ABX Group Limited

ABN 14 139 494 885

Half Year Financial Report - 30 June 2024

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ABX Group Limited
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30 June 2024

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ABX Group Limited
Corporate directory
30 June 2024

Directors	Paul Lennon (Non-Executive Chairman) Ian Levy (Non-Executive Director) Dr Mark Cooksey (Managing Director & CEO) Joycelyn Morton (Independent Non-Executive Director) - Appointed effective 03 April 2024 Kenneth Boundy (Non-Executive Director) - Resigned effective 02 April 2024
Company Secretary	Mathew Watkins
Principal place of business	Level 4,100 Albert Road South Melbourne VIC 3205 Telephone:+6139692 7222 Fax:+61299567355 Email: corporate@abxgroup.com.au Website: www.abxgroup.com.au
Share register	Computershare Investor Services Pty Limited Limited Level 3,60 Carrington Street Sydney NSW 2000, Australia Telephone:1300 850 505
Auditor	K.S. Black & Co Level 5,350 Kent Street Sydney NSW 2000 Telephone:+61288393000 St George Bank Limited Level 14,182 George St Sydney NSW 2200 Telephone: +61292362230
Stock exchange listing	ABx Group Limited shares and options are listed on the Australian Securities Exchange. (ASX code: ABX & ABXO)

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Review of Operations

Highlights

Ionic adsorption clay rare earth project in Tasmania

- Mineral resource increased by 70% to 89 million tonnes averaging 844 ppm TREO
- 66-hole drilling campaign conducted mid-January to early March, including the first drilling program dedicated to rare earths at the Wind Break deposit
- 37-hole drilling campaign conducted from late May to late June, to explore an area directly northwest of the high-grade Deep Leads discovery

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

- Achieved maximum of 93% fluorine recovery, which is very likely to be sufficient in a commercial plant
- Commercial discussions continued with potential strategic investors, including location and support for the continuous pilot plant

Bauxite operations (Queensland and Tasmania)

- Negotiations are continuing with multiple offtake partners for potential long term supply contracts from Binjour
- For the DL130 Bauxite Project in Tasmania, the planning permit application has progressed through the public consultation phase. Submissions made by the public are being evaluated.

Corporate

- Appointed Joycelyn Morton as Non-Executive Director of ABx and ALCORE
- Held Open Day for investors and other stakeholders at ALCORE Technology Centre

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

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Rare Earths: Resource increased by 70% to 89 million tonnes

- A 66-hole drilling program was conducted from mid-January to early March. This was to focus on the large potential extensions of Deep Leads and Leech Scrub high-grade zones, and also to commence drilling at the high-grade Rubble Mound zone that had yet to be drilled specifically for rare earth mineralisation.
- Following the above drilling campaign, the mineral resource estimate for the rare earth deposits 45 km west of Launceston was increased by 70% to 89 million tonnes[1] averaging 844 ppm TREO and 652 ppm TREO-CeO_2.[2] The resource contains 36 ppm DyTb,[3] the highest of any clay-hosted rare earths resource in Australia and one of the highest in the world. The resource model was based on 29% of the mineralised outline, and included the Wind Break deposit for the first time.
- A 37-hole drilling program was conducted from late May to late June, to explore an area directly northwest of the high-grade Deep Leads discovery. 316 samples were dispatched to a laboratory for assay, and results are anticipated by mid-August.
- Equipment and procedures for in-house desorption tests were developed. This allows ABx to conduct a large number of desorption tests rapidly and cost-effectively, and is designed to be complementary to tests conducted by ANSTO. ABx will continue to engage ANSTO to conduct desorption tests and other process development activities.
- Exploration licence application EL25/2022 covering the 16 km extension from Deep Leads / Rubble Mound to the Wind Break REE discovery area is in progress.
- Discussions continued with potential customers 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.

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[1] 41 Mt inferred, 42 Mt indicated and 6 Mt measured
[2] ASX Announcement 2 May 2024
[3] DyTb = Dy_2O_3 + Tb_4O_7

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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[4] at its Deep Leads - Rubble Mound and Wind Break deposits.[5] The resource contains 36 ppm DyTb,[6] 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,[7,8] which means it has the highest ionic proportion of any clay-hosted 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

During 2024, ABx is continuing its exploration program and metallurgical studies.

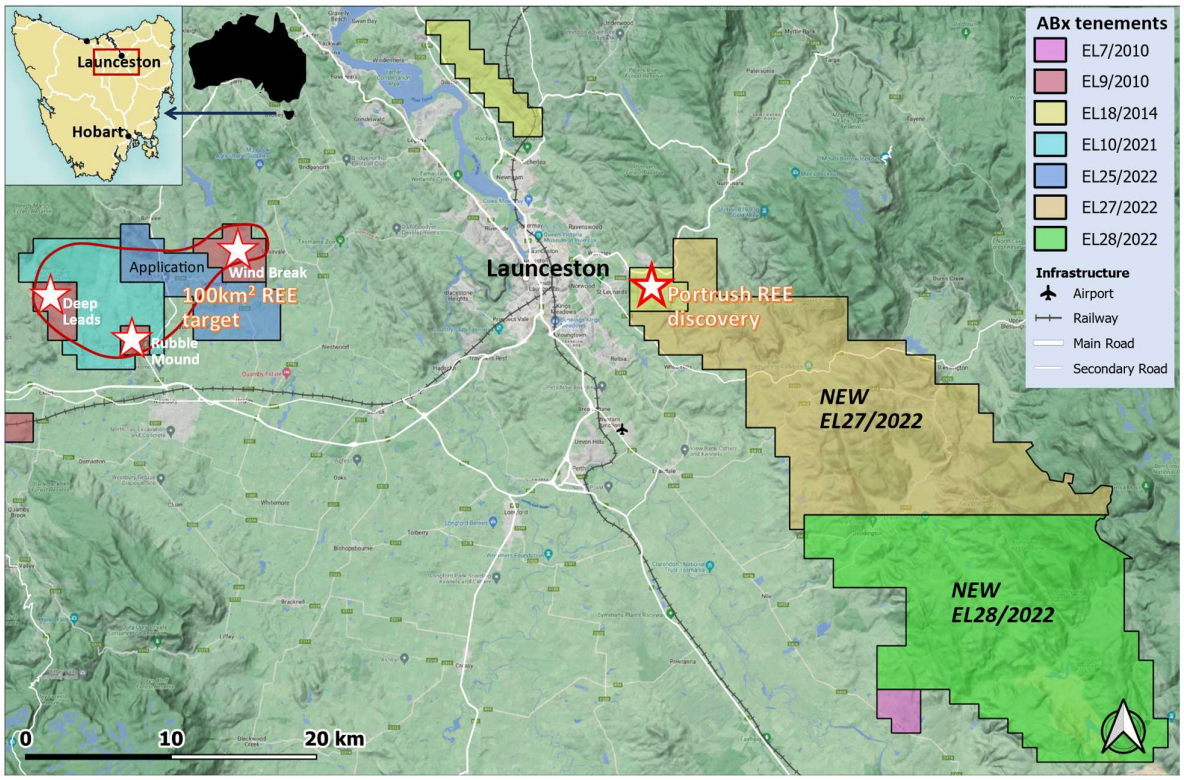

Figure 1: ABx leases in the 52 km wide REE province in northern Tasmania.

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

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ALCORE: achieved 93% fluorine recovery using bath pilot batch reactor

- Rigorous investigation of process conditions continued using the bath pilot batch reactor, which had been commissioned in October 2023.[9] A ball mill and ultrasonic vibrating screen were received in January, to enable bath to be prepared with a narrower range of particle sizes.
- The results suggested that a second stage process, using a different reactor configuration, may be required to further increase the fluorine recovery. This possibility had been anticipated for some time and had been incorporated into the design of the continuous pilot plant, as some existing analogous commercial processes involve two stages.
- Using fundamental data analysis and detailed process understanding, experimental work was conducted using available equipment to mimic the proposed second-stage reactor performance under optimised process conditions. As a result, ALCORE was able to achieve a maximum of 93% fluorine recovery in the latest test runs. This level of fluorine recovery would very likely be sufficient in a commercial plant.
- In addition, separate pilot batch reactor runs were conducted at various temperatures to investigate the effect of temperature on fluorine recovery. This exploration will assist to identify the feasible range of process temperatures for future continuous pilot process operation.
- The ALCORE process produces a solid metal sulfate co-product, for which potential markets were identified early in the project. The metal sulfate co-product samples produced in the above runs on the bath reactor are likely to be representative of the equivalent material produced in the future commercial plant. Consequently, these sample materials are being evaluated for specific applications.
- Commercial discussions continued with potential strategic investors, and have included the possibility of locating the continuous pilot plant at an alternative, superior site, instead of the ALCORE Technology Centre on the NSW Central Coast. Ordering of continuous pilot plant reactors is being deferred until those commercial discussions are finalised, which is expected by the end of September.

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 process to recover hydrogen fluoride from aluminium smelter bath. This is combined with aluminium hydroxide to produce aluminium fluoride. The combined approach is illustrated in Figure 2.

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.

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. In 2022, ALCORE received a

[9] ASX announcement, 8 November 2023

$7.6 million grant from the Australian Government's Modern Manufacturing Initiative (MMI) to support this plant. ALCORE is matching grant funding dollar-for-dollar for the project.

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.

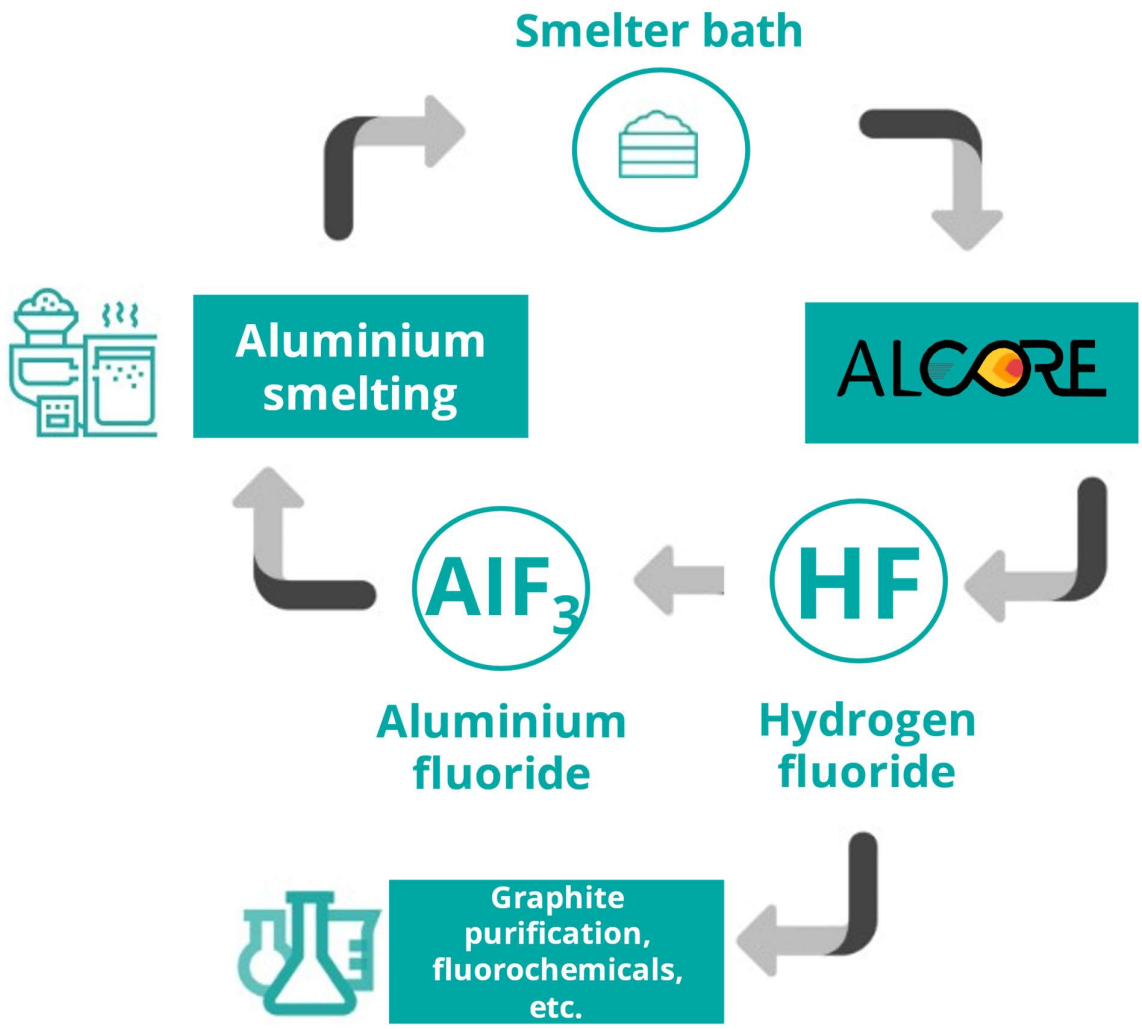

Figure 2: Circular economy approach of recycling aluminium smelter bath into aluminium fluoride

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Bauxite Operations

Sunrise Bauxite Project: Binjour, Queensland

- The MOU for the planned infrastructure site at the Port of Bundaberg was extended for a further 12 months.
- Project scheduling of the next stage of environmental studies at mine and port locations commenced.
- Negotiations are continuing with multiple offtake partners for potential long term supply contracts.
- The Queensland Government announced $7.5m in funding to upgrade the Biggenden Railway Crossing, as part of the $200m Regional Economic Futures Fund. The upgrade will allow for larger trucks to be used on the preferred route to transport bauxite from the Binjour mine to the Bundaberg port, lowering transport costs. ABx has been a lead advocate for this priority upgrade via its participation in the Wide Bay Burnett Resource Group.

DL130 Bauxite Project: Tasmania

- The report supporting the planning permit application was advertised for public consultation by the Meander Valley Council. Submissions made by the public are being evaluated by Council, the EPA and ABx. Some improvements are being made to the planning permit application.
- Formal agreement secured with all landholders.

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.

The largest project is Binjour, with a JORC compliant resource of 37 million tonnes, 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.[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.

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 has reforecast its timeline to begin exporting of product in H2 2025.

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. Bauxite production is expected to commence in Q4 2024.

[10] ASX Announcement, 28 February 2022
[11] ASX Announcement, 11 September 2023

Corporate

Appointment of Ms Joycelyn Morton as non-executive director

Ms Joycelyn Morton was appointed as an independent non-executive director of ABx, as well as 83%-owned subsidiary ALCORE, effective 3 April 2024. Ms Morton replaced long-serving ABx Group non-executive director Mr Ken Boundy, who stepped down to focus on his other director duties, as well as the ALCORE director position previously held by Mr Derek Firth prior to his resignation in late 2023.

Ms Morton currently serves as a non-executive director of two ASX-listed companies; investment company Argo Global Listed Infrastructure Ltd (ASX:ALI) and Felix Group Holdings (ASX:FLX), which is a developer of a procurement management platform and vendor marketplace for the construction industry. She is a non-executive director of AIM-listed Gelion, a developer of innovative battery technologies, as well as energy infrastructure company Epic Energy Group.

Ms Morton has previously served as a non-executive director on a diverse range of boards, including Australia's largest specialised naval defence company ASC Pty Ltd, Snowy Hydro Ltd and Beach Energy Ltd (ASX:BPT). She has been Chair of the Audit, Risk and Compliance Committee for multiple boards.

Earlier in her career, Ms Morton held senior positions at energy company Shell Australia and Shell International, and prior to that Woolworths Limited.

In addition to her corporate experience, Ms Morton is a Fellow and Life Member of CPA Australia, having served as the organisation's National President. She also represented both CPA Australia and the Institute of Chartered Accountants Australia and New Zealand on the Board of the International Federation of Accountants (IFAC).

Open Day

ABx held an Open Day at the Alcore Technology Centre on 5 June. This was a forum for investors and other stakeholders to:

- Hear about the progress and plans of the two major ABx activities: Alcore and rare earths
- Tour the Alcore facilities, including the bath pilot batch reactor
- Engage with ABx Group Managing Director Mark Cooksey, ABx chair Paul Lennon, ABx directors and staff

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of ABX Group Limited (referred to hereafter as the 'Group' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024 (the 'financial half-year' or the 'interim reporting period').

Directors
The following persons were Directors of ABX Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Paul Lennon (Non-Executive Chairman)
Ian Levy (Non-Executive Director)
Dr Mark Cooksey (Managing Director & CEO)
Joycelyn Morton (Independent Non-Executive Director) - Appointed effective 03 April 2024
Kenneth Boundy (Non-Executive Director) - Resigned effective 02 April 2024

Principal activities
The principal continuing activities of the Consolidated entity for the financial year were conducting the bauxite exploration and development programs in Queensland, New South Wales, and Tasmania.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations
The loss for the Consolidated entity after providing for income tax and non-controlling interest amounted to $609k (30 June 2024: $1,324k). For information on Operating performance of the Consolidated entity, refer to the Review of Operations in the preceding section.

Forward Looking Statements
This Interim Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, prevailing commodity prices, as well as other matters not yet known to the Group or not currently considered material by the Group

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year
Subsequent to period end, the Group has received, Research and Development Tax incentives of $911,311 for the financial year ended 31 December 2023. No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts
The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
K.S. Black & Co. continues in office in accordance with section 327 of the Corporations Act 2001.

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This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Paul Lennon
Non-Executive Chairman

13 September 2024

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NORTH SYDNEY NSW 2060

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DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

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NORTH PARRAMATTA NSW 2151

PO Box 2210
NORTH PARRAMATTA NSW 1750

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Director's of ABX Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2024 there has been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities are in respect of ABX Group Limited and the entities it controlled during the period.

KS Black & Co
Chartered Accountants

Phillip Jones
Partner

Dated in Sydney on this 13th day of September 2024

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ABX Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

	Note	Consolidated 30 June 2024 $'000	30 June 2023 $'000
Revenue			
Revenue		58	67
Grant and other income	4	827	286
Interest income		98	53
Expenses			
Development, exploration and administrative expenses	5	(1,543)	(1,675)
Depreciation and amortisation expense		(49)	(55)
Loss before income tax expense		(609)	(1,324)
Income tax expense		-	-
Loss after income tax expense for the half-year		(609)	(1,324)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(609)	(1,324)
Loss for the half-year is attributable to:			
Non-controlling interest		(18)	(101)
Owners of ABX Group Limited		(591)	(1,223)
		(609)	(1,324)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		-	-
Owners of ABX Group Limited		(609)	(1,324)
		(609)	(1,324)
		Cents	**Cents**
Basic loss per share	12	(0.24)	(0.55)
Diluted loss per share	12	(0.24)	(0.55)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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ABX Group Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 30 June 2024 $'000	31 December 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		438	336
Trade and other receivables		132	172
Restricted Cash	6	3,970	1,691
Prepayments		226	218
Total current assets		4,766	2,417
Non-current assets			
Property, plant and equipment		122	172
Mining Tenements	7	16,159	15,213
Restricted Cash	6	-	3,834
Total non-current assets		16,281	19,219
Total assets		21,047	21,636
Liabilities			
Current liabilities			
Trade and other payables	8	898	1,202
Contract liabilities	9	5,070	1,691
Employee benefits		232	142
Other liabilities	10	15	28
Total current liabilities		6,215	3,063
Non-current liabilities			
Contract liabilities	9	-	3,834
Employee benefits		173	162
Other liabilities	10	2,001	1,849
Total non-current liabilities		2,174	5,845
Total liabilities		8,389	8,908
Net assets		12,658	12,728
Equity			
Issued capital	11	34,593	34,050
Reserves		2,606	2,622
Accumulated losses		(24,471)	(23,892)
Equity attributable to the owners of ABX Group Limited		12,728	12,780
Non-controlling interest		(70)	(52)
Total equity		12,658	12,728

The above statement of financial position should be read in conjunction with the accompanying notes

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ABX Group Limited
Statement of changes in equity
For the half-year ended 30 June 2024

Consolidated	Issued Capital $'000	Share option Reserve $'000	Accumulated Losses $'000	Non-controlling Interest $'000	Total equity $'000
Balance at 1 January 2023	32,736	3,097	(22,850)	112	13,095
Loss after income tax expense for the half-year	-	-	(1,223)	(101)	(1,324)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,223)	(101)	(1,324)
Transactions with owners in their capacity as owners:					
Business combination	-	(120)	-	(33)	(153)
Balance at 30 June 2023	32,736	2,977	(24,073)	(22)	11,618

Consolidated	Issued Capital $'000	Share option Reserve $'000	Accumulated Losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2024	34,050	2,622	(23,892)	(52)	12,728
Loss after income tax expense for the half-year	-	-	(591)	(18)	(609)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	(591)	(18)	(609)
Share based expense	-	16	-	-	16
Forfeiture of options	-	(32)	-	-	(32)
Transactions with owners in their capacity as owners:					
Shares issued	616	-	-	-	616
Share issue cost	(73)	-	-	-	(73)
Transfers upon lapse of options	-	-	12	-	12
Balance at 30 June 2024	34,593	2,606	(24,471)	(70)	12,658

The above statement of changes in equity should be read in conjunction with the accompanying notes

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ABX Group Limited
Statement of cash flows
For the half-year ended 30 June 2024

	Note	Consolidated 30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Receipts from customers		101	142
Grants received		480	240
Payments to suppliers and employees		(1,304)	(2,146)
MMI grant received		-	5,687
		(723)	3,923
Interest received		97	53
Net cash (used in)/from operating activities		(626)	3,976
Cash flows from investing activities			
Payments for Exploration and evaluation expenditure		(906)	-
Payments for property, plant and equipment		-	(114)
Payments for security deposits (net)		(9)	-
Increase in restricted cash bank deposits		-	(5,525)
Restricted cash		1,100	-
Net cash from/(used in) investing activities		185	(5,639)
Cash flows from financing activities			
Proceeds from issue of shares	11	616	-
Share issue transaction costs		(73)	-
Net cash from financing activities		543	-
Net increase/(decrease) in cash and cash equivalents		102	(1,663)
Cash and cash equivalents at the beginning of the financial half-year		336	2,057
Cash and cash equivalents at the end of the financial half-year		438	394

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. General information

The financial statements cover ABX Group Limited as a consolidated entity consisting of ABX Group Limited and the entities it controlled at the end of, or during, the financial half-year ended 30 June 2024. The financial statements are presented in Australian dollars, which is ABX Group Limited's functional and presentation currency.

ABX Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and Principal place of business

Level 4, 100 Albert Road
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 13 September 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the financial half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Going Concern
The consolidated financial statements of the Consolidated entity have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As at 30 June 2024, the Consolidated entity had free cash of $438k (31 December 2023: $336k) and net current liabilities of $1,449k (31 December 2023: $646k).The consolidated entity incurred a net loss after tax for the half-year ended 30 June 2024 of $609k (30 June 2023: $1,324k) and the operations were funded by a net cash outflow, from operating and investing activities of $441k (30 June 2023: net cash outflow of $1,663k).

The Consolidated entity’s ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development and successful research and development programs on aluminium smelter waste to produce hydrogen fluoride. Should the Consolidated entity not achieve the matters set out above, there would then be significant uncertainty over the ability of the consolidated entity to continue as a going concern, and, therefore, it may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in these consolidated financial statements.

Notwithstanding these results, the directors believe that the company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the assumption that the company is a going concern for the following reasons:

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Note 2. Material accounting policy information (continued)

- the ability of the Consolidated entity to further scale back parts of its operations and reduce costs if required;
- meeting its obligations by either farm-out or partial sale of the Consolidated entity's exploration interests;
- Ability of the Consolidated entity to meet the Modern Manufacturing Initiative ('MMI') grant conditions and utilise the restricted cash received from the MMI grant;
- as the Company is an ASX-listed entity, the Company has the ability to raise additional funds if required; and
- Other avenues that may be available to the Consolidated entity.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the period ended 30 June 2024.

Note 3. Restatement of comparatives

There were changes in the presentation of the comparative balances statement of cash flows for the half year ended 30 June 2023 due to:
(i) change in treatment of grants received under the Federal Government's Modern Manufacturing Initiative ("MMI") as restricted cash in the statement of cash flow for the year ended 30 June 2024; and
(ii) change in the grouping of items in the cashflow; and

The impact of the change in the comparative for the year ended 30 June 2023 is as below:

	June 2023	Change	June 2023 restated
Cash flows from operating activities			
Receipts from customers	6,436	(6,294)	142
Grants received	-	240	240
Payments to suppliers and employees	-	(2,146)	(2,146)
Payment for exploration and development expenses	(1,974)	1,974	-
Payment for administration expenses	(539)	539	-
MMI grants received	-	5,687	5,687
Interest received	53	-	53
Net cash from/(used in) operating activities	3,976	-	3,976
Cash flows from investing activities			
Payments for property, plant and equipment	(114)	-	(114)
Restricted cash	-	(5,525)	(5,525)
	(114)	(5,525)	(5,639)
Net increase/(decrease) in cash and cash equivalents	3,862	(5,525)	(1,663)
Cash and cash equivalents at the beginning of the financial half-year	2,057	-	2,057
Cash and cash equivalents at the end of the financial half-year	5,919	(5,525)	394

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Note 4. Grant and other income

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Other grant	25	83
MMI grant income*	455	135
Other income**	347	68
Grant and other income	827	286

* The Consolidated entity through its subsidiary, Alcore Limited, has received $5.69 million grant funding under the Federal Government's Modern Manufacturing Initiative ("MMI") to support its proposed aluminium smelter bath recycling plant in Bell Bay, Tasmania. Under the terms of the grant, the Consolidated entity can utilise the grant to fund 42.37% of the eligible expenses. MMI grant income above represents the grant utilised towards the eligible expenses during the half-year ended 30 June 2024.

**Other income of $347k during the current period include impairment of payable of $344k to Jay Asia. As of 30 June 2024 the Company assessed this as no more a liability.

Note 5. Administrative and research and development expenses

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Directors and employee salaries and on costs	490	347
Consulting and professional fee	27	121
Research and development expenses	630	703
Corporate and administrative expenses	385	316
Communication and promotion expenses	15	-
Share based payments	(4)	47
Provision for doubtful debt	-	141
	1,543	1,675

Note 6. Restricted cash

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Current assets		
Cash held in trust- grant funding	3,970	1,691
Non-current assets		
Cash held in trust- grant funding	-	3,834
	3,970	5,525

The movement of $1.55 million during the period comprise of $ 0.45 million utilisation of funds towards MMI project and $1.1 million as a release of funds as short-term working capital loan.

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Note 7. Mining Tenements

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Non-current assets		
Exploration and evaluation - at cost	16,159	15,213

Movement in exploration and evaluation asset:

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Opening balance - at cost	15,213	12,834
Capitalised exploration expenditure	946	2,379
Carrying amount at the end of the period	16,159	15,213

The recoverability of the carrying amount of evaluation and exploration assets is dependent upon successful development and commercial exploitation, or alternatively the sale of the respective areas of interest. A review of the consolidated entity's exploration licenses was undertaken as at 30 June 2024 with no impairment charge was recognised from the review undertaken.

Note 8. Trade and other payables

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Current liabilities		
Trade payables	301	312
Other payables	597	890
	898	1,202

Note 9. Contract liabilities

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Current liabilities		
Contract liabilities	5,070	1,691
Non-current liabilities		
Contract liabilities	-	3,834
Total	5,070	5,525

The movement of $455k during the period represents transfer to revenue based on performance obligations satisfied during the period.

Note 10. Other liabilities

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Current liabilities		
Accrued expenses	15	28
Non-current liabilities		
Payable to Directors*	2,001	1,849
	2,016	1,877

* Payable to Directors represents outstanding remuneration payable to Ian Levy (non-Executive Director) and Joycelyn Morton (Independent non-executive Director). For the year ended 30 June 2024,the outstanding balance payable is unsecured and interest free and not payable on demand for at least 12 months from the date of these financial statements.

Note 11. Issued capital

	Consolidated			
	30 June 2024 Shares	31 December 2023 Shares	30 June 2024 $'000	31 December 2023 $'000
Ordinary shares - fully paid	250,040,314	242,340,814	34,593	34,050

Movements in ordinary share capital

Details	Shares	$'000
Balance as on 01 Jan 2024	242,340,814	34,050
Placement of shares	7,699,500	616
Cost of capital	-	(73)
Balance 30 June 2024	250,040,314	34,593

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 12. Earnings per share

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Loss after income tax	(609)	(1,324)
Non-controlling interest	18	101
Loss after income tax attributable to the owners of ABX Group Limited	(591)	(1,223)

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Note 12. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	249,955,704	223,590,814
Weighted average number of ordinary shares used in calculating diluted earnings per share	249,955,704	223,590,814

	Cents	Cents
Basic loss per share	(0.24)	(0.55)
Diluted loss per share	(0.24)	(0.55)

Note 13. Share-based payments

Share based payments expense during the year was ($4k) (30 June 2023: $47k). Negative share based payment expense during the period represents the net of the vesting charge for half-year on options granted to KMP and other employees of the Company and the reversal of option reserve into share based payment expense that were related to the unvested options forfeited on resignation of Kenneth Boundy as Non-Executive Director during the period.

Set out below are summaries of options granted under the plan:

	Number of options 30 June 2024	Weighted average exercise price 30 June 2024	Number of options 30 June 2023	Weighted average exercise price 30 June 2023
Outstanding at the beginning of the financial half-year	1,650,000	$0.1692	1,650,000	$0.1692
Granted	150,000	$0.0576	-	$0.0000
Forfeited	(450,000)	$0.1692	-	$0.0000
Outstanding at the end of the financial half-year	1,350,000	$0.1568	1,650,000	$0.1692
Exercisable at the end of the financial half-year	600,000	$0.1692	412,500	$0.1692

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted*	Exercised	Forfeited**	Balance at the end of the half-year
01/06/2022	01/06/2028	$0.1692	1,650,000	-	-	(450,000)	1,200,000
29/05/2024	29/05/2030	$0.0576	-	150,000	-	-	150,000
			1,650,000	150,000	-	(450,000)	1,350,000
Weighted average exercise price			$0.1692	$0.0576	$0.0000	$0.1692	$0.1568

* On 29 May 2024, 150,000 unlisted options were granted to Joycelyn Morton as sign-on options upon her appointment as Non-Executive Director effective 03 April 2024.

** Forfeited option related to unvested option that were forfeited upon resignation of Kenneth Boundy as Non-Executive Director effective signed on 02 April 2024.

Note 13. Share-based payments (continued)

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Forfeited	Balance at the end of the half-year
01/06/2022	01/06/2028	$0.1692	1,650,000	-	-	-	1,650,000
			1,650,000	-	-	-	1,650,000
Weighted average exercise price			$0.1692	$0.0000	$0.0000	$0.0000	$0.1692

The weighted average share price during the financial half-year was $0.058 (June 2023: $0.107).

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 4.14 years (June 2023: 4.93 years).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/05/2024	29/05/2030	$0.0510	$0.0576	73.00%	-	4.18%	$0.033

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingent assets

There were no contingent assets as at 30 June 2024 (31 December 2023: nil)

Note 16. Commitments and Contingent Liabilities

Other than as disclosed in this report, there were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

	Consolidated	
	30 June 2024 $'000	31 December 2023 $'000
Tenement expenditure commitments:		
Minimum payment over the remaining term of the tenements:		
Minimum Tenement exploration expenditures	350	350
Tenement lease and levy payment	62	62
	412	412

Note 17. Events after the reporting period

Subsequent to period end, the Group has received, Research and Development Tax incentives of $911,311 for the financial year ended 31 December 2023. No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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ABX Group Limited
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Paul Lennon
Non-Executive Chairman

13 September 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Directors of ABX Group Limited

Report on the Consolidated Interim Financial Report

We have reviewed the accompanying half-year Consolidated Report of ABX Group Limited, which comprises the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement in changes in equity and the statement of cash flows; for the half-year then ended, a summary of significant accounting policies, other selected explanatory notes and the declaration by those charged with governance.

The Directors Responsibility for 30 June 2024 Consolidated Interim Financial Report

The Directors of the Consolidated Group are responsible for the preparation and fair presentation of the half-year Consolidated Interim Financial Report in accordance with *Accounting Standard AASB 101* and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, with the Corporations Law 2001. As the auditor of ABX Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a half-year financial report consists of making enquiries, primarily of the persons responsible for financial and accounting matters and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

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Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of ABX Group Limited does not present fairly, in all material respects including:

i. Giving a true and fair view of the Entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and

ii. Complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

KS Black & Co
Chartered Accountants

Phillip Jones
Partner
Dated: 13 September 2024

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