ABX Group Limited

ABN 14 139 494 885

Half Year Financial Report - 30 June 2025

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ABX Group Limited
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30 June 2025

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ABX Group Limited
Corporate directory
30 June 2025

Directors	Joycelyn Morton (Non-Executive Chair) Dr Mark Cooksey (Managing Director & CEO) Ian Levy (Non-Executive Director)
Company Secretary	Mathew Watkins
Registered office	Suite 2, Level 11, 385 Bourke Street Melbourne, VIC 3000
Principal place of business	Suite 2, Level 11, 385 Bourke Street Melbourne, VIC 3000 Telephone: +61 3 9692 7222 Fax: +61 3 9692 7222 Website: www.abxgroup.com.au
Share register	Computershare Investor Services Pty Limited Level 3,60 Carrington Street Sydney NSW 2000 Telephone:1300 850 505
Auditor	K.S. Black & Co. Level 5, 350 Kent Street Sydney NSW 2000 Telephone: +61 2 8839 3000
Bankers	Australia & New Zealand Banking Group Limited 20 Martin Place Sydney NSW 2000 Telephone: +62 2 9227 1818 St George Bank Limited Level 14,182 George St Sydney NSW 2200 Telephone: +61 2 9236 2230
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

Heavy rare earths: Supplying light and heavy rare earths from Tasmania into Western supply chains

- Executive Orders issued in USA and trade restrictions implemented by China highlight supply risks of rare earths and reinforce the opportunities for ABx, with its ionic absorption clay rare earth resource with high heavy rare earth content in Tasmania
- A scout drilling program was conducted in a new exploration tenement 52 km east of ABx's Deep Leads REE resource. Over 30% of the holes intersected rare earth mineralisation that meet the cut-off grade used to estimate the Deep Leads resource
- A formal Processing Options Analysis for the Deep Leads project is being conducted in partnership with external experts
- A 100 kg sample from a trial pit is being sent to ANSTO to be processed to produce a mixed rare earth carbonate (MREC) sample

Clean fluorine chemical production: Producing industrial chemicals from aluminium smelter waste (ALCORE)

- The design and construction of the continuous pilot plant are proceeding on schedule at the ALCORE Technical Facility (ATF) in Bell Bay, Tasmania. Orders were placed for all key equipment, and most of the specialised equipment is being fabricated by experienced overseas suppliers
- The Environmental Effects Report (EER) is being prepared for submission to the EPA

Near-term bauxite production: Mining bauxite resources for the aluminium, cement and fertiliser industries

- 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, Meander Valley Council (MVC) approved the planning permit, subject to some conditions

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

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Heavy Rare Earths: Supplying light and heavy rare earths from Tasmania into Western supply chains

- The USA issued two Executive Orders to incentivise the processing of critical minerals, including rare earths, in the USA.[1,2] China's Ministry of Commerce and the General Administration of Customs jointly imposed immediate new restrictions on the export of certain medium to heavy rare earth elements, including dysprosium and terbium – both critical for high-performance magnets used in military technologies and offshore wind turbines.[3] ABx is uniquely positioned to meet this challenge and opportunity. The Company has an ionic absorption clay rare earth resource with high heavy rare earth content in Tasmania, and already has strong relationships with potential processing operations in the USA, such as Ucore.[4]

- A bespoke remote sensing technology was developed to accelerate exploration for rare earths. It was initially tested on the existing resource at Deep Leads / Rubble Mound, and then on the Portrush discovery located near St Leonards. The technology gave a positive response in all three cases. It was then tested on scout bauxite drillholes that had been drilled near Exton in 2012 (Figure 1), so it was an area where it was not known if rare earths were present. Reassaying of samples confirmed that the ABx exploration method had again identified concealed rare earth mineralisation. This work demonstrated that the remote sensing technology was capable of identifying drilling targets.

- The remote sensing technology was then used to identify drilling targets in the previously unexplored tenement EL27/2022, immediately south of ABx's Portrush rare earth discovery in EL18/2014, where hole PR033 returned an exceptionally high-grade assay result of 4,812ppm total rare earth oxides (TREO).[5]

- Eight scout holes targeted by ABx's rare earths exploration method were drilled in EL27/2022, 52 km east of ABx's Deep Leads rare earth resource, using a trailer-mounted lightweight geotechnical auger rig for mobility.[6] This rig does not always penetrate into hard bedrock beneath the rare earth clay horizon. Three of the eight holes intersected rare earth mineralisation that meet the cut-off grade used to estimate the Deep Leads resource.

- Mineral Resources Tasmania approved an 85-hole drilling program in EL27/2022 and EL28/2022 scheduled for coming months, subject to landholder approval and weather.

- Applications for two new exploration leases are in progress:
  1. EL25/2022: covering the 16 km extension from Deep Leads - Rubble Mound to the Wind Break discovery area
  2. EL14/2025: a 165 km^2 tenement about 30 km northwest of Launceston and south of the famous Beaconsfield gold mine

- A formal Processing Options Analysis for the Deep Leads project is being conducted in partnership with external experts.

- Discussions with potential customers in North America and Europe for an ABx mixed rare earth carbonate (MREC) product continued to highlight the value of an MREC with relatively high proportions of heavy rare earths, particularly dysprosium (Dy) and terbium (Tb).

- A 100 kg sample from a trial pit has been sent to ANSTO to be processed to produce a mixed rare earth carbonate (MREC) sample. This is expected to have a relatively high proportion of heavy rare earths, particularly Dy and Tb.

- Systematic metallurgical testing was conducted using in-house facilities, investigating parameters such as pH, ammonium sulfate concentration, solids loading and temperature. These are providing valuable insights on the nature of the Deep Leads / Rubble Mound resource.

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[1] https://www.whitehouse.gov/presidential-actions/2025/03/immediate-measures-to-increase-american-mineral-production/
[2] https://www.whitehouse.gov/presidential-actions/2025/04/ensuring-national-security-and-economic-resilience-through-section-232-actions-on-processed-critical-minerals-and-derivative-products/
[3] https://www.hklaw.com/en/insights/publications/2025/04/china-imposes-export-controls-on-medium-and-heavy-rare-earth-materials
[4] ASX Announcement, 4 September 2024
[5] ASX Announcement, 10 February 2022
[6] ASX Announcement, 7 May 2025

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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 that enable permanent magnets to perform at high temperatures.

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 price of a MREC from an ionic adsorption clay deposit is typically higher than 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 and has reported a JORC-compliant mineral resource of 89 million tonnes[7] at its Deep Leads - Rubble Mound and Wind Break deposits.[8] The resource contains 36 ppm Dy+Tb[9] (Dy+Tb is 4.4% of TREO), the highest of any ionic clay deposit in Australia and among the highest globally. This contributes to a higher price for an MREC. 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,[10,11] 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 an MREC 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 advantages of the ABx rare earth deposits:

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

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[7] 41 Mt inferred, 42 Mt indicated and 6 Mt measured
[8] ASX Announcement, 2 May 2024
[9] Dy+Tb = Dy_2O_3 + Tb_4O_7
[10] ASX Announcement, 31 May 2022
[11] ASX Announcement, 2 February 2023

The next stages of the project are:

- Further exploration, primarily to identify the preferred initial mining location
- 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 design and initial cost model

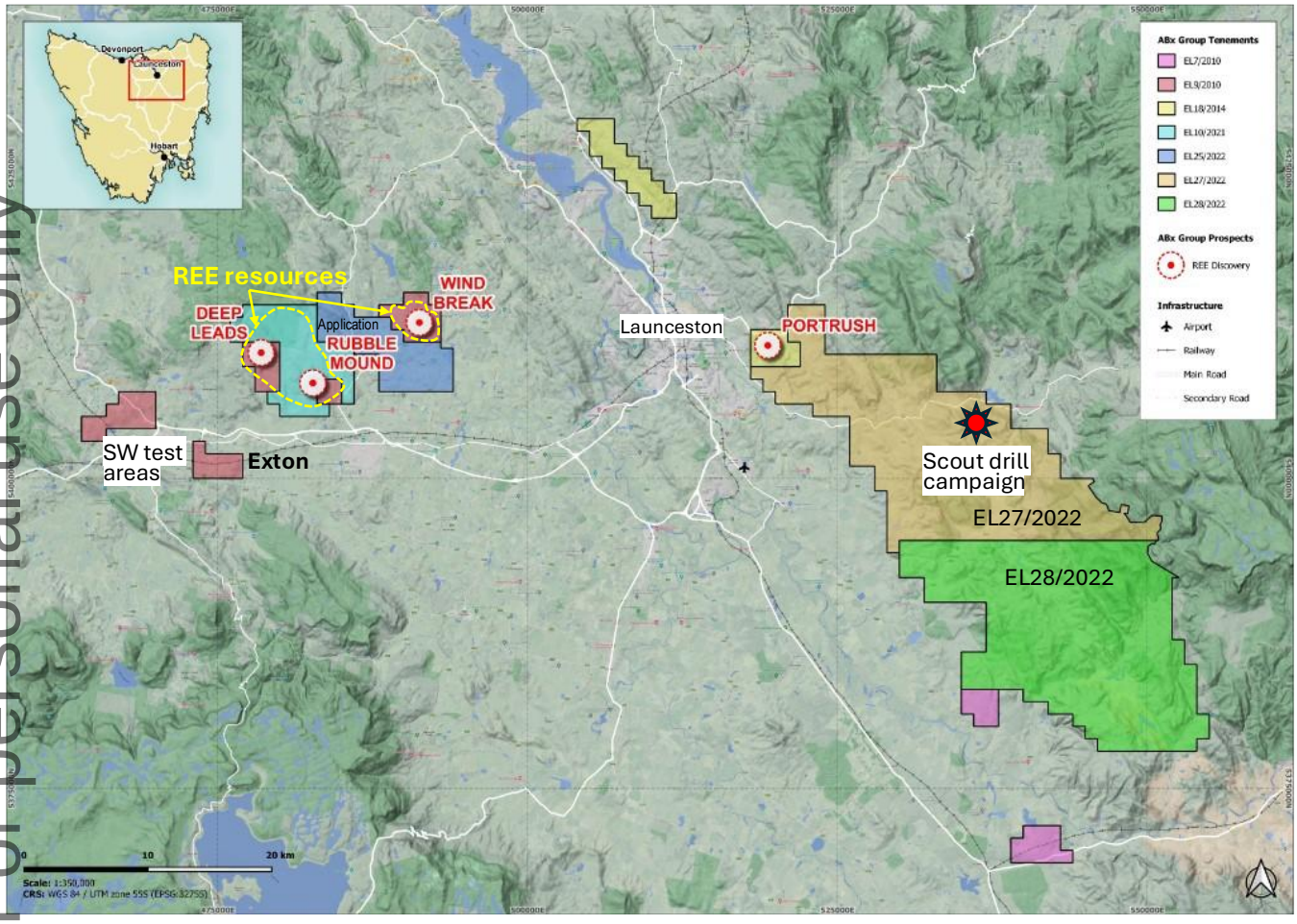

Figure 1: ABx leases in the 52 km wide rare earth province in northern Tasmania.

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Clean Fluorine Chemical Production: Producing industrial chemicals from aluminium smelter waste (ALCORE)

- The design and construction of the continuous pilot plant are proceeding on schedule at the ALCORE Technical Facility (ATF) in Bell Bay, Tasmania.
    1. Orders were placed for all key equipment, including the oleum plant, bath reactors, scrubbers, cooling tower, and various ancillary process components.[12] Most of the specialised equipment is being fabricated by experienced overseas suppliers. It is expected that the equipment will be delivered in late 2025 and early 2026.
    2. The Environmental Effects Report (EER) is being prepared for submission to the EPA. We are finalising plans for hazardous chemicals and materials management, treated process wastewater disposal, bushfire hazard management, air emission dispersion modelling and noise emission assessment are being finalised.
    3. A demolition permit has been granted for the removal of existing equipment and the mezzanine within the ATF. These site activities will be managed by Kempe Engineering, scheduled to commence in early August.
    4. Design and planning are progressing for modifications to the building internal layout and for construction of new concrete slabs, bunded areas, and protective awnings.
    5. A preliminary hazardous area classification assessment has been completed to define zoning across the pilot plant. This enables equipment and instrumentation protection levels to be defined, which are used to guide design, operation and maintenance requirements.
    6. Work is ongoing with equipment suppliers to finalise process & instrumentation diagrams, mechanical drawings and equipment configurations. A formal design review will be conducted with Kempe Engineering to ensure compliance with applicable Australian Standards before fabrication. Then we will work with BFluor Chemicals and Kempe Engineering to design the remaining items of the pilot plant.
- The Federal Government's Modern Manufacturing Initiative (MMI) grant program concluded at end March 2025. the Department of Industry, Science and Resources (DISR), approved $7.44m of actual and committed project expenditure, which represents $3.15m of MMI grant funds. DISR has indicated that the unused balance of grant funds received ($2.53m) is repayable. DISR has confirmed that it wants the ALCORE project to continue and does not want the required repayment to impact the project's success. ALCORE and DISR are finalising the optimum repayment schedule.[13]

Clean Fluorine Chemicals Strategy

The main applications of hydrogen fluoride are to produce fluorocarbons, such as refrigerants and polymers, and aluminium fluoride. It is also used in the manufacture of solar cells and lithium-ion batteries, which is the most rapidly growing application. The global market for hydrogen fluoride is over US$3 billion.

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. Fluorine was added to Australia's critical minerals list in 2023.

Australia does not mine any fluorite, or produce any fluorspar, hydrogen fluoride or aluminium fluoride, and so must import all its requirements. The present Australian demand for hydrogen fluoride is small, and it is imported at high cost. There are prospects for demand growth, but this will be difficult to satisfy without local production.

Aluminium fluoride is an essential chemical for aluminium metal production and Australia is a significant producer. Australia is the largest producer without its own domestic aluminium fluoride production, so Australian aluminium smelters rely entirely on imported aluminium fluoride, typically more than 80% from China. The aluminium fluoride price (FOB China) is typically US$1,200-1,800/t.

Most modern aluminium smelters produce excess bath, which contains about 50% fluorine, 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.

[12] ASX announcement, 9 April 2025
[13] ASX Announcement, 26 June 2025

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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 2.

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.

ALCORE intends to construct commercial hydrogen fluoride and aluminium fluoride plants in Bell Bay, Tasmania.

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

ALCORE has secured the support of Rio Tinto[14] and the Tasmanian Government[15] to locate the pilot plant in an existing industrial facility adjacent to the Bell Bay aluminium smelter in northern Tasmania.

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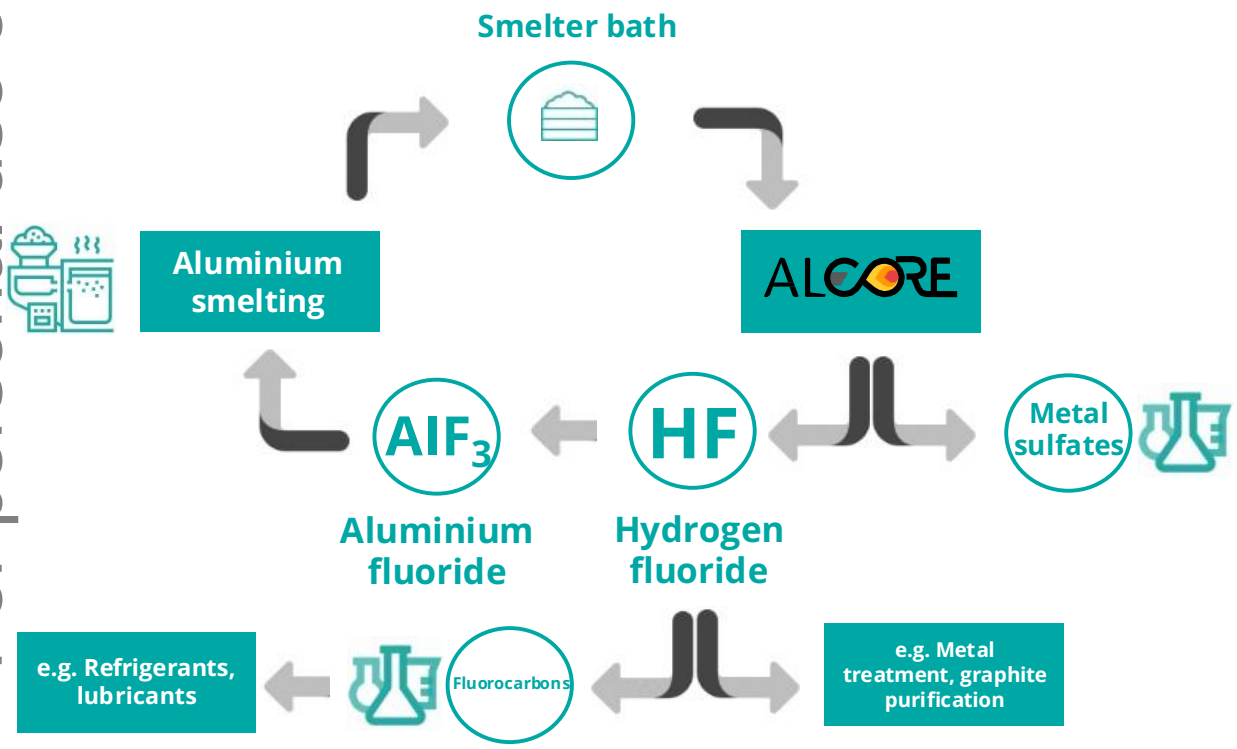

Figure 2: Circular economy approach of clean production of hydrogen fluoride and other industrial chemicals from aluminium smelter bath

[14] ASX Announcement, 15 January 2025
[15] ASX Announcement, 19 December 2024

Near-term Bauxite Production: Mining bauxite resources for the aluminium, cement and fertiliser industries

Sunrise Bauxite Project: Binjour, Queensland

- Ongoing discussions are progressing with parties demonstrating strong interest in financing and securing bauxite supply from the Sunrise project. This is consistent with the spike in global bauxite prices during late 2024 and early 2025, caused by major supply disruptions in Guinea and reduced production in China.
- 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.
- Various parties are indicating interest in financing the project, with ABx recently hosting visits to the project sites in Binjour and Bundaberg.

DL130 Bauxite Project: Tasmania

- The EPA approved an Environmental Permit, noting several conditions and restrictions that the Meander Valley Council (MVC) development permit would need to include.
- MVC approved the planning permit, subject to some conditions, including that:
    1. ABx makes a one-off reasonable, equitable and proportional financial contribution towards MVC's reasonable costs of the design and construction of upgrades to the section of Porters Bridge Road between Meander Valley Road and access to the site, and:
    2. ABx cannot use Porters Bridge Rd to transport bauxite quarried from the site until MVC has completed the upgrades to the road
- ABx appealed aspects of the MVC decision to the Tasmanian Civil & Administrative Tribunal (TASCAT). A representor also appealed the decision. All parties are participating in mediation.

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Bauxite Strategy

Metallurgical Grade

Global metallurgical bauxite prices spiked substantially in late 2024 and early 2025 due to a combination of factors, notably actions by the Guinean government to restrict export by some companies.

These higher prices materially increase the value of ABx's bauxite assets. The ABx strategy is to bring these into production as soon as possible, with a focus on profitability.

The largest project is the Sunrise Bauxite Project in Queensland, with a JORC compliant resource of 37 million tonnes. 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.[16] 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.

Cement and Fertiliser Grade

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

In Tasmania, ABx has three bauxite deposits of cement and fertiliser grade. ABx has previously mined at Bald Hill near Campbell Town from 2014 to 2020 and sold the product to cement and fertiliser plants.

[16] ASX Announcement, 28 February 2022

ABx plans to recommence bauxite mining at the DL130 Bauxite Project, located about 50 km west of Launceston. Assessment of the mine lease application by Meander Valley Council, the EPA and Mineral Resources Tasmania is in progress.

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.[17] The agreement forecasts supply of 90,000-120,000 tonnes of bauxite over a five-year term.

Corporate

A second tranche of $1.33 million was received through the issue of convertible notes.[18] This follows the first tranche of $370,000 that was received in December 2024.[19]

On 10 September 2025, the company has successfully received firm commitments to raise $3 million (before transaction cost) through placement of 46,875,00 shares at $0.064 per share. Further subject to Shareholder approval, each participant will receive one free attaching option for each New Share allocated (Placement Options). The placement Options will have an exercise price of $0.10 per option for a fully paid ordinary share and an expiry date of 2 years from the issue date.[20]

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[17] ASX Announcement, 11 September 2023
[18] ASX Announcement, 21 March 2025
[19] ASX Announcement, 30 December 2024
[20] ASX Annoucement, 10 September 2025

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 2025 (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:

Joycelyn Morton (Non-Executive Chair)
Dr Mark Cooksey (Managing Director & CEO)
Ian Levy (Non-Executive Director)

Principal activities
The principal continuing activities of the Consolidated entity for the financial half-year were conducting bauxite exploration activities in Queensland, New South Wales and Tasmania and research and development programs in 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 $1,461k (30 June 2024: $609k). 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
On 15 January 2025, ABX Group Limited 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 to demonstrate its world-first proprietary process to produce industrial chemicals, including hydrogen fluoride, from a waste product created during the aluminium smelting process. In the planned subsequent commercial plant, hydrogen fluoride will be converted to aluminium fluoride, an essential chemical for aluminium smelting that is currently 100% imported.

On 7 March 2025 at the Extraordinary General Meeting, the shareholders ratified the prior issue of 370,000 convertible notes under Tranche-1 and approved to issue 3,630,000 convertible notes under Tranche-2 and 48 million free attaching options in connection with the placement.

Subsequent to the shareholders approval at the Extraordinary General Meeting, the Company issued 1,330,000 convertible notes and 20,400,000 free attaching options on 14 March 2025. These options have an exercise price of $0.08, expiring on 14 March 2028. Each option entitles the holder to subscribe for one ordinary share upon exercise of the option.

On 25 March 2025, the Company issued 45,000 convertible notes and 540,000 free attaching options as approved by shareholders at the Extraordinary General Meeting held on the 7 March 2025. The options have an exercise price of $0.08, expiring on 25 March 2028. Each option entitles the holder to subscribe for one ordinary share upon exercise of the option.

On 22 April 2025, the Company issued 639,657 ordinary shares in settlement of convertible notes including interest accrued, amounting to $20,578.63.

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In April 2025, the Group submitted its end of term report to the Department of Industry, Science and Resources (DISR) on the total Modern Manufacturing Initiative (MMI) grant funds spent and committed as at 31 March 2025. Based on the report, the Group would be required to repay $2.53 million of non-committed funds to DISR. DISR has confirmed that it wants the ALCORE project to continue and does not want the required repayment to impact the project's success. ALCORE has expressed its intention to repay the unspent grant money over a specified period of time. Subsequent to the period end, through its letters dated 2 September 2025, DISR has confirmed to a repayment schedule to pay the balance in monthly instalments by June 2026. The company has initiated the repayment with first instalment of $464,735 (GST inclusive) paid on 5 September 2025. Further in line with the repayment terms, the Company will be paying $232,368 (GST inclusive) at the end of each month till June 2026.

On 11 June 2025, the Company issued 100,000 convertible notes and 1,200,000 free attaching options as approved by shareholders at the Extraordinary General Meeting held on the 7 March 2025. The options have an exercise price of $0.08, expiring on 11 June 2028. Each option entitles the holder to subscribe for one ordinary share upon exercise of the option.

On 18 June 2025, the Company issued 1,000,000 options to Dr Mark Cooksey, 500,000 options to Mr Ian Levy and 500,000 options to Ms Joycelyn Morton subsequent to the shareholder approval obtained during the Annual General Meeting held on 26 May 2025. These options were issued at an exercise price of $0.08, expiring on 26 May 2028. These options have vested immediately upon issue and each option entitles the holder to be issued one ordinary share in the Company upon conversion of that option.

On 19 June 2025, following shareholder approval on the 26 May 2025, the Company issued 948,413 ordinary shares to Ms Joycelyn Morton towards her Non-Executive Director and Non-Executive Chair Fees amounting to $78,334 from 3 April 2024 up to 31 May 2025 in lieu of cash consideration.

On 30 June 2025,150,000 conditional right to securities issued to employees lapsed as the conditions associated with the issue were not met.

There were no other 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 the period end, through its letters dated 2 September 2025, the Department of Industry, Science and Resources (DISR) has confirmed to a repayment schedule to pay the balance in monthly instalments by June 2026. The company has initiated the repayment with first instalment of $464,735 (GST inclusive) paid on 5 September 2025. Further in line with the repayment terms, the Company will be paying $232,368 (GST inclusive) at the end of each month till June 2026.

On 10 September 2025, the company has successfully received firm commitments to raise $3 million (before transaction cost) through placement of 46,875,000 shares at $0.064 per share. Further subject to Shareholder approval, each participant will receive one free attaching option for each New Share allocated (Placement Options). The placement Options will have an exercise price of $0.10 per option for a fully paid ordinary share and an expiry date of 2 years from the issue date.

No other matter or circumstance has arisen since 30 June 2025 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

Joycelyn Morton
Non-Executive Chairman

12 September 2025

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North Parramatta NSW 1750

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

To the Directors of ABX Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2025 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 12th day of September 2025

Phone 02 9839 3000
Fax 02 9839 3055

Liability limited by a scheme approved under Professional Standards Legislation

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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ABX Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2025

	Note	Consolidated 30 June 2025 $'000	30 June 2024 $'000
Revenue			
Revenue		-	58
Grant and other income	4	757	827
Interest income		45	98
Expenses			
Development, exploration and administrative expenses	5	(1,366)	(1,543)
Depreciation and amortisation expense		(26)	(49)
Impairment of assets		(800)	-
Finance expenses		(71)	-
Loss before income tax expense		(1,461)	(609)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,461)	(609)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(1,461)	(609)
Loss for the half-year is attributable to:			
Non-controlling interest		42	(18)
Owners of ABX Group Limited		(1,503)	(591)
		(1,461)	(609)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		-	-
Owners of ABX Group Limited		(1,461)	(609)
		(1,461)	(609)
		Cents	**Cents**
Basic loss per share	13	(0.60)	(0.24)
Diluted loss per share	13	(0.60)	(0.24)

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 2025

	Note	Consolidated 30 June 2025 $'000	Consolidated 31 December 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		257	561
Trade and other receivables		195	184
Advance for equipment		1,177	-
Restricted cash	6	1,617	2,974
Prepayments		22	273
Total current assets		3,268	3,992
Non-current assets			
Property, plant and equipment		62	89
Mining tenements	7	15,379	15,455
Total non-current assets		15,441	15,544
Total assets		18,709	19,536
Liabilities			
Current liabilities			
Trade and other payables	8	444	687
Contract liabilities	9	4,223	4,974
Borrowings	10	1,596	370
Employee benefits		167	141
Other liabilities	11	13	29
Total current liabilities		6,443	6,201
Non-current liabilities			
Employee benefits		86	122
Other liabilities	11	2,086	1,988
Total non-current liabilities		2,172	2,110
Total liabilities		8,615	8,311
Net assets		10,094	11,225
Equity			
Issued capital	12	34,584	34,582
Reserves		2,904	2,588
Accumulated losses		(27,357)	(25,866)
Equity attributable to the owners of ABX Group Limited		10,131	11,304
Non-controlling interest		(37)	(79)
Total equity		10,094	11,225

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 2025

Consolidated	Issued Capital $'000	Share based payment reserve $'000	Other reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2024	34,050	118	2,504	(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	102	2,504	(24,471)	(70)	12,658

Consolidated	Issued Capital $'000	Share based payment reserve $'000	Convertible note reserve $'000	Other reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2025	34,582	84	-	2,504	(25,866)	(79)	11,225
(Loss)/Profit after income tax expense for the half-year	-	-	-	-	(1,503)	42	(1,461)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(1,503)	42	(1,461)
Shares issued in settlement of convertible notes	65	-	-	-	-	-	65
Transaction cost	(63)	-	-	-	-	-	(63)
Share based expense	-	28	-	-	-	-	28
Transactions with owners in their capacity as owners:							
Transfers upon lapse of options	-	(12)	-	-	12	-	-
Issue of free attached options for convertible notes (note 10)	-	-	300	-	-	-	300
Balance at 30 June 2025	34,584	100	300	2,504	(27,357)	(37)	10,094

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 2025

	Note	Consolidated 30 June 2025 $'000	30 June 2024 $'000
Cash flows from operating activities			
Receipts from customers		-	101
Grants income received		757	480
Payments to suppliers and employees		(2,264)	(1,304)
		(1,507)	(723)
Interest received		45	97
Net cash (used in)/from operating activities		(1,462)	(626)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(848)	(906)
Payments for security deposits (net)		(14)	(9)
Release of restricted cash		606	1,100
Net cash (used in)/from investing activities		(256)	185
Cash flows from financing activities			
Proceeds from issue of shares	12	-	616
Proceeds from issue of convertible debt securities		1,475	-
Share issue transaction costs		(61)	(73)
Net cash from financing activities		1,414	543
Net (decrease)/increase in cash and cash equivalents		(304)	102
Cash and cash equivalents at the beginning of the financial half-year		561	336
Cash and cash equivalents at the end of the financial half-year		257	438

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

Note 1. General information

The financial statements cover ABX Group Limited as a Consolidated Entity consisting of ABX Group Limited ("the Company" or "Parent entity") and the entities it controlled at the end of, or during, the financial half-year ended 30 June 2025. 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

Suite 2, Level 11, 385 Bourke Street
Melbourne, VIC 3000

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 12 September 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the financial half-year reporting period ended 30 June 2025 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 2024 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 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 ordinary course of business.

As at 30 June 2025, the Group had unrestricted cash reserves of $257,000, negative working capital of $3.17 million, and incurred a net cash outflow from operating activities of $1.46 million for the half-year then ended. The Group also recorded a net loss after tax of $1.46 million for the period.

Included within the Group’s consolidated cash and cash equivalents of $1.874 million are restricted grant funds of approximately $1.617 million received from the Federal Government, which expired on 30 June 2025. In addition, approximately $2 million of restricted funds were advanced to the parent entity, ABX, as working capital, which constitutes a use not in accordance with the terms of the grant funding agreement.

Subsequent to the reporting date, the Department of Industry, Science and Resources (DISR) confirmed a repayment schedule for the unspent grant funds. The Group is required to repay a total of $2,556,047 by 30 June 2026, representing the balance of uncommitted grant expenditure at 30 June 2025. This liability has been recognised as a current liability and is disclosed in Note 9 – Contract Liabilities. Repayments are scheduled monthly, with the first instalment of $464,735 (GST inclusive) paid on 5 September 2025, followed by instalments of $232,368 (GST inclusive) at the end of each month until completion.

The Group has applied for a $1 million loan from the Tasmanian Government, which is expected to provide short-term liquidity support. However, the terms and conditions of this facility have not yet been finalised, and once executed, the repayment obligations will place further cash flow pressure on the Group.

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Note 2. Material accounting policy information (continued)

Subsequent to balance date, the Group secured firm commitments to raise $3 million (before costs) through a non-underwritten placement of new shares. While this transaction is expected to strengthen the Group's near-term cash position, there is risk associated with the fact that the placement is not underwritten and therefore not guaranteed to be received in full.

The Group's cash flow forecasts also include anticipated research and development tax refunds of approximately $909,204 expected in September 2025 and $795,000 expected in September 2026. These receipts remain subject to approval processes and may not be received as forecast.

The ability of the Group to continue as a going concern is therefore dependent upon the successful completion of the $3 million capital raising, the continued compliance with the agreed repayment schedule to DISR, finalisation and receipt of the Tasmanian Government loan, and the timely receipt of forecast research and development tax refunds.

These conditions, including the Group's negative working capital and net asset deficiency, together with the other matters set out above, give rise to material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The directors believe that the going concern basis of preparation is appropriate after consideration of the above matters and having regard to their plans to raise further capital if required. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying value or classification of assets and liabilities that may be necessary should the Group be unable to 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 2025.

Note 3. Restatement of comparatives

Reclassification
There were changes in the presentation of the comparative balances in the statement of financial position as at 30 June 2025 due to the presentation of the convertible notes as current liabilities.

The impact of the change in the comparative as at 31 December 2024 is as below:

	31 December 2024	Change	31 December 2024 restated
Borrowings- Current	-	370	370
Borrowings- non- current	370	(370)	-
	370	-	370

Statement of financial position at the beginning of the earliest comparative period
When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 January 2024. However, as there were no adjustments made as at 1 January 2024, the Consolidated Entity has elected not to show the 1 January 2024 statement of financial position.

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Note 4. Grant and other income

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Other grant	6	25
MMI grant income*	751	455
Other income	-	347
Grant and other income	757	827

*The Consolidated entity through its subsidiary, Alcore Limited, has received $5.68 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 2025.

Note 5. Administrative and research and development expenses

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Directors and employee salaries and on costs	241	490
Research and development expenses	473	630
Corporate and administrative expenses	624	427
Share based payments	28	(4)
	1,366	1,543

Note 6. Restricted cash

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Current assets		
Cash held in trust- grant funding	1,617	2,974

The Consolidated Entity through its subsidiary, Alcore Limited, had received $5.68 million grant funding under the Federal Government's Modern Manufacturing Initiative ("MMI") in 2023. The movement of $1.357 million during the half-year mainly comprises of $751k towards the MMI project and balance towards advance paid for equipment purchases.

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Note 7. Mining Tenements

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Non-current assets		
Exploration and evaluation - at cost	15,379	15,455

Movement in exploration and evaluation asset:

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Opening balance - at cost	15,455	15,213
Capitalised exploration expenditure	724	1,942
Impairment of assets	(800)	(1,700)
Carrying amount at the end of the period	15,379	15,455

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 2025 and an impairment charge of $800k was taken for the following:
(i) $150k provided for the exploration costs on Binjour (EPM18014) tenement;
(ii) $380k provided for the exploration costs on Conara (EL7/2010) tenement; and
(iii) $270K provided for the exploration costs on Prossers Road (EL18/2014) tenement.

Note 8. Trade and other payables

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Current liabilities		
Trade payables	378	532
Other payables	66	155
	444	687

Note 9. Contract liabilities

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Current liabilities		
Contract liabilities	4,223	4,974

The movement of $751k during the period represents transfer to revenue based on performance obligations satisfied during the period.

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Note 10. Borrowings

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Current liabilities		
Convertible notes - host debt liability at amortised cost	1,568	363
Embedded derivatives	28	7
	1,596	370

The convertible note balance include the below:

- On 20 December 2024, the Company received binding commitments for the issue of convertible notes ("Notes") in the amount of $1.8 million to professional and sophisticated investors, including directors, with convertible notes to be issued over tranches.
- On 30 December 2024, the company issued 370,000 Tranche 1 convertible notes and raised $370,000
- As part of Tranche 2, 1,475,000 Notes were issued between 21 March 2025 and 16 June 2025 upon shareholder approval received at the Extraordinary General Meeting held on 7 March 2025 and raised $1,475,000.
- During the half year ended 30 June 2025, an amount of $70,000 has been accounted as the interest on convertible notes.

The key terms and conditions of the Notes are as follows:

(i) Face Value of $1.00 per Note;
(ii) Maturity date: 31 December 2026;
(iii) Coupon rate of 12% per annum payable in cash every 6 months, with the flexibility to capitalise that interest on or prior to the relevant interest payment date;
(iv) Notes are convertible into Shares at the election of Noteholders any time prior to maturity date. The conversion price will be the lower of (a) A fixed price of A$0.04 (25 Shares per Note) (b) a 15% discount to the 15-day VWAP immediately prior to conversion, subject to a floor price of $0.01

Due to shareholder approval at an EGM on 7 March 2025, each noteholder will receive 12 free attaching unlisted options ("Options") per Note held. The Options will have an exercise price of $0.08 and an expiry date of 36 months from the date of issue. As at 30 June 2025, 22,140,000 Options were issued to Noteholders. The fair values of the Options were determined using Black-Scholes Options Pricing Model.

Valuation methodology applied in valuing Convertible Notes
Upon issue of the Notes during the half year ended 30 June 2025 and at the end of each reporting period, the Group values the Notes using the Black Scholes option pricing model to determine the value of the embedded derivative. The Black Scholes option pricing model assumes the Note holder will exercise at expiry (i.e. the note will be converted on maturity) to predict the Group's possible future share prices to determine the Variable Conversion Price.

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – a valuation technique is applied using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 – a valuation technique is applied using inputs that are not based on observable market data (unobservable inputs).

Valuation techniques for fair value measurements categorised within level 3
Unobservable inputs used in calculating the embedded derivative classified as level 3 were expected future volatility and the risk-free rate. The expected future volatility was calculated at 78.91% and the risk-free rate used was 3.26%.

There has been no change in the Group's valuation process, valuation techniques and types of inputs used in the fair value measurement at the end of the reporting period in comparison to the methodology upon inception. There have been no transfers between levels of fair value hierarchy during the period ended 31 December 2024.

There were no transfers between levels during the financial half-year.

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Note 11. Other liabilities

	Consolidated	
	30 June 2025 $'000	31 December 2024 $'000
Current liabilities		
Accrued expenses - other	13	29
Non-current liabilities		
Payable to Directors*	2,086	1,988
	2,099	2,017

*Payable to Directors represents outstanding remuneration payable to Ian Levy (non-Executive Director) and Joycelyn Morton (Independent non-executive Director). For the half-year ended 30 June 2025, 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 12. Issued capital

	Consolidated			
	30 June 2025 Shares	31 December 2024 Shares	30 June 2025 $'000	31 December 2024 $'000
Ordinary shares	251,881,509	250,293,439	34,584	34,582

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 January 2025	250,293,439	34,582
Shares issued in settlement of convertible notes	22 April 2025	639,657	21
Shares issued in-lieu of payment for director's fees	19 June 2025	948,413	44
Transaction cost		-	(63)
Balance 30 June 2025		251,881,509	34,584

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The ordinary shares have no par value and the Company 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.

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Note 13. Earnings per share

	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Loss after income tax	(1,461)	(609)
Non-controlling interest	(42)	18
Loss after income tax attributable to the owners of ABX Group Limited	(1,503)	(591)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	250,603,698	249,955,704
	Cents	**Cents**
Basic and diluted loss per share	(0.60)	(0.24)

Note 14. Share-based payments

Share based payments expense during the year was $28k (30 June 2024: $4k). The expense during the period represents the vesting charge for half-year on options granted to KMP and other employees of the Company and the reversal of share based payment expense due to lapse of unvested options.

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

	Number of options 30 June 2025	Weighted average exercise price 30 June 2025	Number of options 30 June 2024	Weighted average exercise price 30 June 2024
Outstanding at the beginning of the financial half-year	1,050,000	$0.1533	1,650,000	$0.1692
Granted	2,000,000	$0.0800	150,000	$0.0576
Forfeited/lapsed	(150,000)	$0.1692	(450,000)	$0.1692
Outstanding at the end of the financial half-year	2,900,000	$0.1019	1,350,000	$0.1568
Exercisable at the end of the financial half-year	2,600,000	$0.9897	600,000	$0.1692

30 June 2025

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	900,000	-	-	(150,000)	750,000
29/05/2024	29/05/2030	$0.0576	150,000	-	-	-	150,000
26/05/2025	26/05/2028	$0.0800	-	2,000,000	-	-	2,000,000
			1,050,000	2,000,000	-	(150,000)	2,900,000
Weighted average exercise price			$0.1533	$0.0800	$0.0000	$0.1692	$0.1019

* On 26 May 2025, the Company issued 1,000,000 options to Dr Mark Cooksey, Managing Director & CEO, 500,000 options to Ms Joycelyn Morton, Non-Executive Chair and 500,000 options to Mr Ian Levy, Non-Executive Director. These options have vested immediately upon issue and each option entitles the holder to be issued one ordinary share in the Company upon conversion of that option.

** Forfeited/lapse options relate to 150,000 options lapsed upon the conditions associated with the issue were not met.

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Note 14. Share-based payments (continued)

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.

The weighted average share price during the financial half-year was $0.039 (June 2024: $0.058).

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 2 years and 11 months (June 2024: 4 years and 2 months).

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
26/05/2025	26/05/2028	$0.0400	$0.0800	72.00%	-	3.42%	$0.012

Note 15. Dividends

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

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 2025 $'000	31 December 2024 $'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

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Note 17. Events after the reporting period

Subsequent to the period end, through its letters dated 2 September 2025, the Department of Industry, Science and Resources (DISR) has confirmed a repayment schedule to pay the balance of uncommitted grant funds in monthly instalments by June 2026. The company has initiated the repayment with first instalment of $464,735 (GST inclusive) paid on 5 September 2025. Further in line with the repayment terms, the Company will be paying $232,368 (GST inclusive) at the end of each month till June 2026.

On 10 September 2025, the company has successfully received firm commitments to raise $3 million (before transaction cost) through placement of 46,875,000 shares at $0.064 per share. Further subject to Shareholder approval, each participant will receive one free attaching option for each New Share allocated (Placement Options). The placement Options will have an exercise price of $0.10 per option for a fully paid ordinary share and an expiry date of 2 years from the issue date.

No other matter or circumstance has arisen since 30 June 2025 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 2025

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 2025 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

Joycelyn Morton
Non-Executive Chairman

12 September 2025

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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 consolidated interim financial report of ABX Group Limited (the Company) and its controlled entities (the Group). The consolidated interim financial report comprises the consolidated statement of financial position as at 30 June 2025, together with the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year then ended. It also includes selected explanatory notes, a summary of significant accounting policies, and the directors' declaration.

The Director's Responsibility for 30 June 2025 Consolidated Interim Financial Report
The directors are responsible for the preparation and fair presentation of the consolidated interim financial report in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the financial report that is 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 consolidated interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. ASRE 2410 requires us to comply with the ethical requirements relevant to the audit of an annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other 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 Corporations Act 2001 and the APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

Material Uncertainty Related to Going Concern
We draw attention to Note 2 – Going Concern in the consolidated interim financial report, which describes the circumstances relevant to the Group's ability to continue as a going concern. As at 30 June 2025, the Group had unrestricted cash reserves of $257,000, negative working capital of $3.2 million, and reported a net cash deficiency of $1.5 million from operating activities for the half-year then ended (Statement of Cash Flows).

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Included within the Group's consolidated cash and cash equivalents of $1.874 million are restricted grant funds of approximately $1.617 million received from the Federal Government, which expired on 30 June 2025. In addition, approximately $2 million of restricted funds were advanced to the parent entity, ABX, as working capital which constitutes a use not in accordance with the terms of the grant funding agreement.

Subsequent to the period end, through its letter dated 2 September 2025, the Department of Industry, Science and Resources (DISR) confirmed a repayment schedule for the unspent grant funds. Under this arrangement, the Group is required to repay a total of $2,556,047 by 30 June 2026, representing the balance of uncommitted grant expenditure at 30 June 2025. This amount has been recognised as a current liability and is disclosed in Note 9 – Contract Liabilities. Repayment is to be made through monthly instalments, with the first instalment of $464,735 paid on 5 September 2025, and further instalments of $232,368 scheduled to be paid at the end of each month until completion.

The Group has also applied for a $1 million loan from the Tasmanian Government, which is included in the Group's 12-month cash flow forecast. While this facility would provide additional working capital, the terms and conditions have not yet been finalised and, once in place, the repayment obligations will place further cash flow pressure on the Group.

Subsequent to balance date, the Group secured firm commitments to raise $3 million (before costs) through a non-underwritten placement of new ordinary shares, as set out in Note 17 – Events after the reporting period. If the commitments do not raise the placement amount, the Group may not be able to meet the agreed repayment schedule for the grant funding or the future repayments required under the Tasmanian Government loan. While the Group anticipates receiving approximately $1.7 million in R&D tax refunds, with $909,204 expected in September 2025 and $795,000 due in September 2026, these receipts will provide only partial relief, and at present are still subject to external approval processes.

The appropriateness of the application of the going concern basis to the Group is therefore dependent upon the successful completion of the capital raising to provide sufficient liquidity to repay the balance of the grant funding, meet the future repayment obligations under the Tasmanian Government loan, if finalised, and provide adequate working capital to pay debts as and when they fall due. These required conditions, together with the other matters set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

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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 Group's financial position as at 30 June 2025 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: 12 September 2025

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