ASX: ABX

# Quarterly report and activity statement

## 3 months to 31 December 2024

## Highlights

### Ionic adsorption clay rare earth project in Tasmania

An improved geological model of the Deep Leads / Rubble Mound resource was developed and a proprietary remote sensing exploration technology was confirmed.

Facilities and procedures to conduct in-house desorption tests at low cost with sufficient repeatability and reproducibility were developed

### Production of hydrogen fluoride and aluminium fluoride from aluminium smelter waste (ALCORE)

Leased existing Rio Tinto facility adjacent to Bell Bay aluminium smelter for continuous pilot plant, at a reduced rate as contribution to the pilot plant and project

Tasmanian Government provided indicative terms and conditions for $1m conditional loan to ALCORE to support the continuous pilot plant in Tasmania

### Bauxite projects (Queensland, Tasmania and NSW)

Substantively higher global bauxite prices have materially increased the value of ABx's bauxite assets

Ongoing discussions were held with numerous parties with strong interest in securing bauxite supply from the Sunrise Bauxite Project in Queensland

For the DL130 Bauxite Project in Tasmania, updated Dust Management Plan and Stormwater Management Plans were submitted and are being evaluated by the EPA

### Corporate

Binding commitments were received for a placement of $1.8 million through the issuance of convertible notes[1]

ABx Group Limited (ASX: ABX) is a uniquely positioned Australian company delivering materials for a cleaner future.

[1] ASX Announcement, 20 December 2024

## Rare Earths: Improved geological and process understanding

- An improved geological model of the Deep Leads / Rubble Round resource was developed, which will assist to us to identify the most prospective areas within our existing tenements, and other prospective areas in northern Tasmania
- Facilities and procedures to conduct in-house desorption tests at low cost with sufficient repeatability and reproducibility were developed. This is designed to be complementary to the desorption testing conducted by ANSTO. ABx will use a mixture of in-house and ANSTO testing to advance the project.
- Systematic desorption testing was conducted using the in-house facilities, investigating parameters such as pH, ammonium sulfate concentration, solids loading and temperature. These are providing useful insights on the nature of the Deep Leads / Rubble Round resource
- Applications for two exploration leases are in progress, including EL25/2022 covering the 16 km extension from Deep Leads / Rubble Mound to the Wind Break REE discovery area
- Discussions continued with potential customers in North America and Europe for an ABx mixed rare earth carbonate (MREC) product. The discussions highlighted the particularly acute supply risks for dysprosium and terbium.

## Rare Earths Strategy

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 (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb). 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 mineral deposits. These typically require large, costly processing plants and a significant lead time to reach production.

An alternative source of rare earths is clay-hosted deposits. These typically contain a mixture of ionic adsorption clay (IAC, the ionic component) and a non-ionic component. The relative proportions of each in different deposits varies enormously. The rare earths in the ionic component can be leached using a low-cost desorption process, which produces a solution containing rare earths that is subsequently precipitated into a mixed rare earth carbonate (MREC). Industry processing experts indicate that it is very difficult to economically extract rare earths from the non-ionic component. Thus it is critical to have a high ionic proportion.

The other major advantages of ionic adsorption clay deposits are:

- Higher proportion of heavy rare earths compared to mineral deposits
- Low concentrations of radioactive elements such as uranium and thorium
- Typically exist at shallow depth

These advantages mean that:

- The minimum viable project for an ionic adsorption clay project is typically significantly smaller than for a mineral project. Crucially, this means that considerably less capital, time and risk is typically required to deliver a cash-flow positive ionic adsorption clay project compared to a mineral project
- The basket price for a concentrate from an ionic adsorption clay deposit is typically higher than one from a mineral deposit.

Ionic adsorption clay deposits have historically been mined only in southern China.

ABx is the first company to discover rare earths in Tasmania (Figure 1) and has reported a JORC-compliant mineral resource of 89 million tonnes[2] at its Deep Leads - Rubble Mound and Wind Break deposits.[3] The resource contains 36 ppm DyTb,[4] the highest of any clay-hosted rare earths resource in Australia and one of the highest in the world. This contributes to a higher basket price. Furthermore, the level of radioactive elements is very low (2 ppm $U_2O_3$ and 6 ppm $ThO_2$).

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 resource in Australia,[5,6] which means that the ABx resource has the highest ionic proportion of any clay-hosted rare earths resource in Australia.

The ABx rare earth deposits are located in accessible forest plantations near highways, ports, railways, airports, grid hydropower and major towns.

The ABx strategy is to produce a mixed rare earth carbonate that can be sold to rare earth separation plants, for conversion into separated rare earth oxides. Numerous discussions with potential customers and investors have confirmed the particular strengths of the ABx rare earth deposits:

- High levels of dysprosium and terbium
- High ionic component
- Located in Australia

The next stages of the project are:

- Further exploration, primarily to identify the preferred initial mining location

[2] 41 Mt inferred, 42 Mt indicated and 6 Mt measured
[3] ASX Announcement, 2 May 2024
[4] DyTb = $Dy_2O_3$ + $Tb_4O_7$
[5] ASX Announcement, 31 May 2022
[6] ASX Announcement, 2 February 2023

- Metallurgical studies, to develop an understanding of the parameters that affect the performance of each process step (desorption, impurity removal and precipitation)
- Developing a preferred process and initial cost model

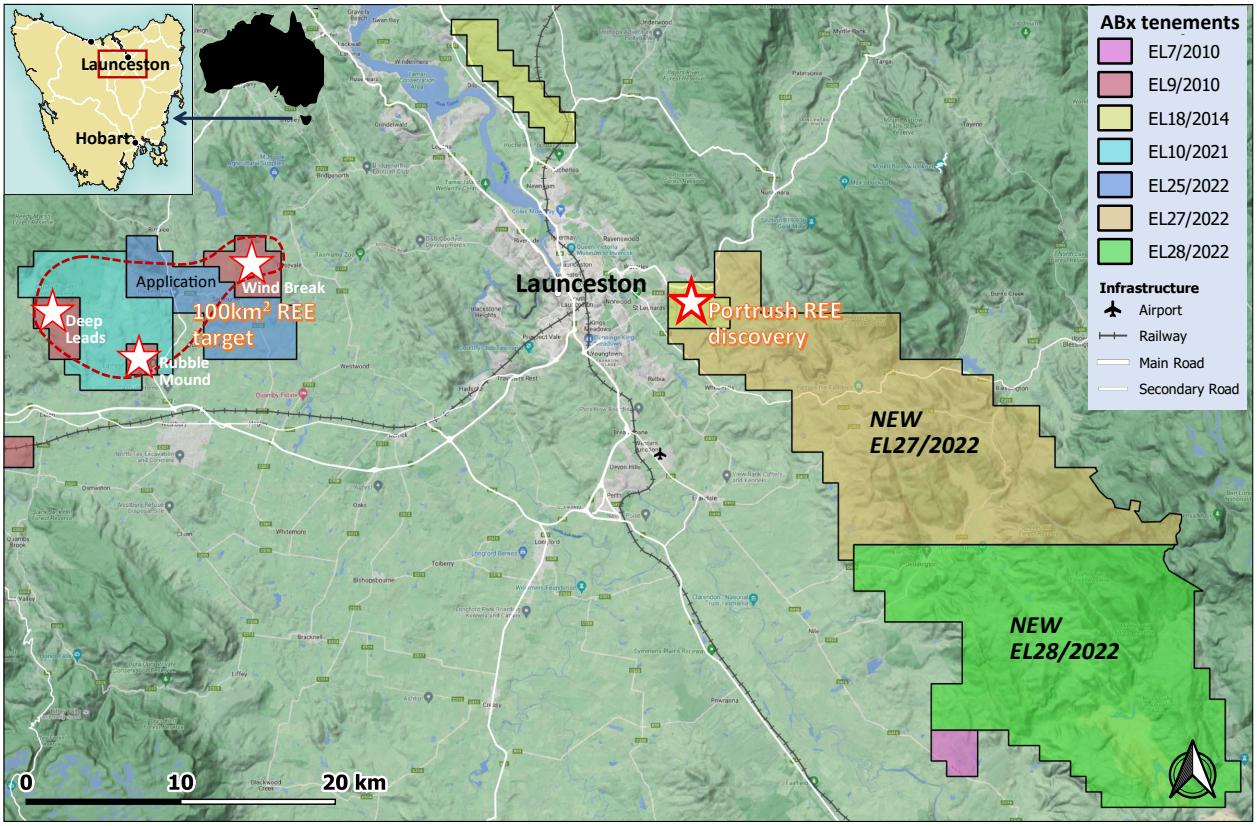


**Figure 1: ABx leases in the 52 km wide REE province in northern Tasmania.**

## ALCORE: secured support from Rio Tinto and Tasmanian Government

- Support for the continuous pilot plant was secured from Rio Tinto[7] and the Tasmanian Government[8]:
    - ALCORE entered into a lease agreement with Rio Tinto Aluminium Limited for an industrial facility adjacent to its Bell Bay aluminium smelter in northern Tasmania. ALCORE will establish a pilot plant at the facility, which comprises a 500 sqm building on an industrial site and offers convenient access to local engineering services and suppliers in Bell Bay. The lease with Rio Tinto is at a reduced rate as contribution to the pilot plant and project. The lease agreement includes an option for ALCORE to purchase the site or lease the site for 10 years subject to the proven performance of the pilot plant and the decision to construct a commercial plant (and all relevant approvals having been obtained).
    - The Tasmanian Government has provided indicative terms and conditions for a $1 million, zero interest, conditional loan to support the construction and operation of the continuous pilot plant at the facility leased from Rio Tinto. The loan is subject to confirming executing final loan documentation, anticipated in early 2025.
- Planning and environmental approvals are underway for the continuous pilot plant, and it is expected that orders for most of the major equipment will be placed in Q1 2025.
- The establishment of the continuous pilot plant facility represents a relocation of the Alcore Technology Centre from Berkeley Vale, NSW to Bell Bay, Tasmania. The Berkeley Vale facility was ideal for the early stage development of the ALCORE technology but is no longer required. ALCORE has concluded its lease agreement for the Berkely Vale facility effective 1 January 2025. Some key equipment, such as the batch pilot plant, will be moved to Tasmania.
- Potential process routes for developing market-accepted metal sulfate products were assessed. The preferred strategy is to identify specific customers that can use metal sulfate mixtures with minimal purification and processing.

[7] ASX announcement, 15 January 2025
[8] ASX announcement, 18 December 2024

## ALCORE Strategy

Hydrogen fluoride is an essential chemical for the production of fluorocarbons and aluminium fluoride. Aluminium fluoride is an essential chemical for aluminium metal production. Fluorine was added to Australia's critical minerals list in 2023.

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.

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, typically more than 80% from China. The average aluminium fluoride price (FOB China) has been more than US$1,350/t for the past two years.

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 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 proprietary process to produce industrial chemicals from aluminium smelter bath waste. The major products are hydrogen fluoride and metal sulfates. The hydrogen fluoride is combined with aluminium hydroxide to produce aluminium fluoride via an existing commercial process. The combined approach is illustrated in Figure 3.

ALCORE intends to construct commercial hydrogen fluoride and aluminium fluoride plants in Bell Bay, Tasmania. In 2022, ALCORE received a $7.6 million grant from the Australian Government's Modern Manufacturing Initiative (MMI) to support the project.[9]

The process to produce hydrogen fluoride has been operated at pilot scale in a batch reactor. The next stage is to construct and operate a bath continuous pilot plant, the outcomes of which will be:

1. Selection of reactor designs and process conditions for the commercial plant
2. Production of saleable hydrogen fluoride for evaluation by customers

The metal sulfates can potentially be sold as a single industrial chemical, or further processed into multiple industrial chemicals. A range of options is being assessed.

[9] ASX Announcement, 29 April 2022

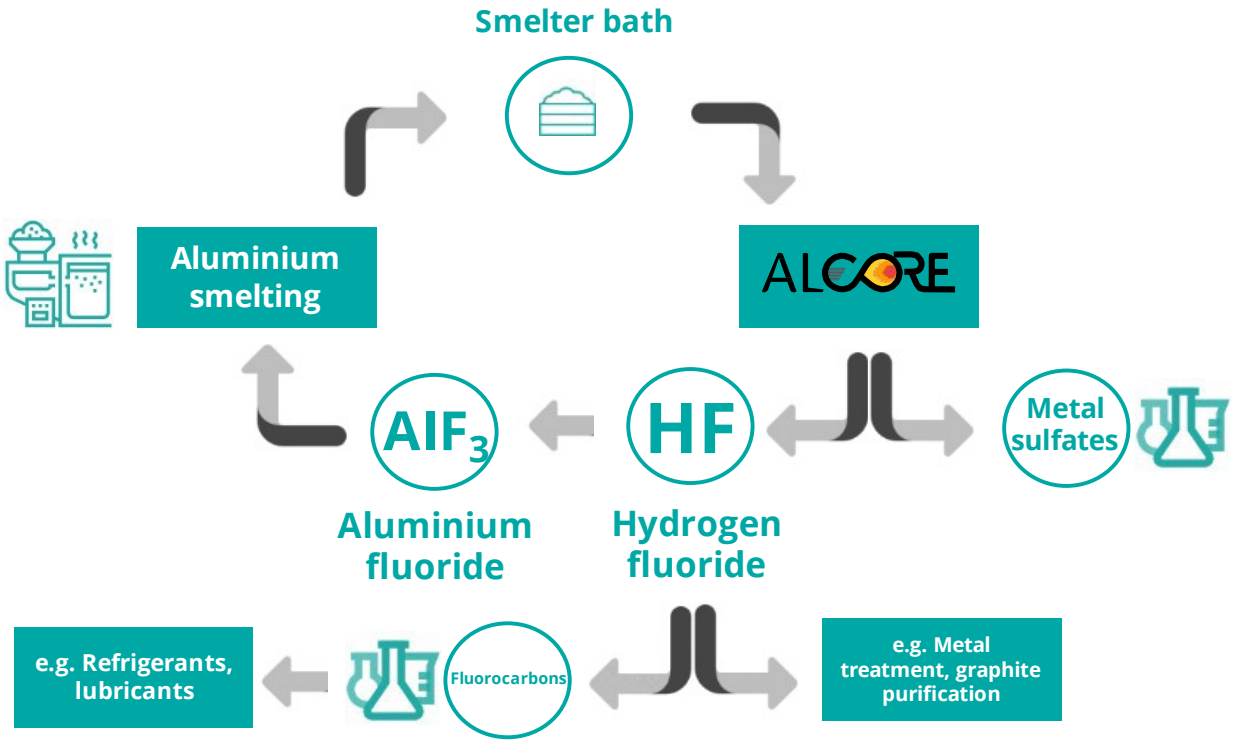


**Figure 3: Circular economy approach of recycling aluminium smelter bath into hydrogen fluoride and other industrial chemicals**

## Bauxite Operations

### Sunrise Bauxite Project: Binjour, Queensland

- Ongoing discussions were held with numerous parties with strong interest in securing bauxite supply from the Sunrise project. This is consistent with increased global bauxite prices caused by depleted bauxite resources in China and major supply disruptions in Guinea. Several parties are interested in financing the project.
- Given the substantive change the market conditions, ABx is actively exploring several options for the project, with a preference for securing value in a shorter timeframe.
- An application for a standard environmental authority (EA) for Mine Lease 100277 that was submitted to the Department of Environment, Science, and Innovation in the previous quarter is still under review.

### DL130 Bauxite Project: Tasmania

- Following public submissions to the planning permit application advertised by the Meander Valley Council, the EPA issued a Request for Additional Information. Updated Dust Management Plan and Stormwater Management Plans were submitted and are being evaluated by the EPA.

### Taralga Bauxite Project: NSW

- The project is located between Taralga and Crookwell in NSW, 200 km inland from Port Kembla. A pre-feasibility study (PFS) by independent engineers in 2013-14 was based on shipments of 1 million tonnes per annum of trihydrate, gibbsite-type metallurgical bauxite averaging 42% $Al_2O_3$ and 5.5% $SiO_2$. The PFS concluded that transport by road and rail was feasible, but delays in the expansion of Port Kembla outer harbour were the main obstacle to overcome. Recent changes in Port Kembla logistics have been positive and this project is now being reassessed in response to recent increases in prices for this trihydrate type of bauxite.

## Bauxite Strategy

The ABx strategy is to selectively produce metallurgical grade, cement grade and fertiliser grade bauxite, with a focus on profitability. ABx bauxite can substantially improve the properties of superphosphate fertiliser.

Global bauxite prices have substantially increased in recent months due to a combination of factors, notably reduced bauxite production in China and supply disruptions in Guinea. These higher prices have materially increased the value of ABx's bauxite assets.

The largest project is the Sunrise Bauxite Project in Queensland, with a JORC compliant resource of 37 million tonnes, supporting 20-25 years production. It is anticipated that the mine 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.

In February 2022, ABx entered a JV with Alumin for the development of the Sunrise Bauxite Project, comprising a bauxite mine at Binjour and port operations at Bundaberg.[10] 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.

Alumin is continuing negotiations with multiple interested parties to secure long-term offtake agreements, reflecting the growing global demand for bauxite and the limited number of options for new supply.

In Tasmania, ABx has three bauxite deposits and has previously mined at Bald Hill near Campbell Town. ABx plans to recommence bauxite mining at the DL130 Bauxite Project and assessment of the mine lease application by Meander Valley Council, the EPA and Mineral Resources Tasmania is in progress. The primary products are likely to be cement grade and fertiliser grade bauxite. In September 2023, an agreement was executed with Adelaide Brighton Cement Limited (ABCL), a subsidiary of Adbri Limited (ASX:ABC), for the supply of cement-grade bauxite to ABCL's Birkenhead cement manufacturing operation in South Australia.[11] The agreement forecasts supply of 90,000-120,000 tonnes of bauxite over a five-year term.

### Corporate

In May 2024, ABx published its baseline Environmental, Social, and Governance ("ESG") report.[12] In each quarterly report, ABx will publish its ESG progress dashboard, summarising its progress against 21 core metrics developed by the World Economic Forum. The dashboard is shown on the following page.

Updated rare earths and ALCORE presentations have been placed on the ABx website www.abxgroup.com.au.

This announcement is approved for release by the board of directors.

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[10] ASX Announcement, 28 February 2022
[11] ASX Announcement, 11 September 2023
[12] ASX Announcement, 30 May 2024

## ABx Group

ASX:ABX

### Progress Dashboard - Period 3 (Jan to Mar 2025)

Progress
- P In progress
- G Gap
- C Completed
- N Not applicable

**GOVERNANCE** — 70% COMPLETED

| Code | Description | Disclosure | Last Updated | Status | Progress (A1-A5) |
|---|---|---|---|---|---|
| **GOVERNING PURPOSE** | | | | | |
| GO-01-C1 | Setting purpose | Full | 17 May 2024 | VERIFIED | C P C C C |
| **QUALITY OF GOVERNING BODY** | | | | | |
| GO-02-C1 | Governance body composition | Partial | 17 May 2024 | VERIFIED | P P P G C |
| **STAKEHOLDER ENGAGEMENT** | | | | | |
| GO-03-C1 | Material issues impacting stakeholders | Partial | 17 May 2024 | VERIFIED | P P |
| **ETHICAL BEHAVIOUR** | | | | | |
| GO-04-C1 | Anti-corruption practices | Full | 26 May 2024 | VERIFIED | C P C |
| GO-04-C2 | Mechanisms to protect ethical behaviour | Full | 17 May 2024 | VERIFIED | C C |
| **RISK AND OPPORTUNITY OVERSIGHT** | | | | | |
| GO-05-C1 | Integrating risk and opportunity into business process | Partial | 17 May 2024 | VERIFIED | P P P |

**PLANET** — 40% COMPLETED

| Code | Description | Disclosure | Last Updated | Status | Progress (A1-A5) |
|---|---|---|---|---|---|
| **CLIMATE CHANGE** | | | | | |
| PL-01-C1 | GHG emissions | Explanation | 17 May 2024 | VERIFIED | |
| PL-01-C2 | TCFD implementation | Explanation | 17 May 2024 | VERIFIED | |
| **NATURE LOSS** | | | | | |
| PL-02-C1 | Land use and key biodiversity areas | Full | 17 May 2024 | VERIFIED | P P |
| **FRESHWATER AVAILABILITY** | | | | | |
| PL-03-C1 | Water consumption | Partial | 17 May 2024 | VERIFIED | P |

**PEOPLE** — 70% COMPLETED

| Code | Description | Disclosure | Last Updated | Status | Progress (A1-A5) |
|---|---|---|---|---|---|
| **DIGNITY AND EQUALITY** | | | | | |
| PE-01-C1 | Diversity and inclusion | Partial | 17 May 2024 | VERIFIED | C P P P C |
| PE-01-C2 | Pay equality | Explanation | 17 May 2024 | VERIFIED | P |
| PE-01-C3 | Wage level | Explanation | 17 May 2024 | VERIFIED | P |
| PE-01-C4 | Child, forced or compulsory labour | Explanation | 17 May 2024 | VERIFIED | N |
| **HEALTH AND WELL-BEING** | | | | | |
| PE-02-C1 | Health and safety | Explanation | 17 May 2024 | VERIFIED | C N |
| **SKILLS FOR THE FUTURE** | | | | | |
| PE-03-C1 | Training provided | Explanation | 3 Apr 2024 | VERIFIED | |

**PROSPERITY** — 86% COMPLETED

| Code | Description | Disclosure | Last Updated | Status | Progress (A1-A5) |
|---|---|---|---|---|---|
| **EMPLOYMENT AND WEALTH GENERATION** | | | | | |
| PR-01-C1 | Rate of employment | Full | 3 Apr 2024 | VERIFIED | P |
| PR-01-C2 | Economic contribution | Partial | 17 May 2024 | VERIFIED | P C |
| PR-01-C3 | Financial investment contribution | Full | 17 May 2024 | VERIFIED | C C |
| **INNOVATION OF BETTER PRODUCTS AND SERVICES** | | | | | |
| PR-02-C1 | Total R&D expenses | Full | 20 May 2024 | VERIFIED | P |
| **COMMUNITY AND SOCIAL VITALITY** | | | | | |
| PR-03-C1 | Total tax paid | Full | 20 May 2024 | VERIFIED | C |

*N.B.: Metric Status 'Verified' is reviewed on completeness by Socialsuite, not a third-party auditor

ESG Report Data Disclaimer

ABx Group | ESG Dashboard (Baseline ) | Published on 29 Jan 2025

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## Qualifying statements

**General:** The information in this report that relate to Exploration Information and Mineral Resources are based on information compiled by Jacob Rebek and Ian Levy who are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek and Mr Levy are qualified geologists and Mr Levy is a director of ABx Group Limited.

**Mainland**: The information relating to Mineral Resources on the Mainland was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Rebek and Mr Levy have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

**Tasmania**: The information relating to Exploration Information and Mineral Resources in Tasmania has been prepared or updated under the JORC Code 2012. Mr Rebek and Mr Levy have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are 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 Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

The information relating to the latest REE Resources update is extracted from the report entitled "ABx Rare Earth Resources Increase 70% to 89 Million Tonnes" dated 2 May 2024 and is available to view on https://www.abxgroup.com.au/site/investor-information/asx-announcements.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the company's market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements.

ABx does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

## Patent

Refined Ore Industries Ltd (ROIL) was the owner of the CORE process technology via ROIL's intellectual property company, Berkeley Process Technologies Pty. Ltd which issued a global exclusive licence for the aluminium-related portion of the CORE process technology to ABx in November 2017 and ABx has issued a global exclusive sub-licence to ALCORE when ALCORE was incorporated on 1 July 2018.

After a company restructure and expansion of the patent definition to cover isolation and extraction of mineral compounds, metals, metalloids, alloys and elements from waste streams, mineral ores, recyclable commodities, industrial by-products and mixed substances, the holding company is now named Core Refining Limited (CRL) and the intellectual property company is Core Intelligence Australia Pty Ltd (CIAL) which holds the Patent Application No. 2019904311 and the global exclusive licences to ABx and ALCORE continue in force.

CRL's CORE process technology involves the refining of a wide range of ore types using a combination of fluorine acids and related thermal energy process steps. The technology that is licensed to ABx and ALCORE by CRL is part of CRL's broader Core technology.

**Table 1: Tenement information required under LR 5.3.3**

| Tenement No. | Location |
|---|---|
| **New South Wales** | |
| EL 9593 | Taralga |
| EL 9664 | Penrose Quarry |
| **Queensland** | |
| MLA 100277 | Sunrise ML application |
| EPM 27787 | Binjour |
| **Tasmania** | |
| EL 7/2010 | Conara |
| EL 9/2010 | Deloraine |
| EL 18/2014 | Prosser's Road |
| EL 10/2021 | Rubble Mound |
| EL 27/2022 | Temple Bar |
| EL 28/2022 | Triangle Flats |

Notes: No tenements were relinquished. All tenements are in good standing, 100% owned and not subject to any third-party royalties nor are they encumbered in any way.

**Information required under Listing Rule 5.3.1**: Exploration expenditure reported during the quarter related to the rare earth project development ($509,000), research conducted by ALCORE with respect to its reported advancements ($229,000), and staff, administration and corporate costs ($168,000).

**Information required under Listing Rule 5.3.2**: No mining production was conducted during the quarter.

**Information required under Listing Rule 5.3.5**: The payments as disclosed in section 6.1 of the Appendix 5B amounting to $104,000 relate to payment for Director's fees and salaries.

# Appendix 5B

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

| Name of entity | |
|---|---|
| ABx Group Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 14 139 494 885 | 31 December 2024 |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | 101 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) research & development | (229) | (967) |
| | (c) production | - | - |
| | (d) staff costs | (96) | (596) |
| | (e) administration and corporate costs | (72) | (937) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 33 | 167 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 141 | 1,564 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(223)** | **(668)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (509) | (1,940) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from the disposal of: | - | - |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets (release of MMI funds held-in-trust) | 530 | 2,000 |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | (50) | (59) |
| **2.6** | **Net cash from / (used in) investing activities** | **(29)** | **1** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 616 |
| 3.2 | Proceeds from issue of convertible debt securities | 370 | 370 |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (21) | (94) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **349** | **892** |
| | | | |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 464 | 336* |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (223) | (668) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 29 | 1 |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 349 | 892 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **561** | **561** |

* Cash and cash equivalents at the beginning of the period has been updated in accordance with the audited consolidated financial statements of ABx Group Limited for the year ended 31 December 2023. As at 31 December 2024, in addition to the cash and cash equivalent of $561k (31 December 2023: $336k), the company has access to $2.97 million (31 December 2023: $5.52 million) as held in trust.

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 521 | 424 |
| 5.2 | Call deposits | 40 | 40 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **561**** | **464**** |

** As at end of current quarter, in addition to the cash and cash equivalent of $561k (End of previous quarter: $464k), the company has access to $2.97 million (End of previous quarter: $3.57 million) as held in trust.

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 104 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (223) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (509) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (732) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 562 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 562 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | 0.77 |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes, however as noted below in section 8.8.2 the Company can delay or scale down its activities as required.

| | |
|---|---|
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |
| Answer: | As announced on 20 December 2024, the Company received firm commitments to raise approximately $1.8 million through the issue of approximately 1.8 million Convertible Notes issued with a face value of A$1.00 per Note to sophisticated and professional investors. Out of this, the Company received $0.37 million through Tranche-1 370,000 Notes issued on 30 December 2024. Remaining 1.43 million Notes (being $1.43 million) in Tranche-2 will be issued subject to shareholder approval at Company's upcoming Extraordinary General Meeting on 26 February 2025. Further ABx is in ongoing discussions with potential strategic investors, which are highly prospective. Further the Company has significant flexibility:<br>• to access advanced funding against FY24 research and development tax incentives if required;<br>• to delay or scale down ABx's exploration activities and expenditure; and<br>• meeting its obligations by either farm-out or partial sale of the Company's exploration interests<br>to ensure alignment to its prevailing cash positions. |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer: | Yes, the entity expects to be able to continue to meet its operations and meet its business objectives as a result of the actions contemplated in items 8.8.1 and 8.8.2 above. |
| *Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.* | |

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

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

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and*

*Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.