

ABx Group

ABX.ASX

July 6, 2022 FAT-MIN-824

AUD\$0.13

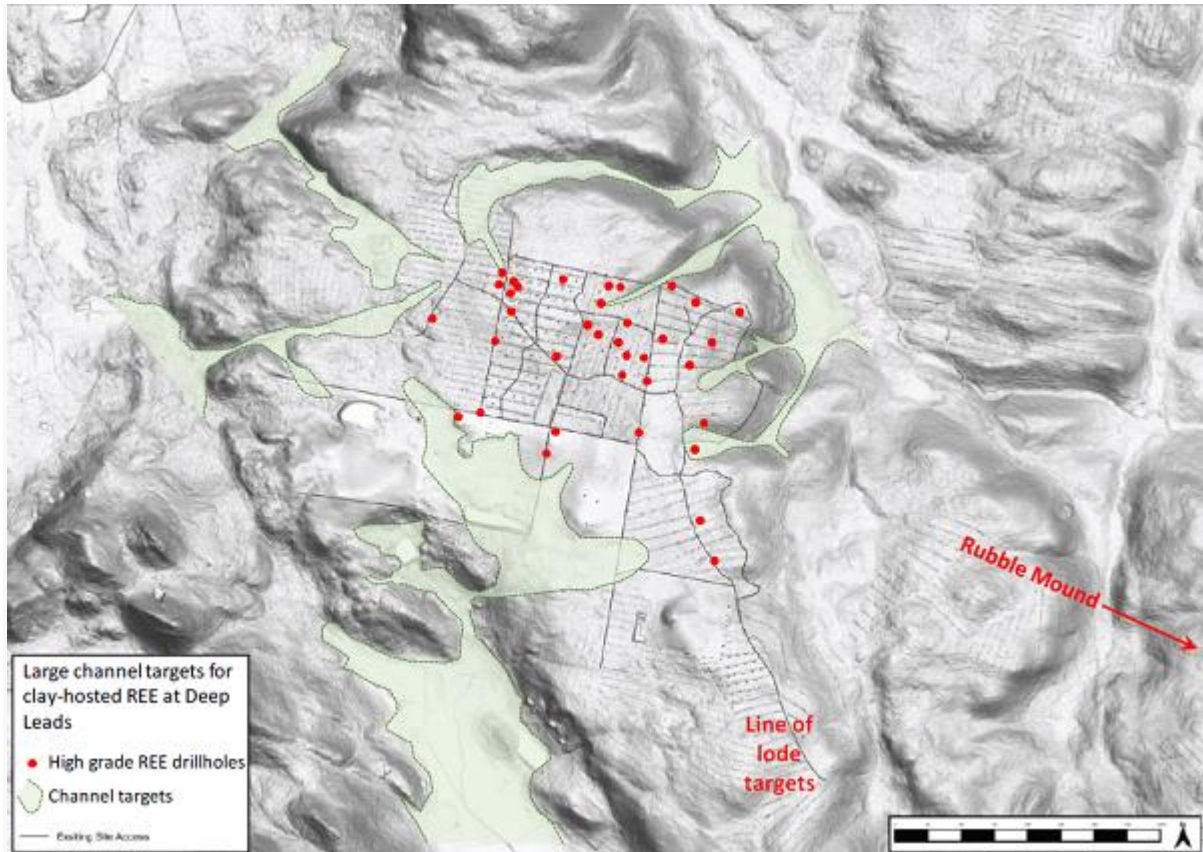
Speculative

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ABX.ASX Snapshot

Exploration success with more assays pending

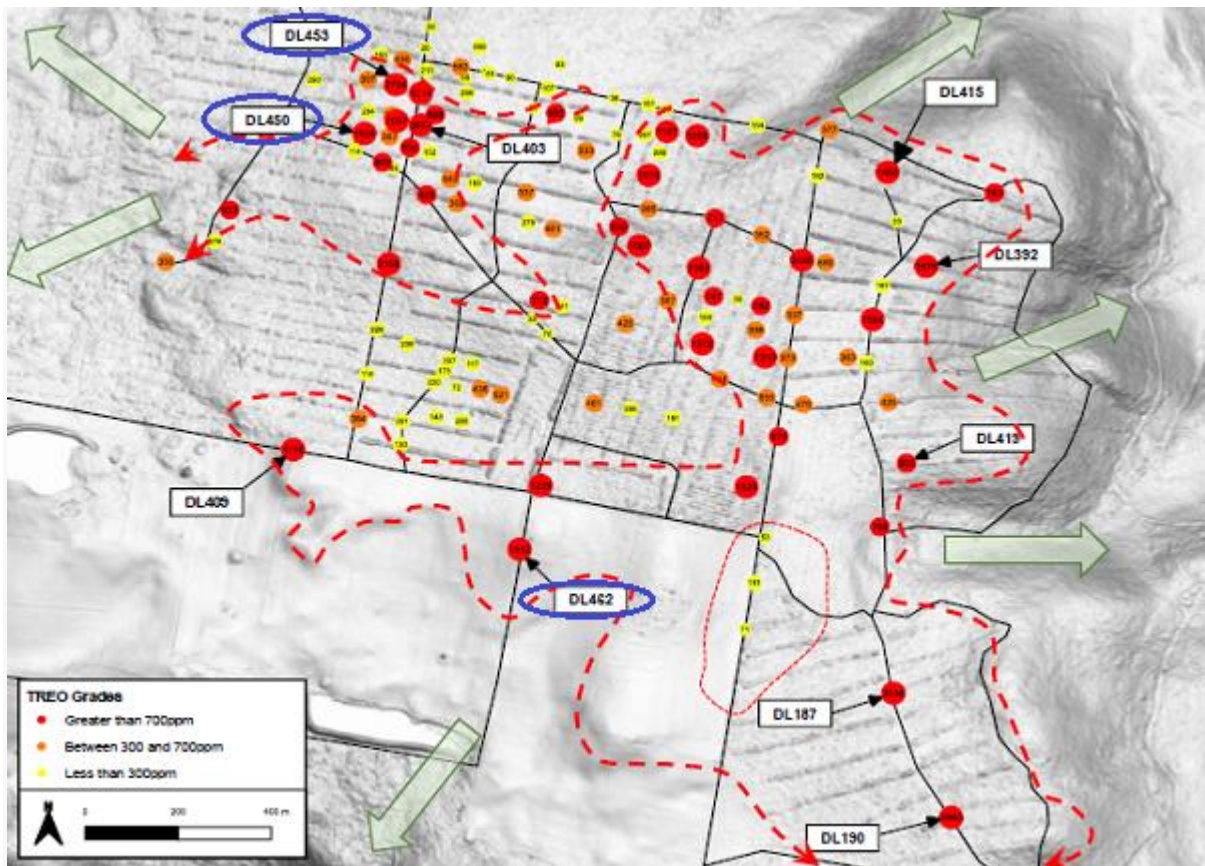
ABX Group continues to enjoy exploration success at its Deep Leads rare earth project, **with several assays coming from the current drill programme. What is exciting about this drill programme, is the first 20 assays received for the Deep Leads drilling, to date, have tripled the prospective area of the Deep Leads mineralisation.** The completed drill programme totalled 88 holes, with a further assays pending and drill holes have yet to get underway. The following image shows the local region of the Deep Leads rare earth elements (REE) tenements with the location of high-grade drill hits:



Source: ABX Group

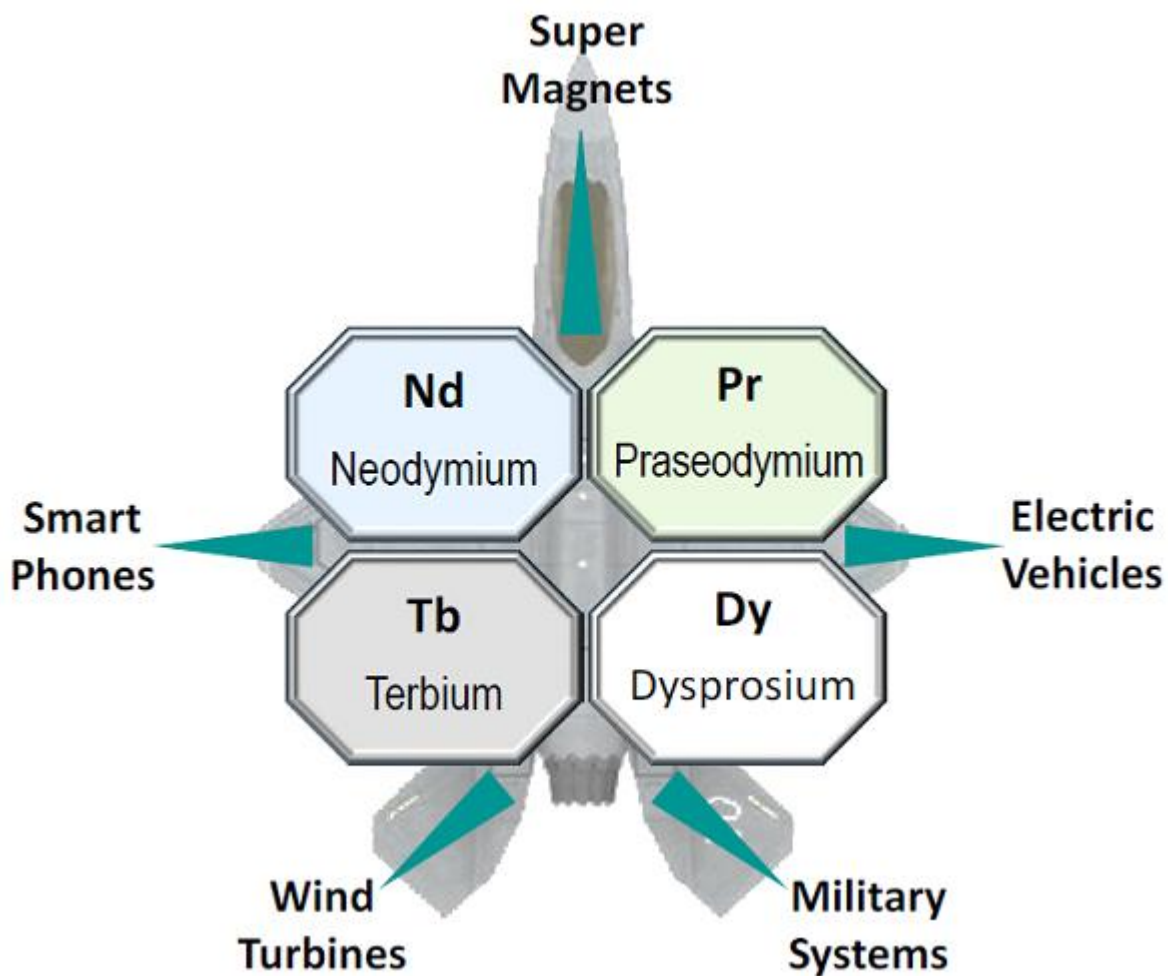
The current assays have **significantly extended the known iconic absorption clay envelope for Deep Leads, including a new ten metre thick channel of high-grade REE.** This discovery brings to six the number of channels that extend across the Deep Leads project and all continue for a considerable distance and add major blue sky exploration potential and upside value.

Drilling to date, has revealed the potential of the Deep Leads for REE with some 68 assays still pending and a further 25 holes to be drilled. **Further results, of a similar ilk as the first twenty, will turn Deep Leads into a very serious, in our opinion, REE deposit** and a change of company livery may be needed. Holes DL450, DL453 and DL642 all returned high-grade REE, with their location shown in the following Deep Leads image:



Source: ABX Group

As Members can see from the above image, the Deep Leads is open in several directions. The better of the holes **DL450** (top left lower purple oblong) returned in summary (i) ten metres of REE mineralisation averaging 863 parts per million total rare earth oxides (TREO) from five metres, with an enriched zone of (i-a) six metres averaging 1,122ppm TREO from five metres. This hole also hosts SuperMags of ten metres averaging 243.3ppm and TREO - Cerium of ten metres averaging 694.5ppm. An added value is the REE in the clay at Deep Leads is heavy in the elements required for magnets. The following image shows the broader industries that use the elements that the Deep leads is rich in:



Source: ABX Group

These are exceptional results, in our opinion, given the proximity to the surface. Hole DL450 was the intersecting hole for the sixth high-grade channel discovered at Deep Leads.

ABX's drill programme at its Deep Leads project will continue into the current month. A first pass drill programme to explore the region between Deep Leads and the Rubble Mount project, a six kilometres interval, is also about to get underway. **The State government of Tasmania is co funding these drill programmes** through the Tasmanian Exploration Drilling Grant Initiative. Under the programme the State government has a pool of \$3.5 million that can be applied for to part fund exploration.

Cash as of 31 March 2022 stood at A\$5.6 million and poses no problems in completing activities.

We have, since ABX Group discovered rare earths, consider it would likely change its livery, given the potential scale of the rare earths, we still believe this will happen. In the meantime, **the results out of Deep Leads, to date, would suggest**

to us the region is very prospective for REE and for this reason the remaining results, when released, will continue in the same vein.

Consequently, we continue to recommend ABX Group as a buy for Members with no exposure to the stock.

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