **7.5 Exercise of the Options**

#### **(a) Method**

The Option Holder must exercise the Options during the Exercise Period by completing and lodging with the Issuer an Exercise Notice duly executed by the Option Holder and paying the Exercise Price.

#### **(b) Allotment of Shares**

The Issuer must after an Exercise Notice and payment of the Exercise Price is received in accordance with this clause 6 allot the number of Shares referred to in the Exercise Notice to the Option Holder in accordance with the Listing Rules.

#### **(c) Cancellation or Endorsement of Option Certificate**

Upon the allotment of Shares in accordance with clause 6, the Issuer must in respect of the Option Certificate lodged with the Issuer for the purposes of an exercise of Options:

- 1) if the outstanding Options have been exercised, cancel the Option Certificate; or,
- 2) if part only of the outstanding Options have been exercised, endorse the Option Certificate with the number of Options that have been exercised and the number of outstanding Options and return the same to the Option Holder.

**7.6 Issues and Reorganisations**

**(a) New Issues**

The Option Holder is not entitled by reason only of being a Option Holder of Options to participate in any Bonus Issue, Pro Rata Issue or any other issue of rights to subscribe for additional Shares or any other securities to be issued by the Issuer.

**(b) Reorganisation of Capital**

- 1) If an Option has not been exercised and the Issuer reorganises its issued capital including without limitation
  - A. a consolidation of capital;
  - B. a subdivision of capital
  - C. a return of capital;
  - D. a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled;
  - E. a pro rate cancellation or capital, the number or the Exercise Price of the Options or both to which the Option Holder is entitled will be adjusted in accordance with Listing Rule 7.22.
- 2) This clause 7.6 is subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reorganisation of capital.
- 3) Any other rights of the Holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation but in all other respects the terms for the exercise of the Options shall remain unchanged.

**7.7 Rights issues**

If the Issuer makes an offer of Shares pro rata to all or substantially all holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of an Option before the date for determining entitlements to the rights issue then the new Exercise Price of the Option will be adjusted in accordance with the following formula:

$$O^1 = \frac{O - E(P - (S + D))}{N + 1}$$

- Where
- $O^1$  = the new exercise price of the Option;
  - $O$  = the old exercise price of the Option;
  - $E$  = the number of Shares into which one Option is exercisable;
  - $P$  = average market price per share (weighted by reference to volume) of the Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
  - $S$  = the subscription price (application money plus calls) for new Shares Issued under the rights issue;
  - $D$  = any dividends declared but not yet paid on existing Shares which will not be payable in respect of new Shares issued under the rights issue; and

N = the number of Shares required to be held to receive a right to one new share under the rights issue.

The number of Shares which the Option Holder is entitled to subscribe for on exercise of the Option will not change.

#### **7.8 ASX Listing Rules**

- (a) This clause 7 is to be read subject to the requirements of the Listing Rules.
- (b) In the event of any inconsistency between the provisions of this clause 8 and the provisions of the Listing Rules, the provisions of the Listing Rules must prevail.

#### **7.9 Shares**

##### **(a) Rights attaching to Shares**

Shares issued pursuant to the exercise of an Option rank pari passu in all respect with all other issued Shares of the Issuer.

##### **(b) Quotation of Shares**

The Issuer must apply to the ASX within ten (10) business days after the date of issue of any Shares issued upon exercise of the Options, for such Shares to be admitted to quotation.

##### **(c) Interest in Shares**

A Holder has no interest in the Shares the subject of the Option Holder's Options until those Options are exercised in accordance with this agreement and the Shares allotted to the Option Holder pursuant to the exercise.

##### **(d) Assignment**

The Options are transferable but will not be quoted on the ASX (unless the Issuer determines otherwise).

#### **7.10 Application of Listing Rules**

- (a) Notwithstanding anything contained in these option conditions, if the Listing Rules prohibit an act being done, the act must not be done.
- (b) Nothing contained in this agreement prevents an act being done that the Listing Rules required to be done.
- (c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done as the case may be.
- (d) If the Listing Rules require this agreement not to contain a provision and it contains such a provision, this agreement is deemed not to contain that provision.

If any provision of this agreement is or become inconsistent with the Listing Rules, this agreement is deemed not to contain that provision to the extent of any inconsistency.

#### **7.11 Shares issued upon the exercise of Options**

The Shares issued upon the exercise of Options (if validly exercised) will be fully paid ordinary shares in the capital of ABx Group, which will rank equally with, and will have the same voting and other rights as the existing issued shares of ABx Group. The rights attaching to ABx Group's shares are set out in ABx Group's Constitution, the Listing Rules of ASX and the Corporations Act. ABx Group's Constitution has been lodged with ASIC. The Constitution contains provisions of the kind common for public companies in Australia and is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Constitution during the application period of this Prospectus, which ABx Group will provide free of charge.

**8. Directors' Interests**

**8.1 Securities**

**(a) Existing Interests**

As at the date of this Prospectus, the Directors' direct and indirect interests in shares and options of ABx Group are as follows:

Director	Direct	Indirect	Options
Paul Lennon	Nil	4,609,869	150,000
Ken Boundy	Nil	2,728,089	150,000
Ian Levy	Nil	6,676,316	150,000
Mark Cooksey	Nil	535,000	300,000

Each Director participated in the SPP and, subject to shareholder approval at the forthcoming General Meeting, is entitled to receive 375,000 SPP Options each.

**(b) Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum. Shareholders will consider increasing this amount to \$500,000 at the forthcoming General Meeting.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as SPP Options, subject to any necessary Shareholder approval) as the other Directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

ABx provides annual remuneration for non-executive directors of \$80,000 for the Chairman and \$50,000 for other non-executive directors. Where not paid the director fees accrue.

The following table shows the total annual remuneration paid to both executive and non-executive directors in their capacities as directors of ABx and its 83% owned subsidiary Alcore Limited.

Director	2023 Financial Year	2022 Financial Year
Paul Lennon	\$129,500	\$129,500
Ken Boundy	\$50,000	\$50,000
Ian Levy <sup>(a)</sup>	Nil	Nil
Mark Cooksey <sup>(b)</sup>	Nil	Nil

**Notes:**

- (a) Ian Levy is not paid director fees. He is paid for services to the Company in the capacity of geologist which is outside the scope of the ordinary duties of a director. Ian Levy received \$137,000 in 2022 and nil in 2023.
- (b) Mark Cooksey is not paid director fees. He is paid for services to the Company and Alcore as the Chief Executive Officer which is outside the scope of the ordinary duties of a director. Mark Cooksey total annual remuneration including superannuation for FY2023 was \$309,070 and for FY2022 was \$103,131.

**(c) Participation by Directors in the Entitlement Offer**

Subject to Shareholder Approval, The Directors may participate in the Entitlement Offer.

Except as disclosed in this Prospectus, no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:

- (a) the formation or promotion of ABx Group; or
- (b) any property acquired or proposed to be acquired by ABx Group in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer.

**9. Other Information**

**9.1 Fees and other remuneration**

Except as disclosed in this Prospectus, no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of ABx Group or otherwise for services rendered by the Director in connection with the formation or promotion of ABx Group or the Entitlement Offer.

**9.2 Taxation**

Persons invited to apply for SPP Options under this Prospectus should seek and obtain their own taxation advice before applying for or exercising SPP Options so that they may first satisfy themselves of any taxation implications associated with acquiring or exercising SPP Options.

**9.3 Overseas Shareholders**

This Offer does not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

Shareholders holding Shares on behalf of persons who are not resident in Australia are responsible for ensuring that applying for and being issued SPP Options (or exercising SPP Options and receiving shares) does not breach regulations in the relevant overseas jurisdiction. Persons resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consent are required or whether formalities need to be observed to enable them to acquire or exercise SPP Options. Return of a duly completed Entitlement Form or payment of an application amount will be taken by ABx Group to constitute a representation that there has been no breach of such regulations. Invitees who are nominees are advised to seek independent advice as to how they should proceed. The Entitlement Offer has not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

This Prospectus is not to be distributed outside Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law, and persons outside Australia or New Zealand who comes into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of

applicable securities laws. Any person accessing the electronic version of this Prospectus for the purpose of investing in ABx Group must only access it from within Australia or New Zealand.

**9.4 Privacy and personal information**

The completed Entitlement Form provides personal information about you to ABx Group. ABx Group collects your personal information to process and administer your investment in ABx Group and to provide related services to you. If you do not complete the Entitlement Form in full, ABx Group may not accept your Entitlement Form.

By submitting an Entitlement Form, each Applicant agrees that ABx Group may use the information provided by that Applicant on the Entitlement Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, ABx Group’s related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers and to the ASX and regulatory authorities.

If you become a Security Holder, the *Corporations Act* requires ABx Group to include information about the Security Holder (including name, address and details of the Securities held) in its public register. The information contained in ABx Group’s public register must remain there even if you cease to be a Security Holder. Information contained in ABx Group’s register is used to facilitate distribution payments and corporate communications (including ABx Group’s financial results, annual reports and other information that ABx Group may wish to communicate to its Security Holders) and for compliance by ABx Group with legal and regulatory requirements.

If you do not provide the information required on the Entitlement Form, ABx Group may not be able to accept or process that Application efficiently, or at all.

You have a right to gain access to the information that ABx Group holds about you subject to certain exemptions under law. A fee may be charged for such access. You can obtain access to personal information that ABx Group holds about you. To make a request for access or to obtain further information about ABx Group’s personal information management practices, please contact ABx Group on +61 2 9251 7177.

**9.5 Expenses of the Entitlement Offer**

The total expenses of the Entitlement Offer are estimated to be approximately \$10,706 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
Legal fees	5,000
Printing and distribution	2,500
<b>Total</b>	<b>10,706</b>

**9.6 Electronic Prospectus**

This Prospectus is available in electronic format for information purposes only at [www.abxgroup.com.au](http://www.abxgroup.com.au).

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by telephoning +61 2 9251 7177 (or by facsimile on +61 2 9251 7500 or by email to ABx Group Secretary at [corporate@abxgroup.com.au](mailto:corporate@abxgroup.com.au)).

Applications for SPP Options may only be made on the personalised Entitlement Form that accompanied or was attached to a copy of this Prospectus in its paper copy form or a printout of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The

Corporations Act prohibits any person from passing on to another person an Entitlement Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

ABx Group reserves the right not to accept an application or Entitlement Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement Form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

### **9.7 Investment Decisions**

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Entitlement Offer pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

### **9.8 Future Performance**

Except as required by law, and only then to the extent so required, neither ABx Group nor any other person warrants the future performance of ABx Group, or any return on any investment made pursuant to this Prospectus. An investment by acquiring SPP Options offered by this Prospectus or by exercising SPP Options should be considered speculative.

### **9.9 Enquiries**

You should contact your stockbroker, accountant or independent professional financial adviser before making any decision regarding SPP Options, exercising options or investment in ABx Group.

If you have received an invitation to apply for SPP Options from ABx Group and have any questions regarding how to complete the Entitlement Form, please contact ABx Group Secretary on 02 9251 7177 (or by facsimile on 02 9251 7500 or by email to [corporate@abxgroup.com.au](mailto:corporate@abxgroup.com.au)).

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by ABx Group in connection with this Prospectus.

### **10. Consents**

Computershare Investor Services Pty Limited has given and has not withdrawn before the lodgement of this Prospectus with ASIC, its written consent to be being named as ABx Group's Share Registry in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to ABx Group. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

### **11. Directors' Authorisation Statement**

The Directors of ABx Group have authorised the lodgement of this Prospectus with ASIC.



Mark Cooksey  
Managing Director

12. Glossary

Terms and abbreviations used in this Prospectus have the following meaning:

<b>A\$ or \$</b>	an Australian dollar
<b>Applicant</b>	a shareholder who applies for SPP Options pursuant to the Entitlement Offer
<b>Application Form</b>	a Cleansing Offer Application Form
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ACN 008 624 691)
<b>ASX Listing Rules</b>	the official listing rules of ASX
<b>ABx Group Limited or ABx Group or Company</b>	ABx Group Limited (ACN 139 494 885) of Level 5, 52 Phillip Sydney NSW 2000 and where the context so permits or requires, includes any related body corporate including subsidiaries
<b>Board</b>	Board of Directors of ABx Group for the time being
<b>Business Day</b>	a day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
<b>Cleansing Offer</b>	the cleansing offer made for Placement Options as detailed in Section 2.3 of this Prospectus respectively
<b>Cleansing Offer Application Form</b>	an application form for the Cleansing Offer
<b>Closing Date</b>	the date by which valid acceptances must be received by the Share Registry, being 6 February 2024 or such other date determined by the Board
<b>Constitution</b>	Constitution of ABx Group as registered with ASIC and as amended from time to time
<b>Corporations Act</b>	the Corporations Act 2001 (Cth) – an Act to make provision in relation to corporations and financial products and services, and for other purposes
<b>Director</b>	a director of ABx Group
<b>Eligible Shareholder</b>	An eligible shareholder as described in the SPP
<b>Entitlement</b>	The entitlement of a Shareholder who is eligible to participate in the Entitlement Offer
<b>Entitlement Form</b>	The Entitlement Form either attached to or accompanying this Prospectus
<b>Entitlement Offer</b>	the offer of 3,849,750 SPP Options pursuant to and in accordance with this Prospectus

<b>Offers Period</b>	period from 11 January 2024 to 6 February 2024 when the Entitlement Offer is made
<b>General Meeting</b>	A general meeting of shareholders to be held on 14 February 2024 to approve the issue of the SPP Options.
<b>Group</b>	ABx Group Limited and its subsidiaries
<b>Issue</b>	the issue of SPP Options in accordance with this Prospectus
<b>Issuer Sponsored</b>	Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>Offer(s)</b>	The Entitlement Offer or Cleansing Offer as the context requires
<b>Official List</b>	the official list of entities that ASX has admitted and not removed
<b>Opening Date</b>	11 January 2024
<b>option</b>	options to acquire Shares pursuant to and in accordance with this Prospectus which may be exercised by the holder to acquire a Share
<b>Options</b>	SPP Options or Placement Options as the context requires.
<b>Placement</b>	The September 2023 placement of 18,780,000 Shares at \$0.08 per Share with attaching options on a 1 for 2 basis, exercisable at \$0.12 before 6 September 2025
<b>Placement Options</b>	One unlisted option issued on a 1 for 2 basis, exercisable at \$0.12 before 6 September 2025 applied for under the Placement.
<b>Prospectus</b>	this Prospectus dated 11 January 2024 as modified or varied by any replacement or supplementary Prospectus made by ABx Group and lodged with ASIC from time to time, and any electronic copy of this Prospectus, replacement prospectus and supplementary Prospectus
<b>Securities</b>	has the same meaning as in section 92 of the <i>Corporations Act</i>
<b>Security Holders or Shareholders</b>	the shareholders of ABx Group from time to time
<b>Share Registry</b>	Computershare Investor Services Pty Limited
<b>Shareholder Approval</b>	Approval by Shareholders at the General Meeting for the issue of SPP Options and other resolutions put before Shareholders at the General Meeting
<b>Shareholders</b>	holders of Shares
<b>Shares</b>	ordinary fully paid shares in the capital of ABx Group

<b>SPP Option</b>	One unlisted option issued on a 1 for 2 basis, exercisable at \$0.12 before 6 September 2025 applied for under the SPP
<b>SPP Option Holders</b>	holders of options
<b>SPP or Share Purchase Plan</b>	The share purchase plan announced by the Company on 27 November 2023 in which eligible shareholders could subscribe for up to \$30,000 worth of Shares at an issue price of \$0.08 per share with an entitlement of one SPP Option for every two Shares issued exercisable at \$0.12 before 6 September 2025
<b>SPP Participants</b>	Persons who subscribed for and were allocated Securities under the SPP.
<b>Sydney Time</b>	Australian Eastern Daylight Time or Australian Eastern Standard Time in effect at the relevant time.