

ABx Group Limited

SHARE PRICE & ESTIMATED FUTURE PRICE

Valuation	\$0.40
Price	\$0.07
Implied Return	470%

Progress on all fronts

Tasmanian rare earths yield another prospect and Alcore successfully runs pilot batch production.

Tasmanian Rare Earths – new Wind Break discovery

ABx Group continues to add value to their Northern Tasmania Rare Earths Project with the announcement of highly encouraging drill results at their Wind Break Prospect. The Wind Break prospect lies 15-16km to the north east of the Mineral resource already discovered at Deep Leads, Rubble Mound & Leech Scrub (DLRM Prospect) and is further confirmation that the resource potential could be of considerable size. Mineralisation remains open in all directions.

Alcore – the batch pilot plant records positive results

ABx's Alcore subsidiary moved closer to commercial production of Hydrogen Fluoride and Aluminium Fluoride with the successful completion of three test runs of its state-of-the-art bath pilot batch reactor. The reactor has run safely under standard process conditions and validates the process. The process has now been substantially derisked and clears the way for the Bath continuous pilot plant – scheduled for Q2 2024 – which will determine the design and operating parameters of commercial production.

Corporate

ABx has also made a series of positive announcements at a Corporate level.

- A Share Purchase Plan raised a further \$616k to have available cash of \$5.8million at the end of the December quarter.
- Transitioned financial and accounting functions, as well as Company Secretariat functions to corporate services provider Vistra. We believe this will result in more cost effective financial operations and will free up funds for core project work.

We have made a slight increase in our valuation to **\$0.40/share** which reflects the further derisking of the Alcore Process as it moves closer to the reality of commercial production.

Richard Close

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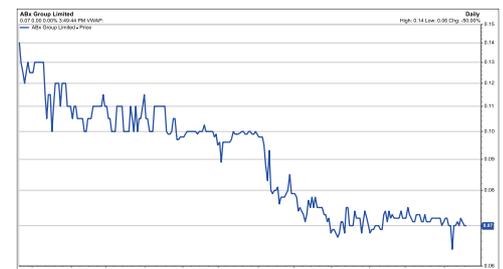
Company Data

ASX code	ABX
ASX price	\$0.07
Shares on issue	250.0 mill.
Market capitalisation	\$17.5 mill.
Cash on hand	~\$5.8mill ¹
12-month price range	\$0.06 – \$0.14

¹ as at 31/12/2023

Key Personnel

Paul Lennon	Chairman
Dr Mark Cooksey	Managing Director/CEO
Ian Levy	Executive Director
Leon Hawker	Chief Operating Officer



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Wind Break – the newest addition to ABx’s rare earth prospect portfolio.

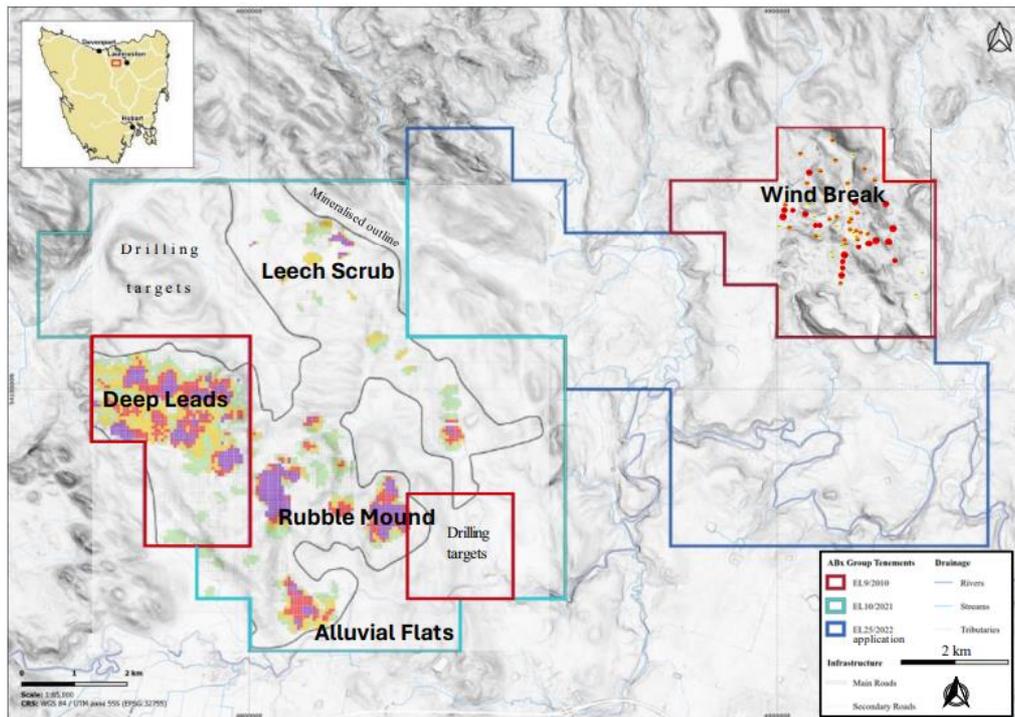


Figure 1: Location of ABx Group's Northern Tasmania Rare Earths project

ABx Group continues to add value to their Northern Tasmania Rare Earths Project with the announcement of highly encouraging drill results at their Wind Break Prospect.

The Wind Break prospect lies 15-16km to the northeast of the Deep Leads-Rubble Mound Mineral resource (DLRM Prospect) and is further confirmation that the resource potential could be of considerable size. Figure 1 shows the location of Wind Break in relation to the existing Rare Earth Mineral Resource.

The ABx exploration team drilled 30 holes in the first pass program for Rare Earths over the Wind Break Prospect. Drilling was not selective, with drill collar locations being determined largely by track access. So the higher grade results have not been biased through selective drill location. These assay results are the first batch from the Wind Break program with further results expected over the coming weeks.

Our simple analysis of the data indicates that:

- 70 samples (1m intervals) returned TREO-CeO₂ grades in excess of 300ppm from a total 177 samples (40% of samples), with an average grade of 379ppm across all samples.
- 33% of the assayed intervals were higher than the Mineral Resource Estimate's (MRE) 350ppm cut-off grade for TREO-CeO₂.
- 14% of sample assays for Permanent Magnet REE's were in excess of the overall Permanent Magnet grade of the latest Mineral Resource Estimate (Figure 3)
- The most valuable Rare Earths, Dysprosium and Terbium, are still present at elevated concentrations - as recorded at Deep Leads. The proportion of Dy and Tb relative to other rare earths remains higher than seen in any other Australian Rare Earths project.

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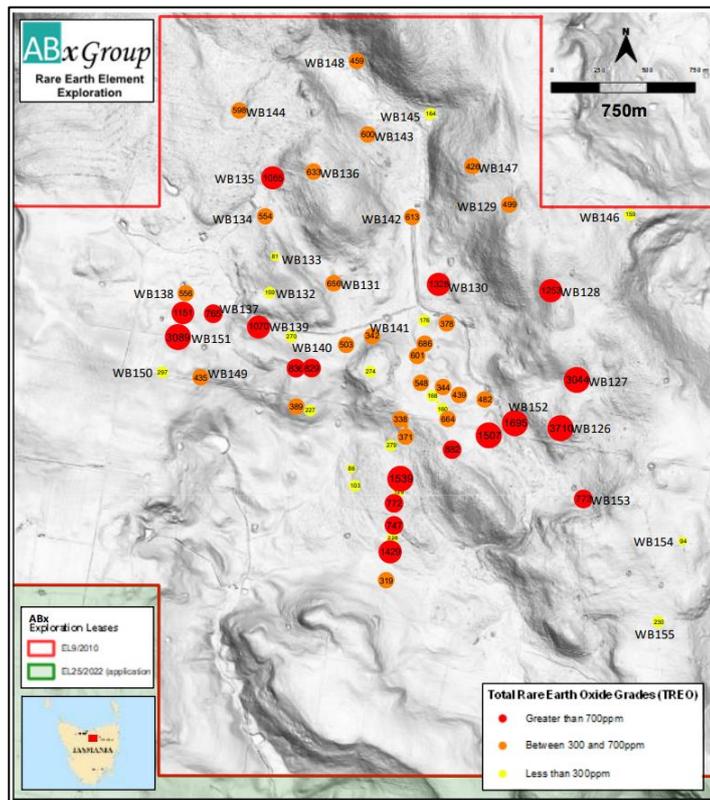


Figure 2: Wind Break - Rare Earth assay results

Resource Category	Million Tonnes	Avg depth (m)	Avg base (m)	Avg thickness (m)	TREO ppm	TREO-CeO ₂ ppm	Perm Mag ppm	Permanent Magnet REOs				Key Ratios		
								Nd ₂ O ₃ ppm	Pr ₆ O ₁₁ ppm	Tb ₄ O ₇ ppm	Dy ₂ O ₃ ppm	PermMag TREO %	Tb+Dy TREO %	
Inferred	45	4.3	12.1	7.8	806	623	211	140	36	5.1	30	26%	4.4%	
Indicated	7	4.3	11.2	6.9	886	696	232	153	38	5.8	34	26%	4.5%	
Totals	52	4.3	12.0	7.7	817	633	214	142	36	5.2	31	26%	4.4%	
Other Rare Earth oxides													Low radioactivity	
Resource Category	CeO ₂ ppm	Er ₂ O ₃ ppm	Eu ₂ O ₃ ppm	Gd ₂ O ₃ ppm	Ho ₂ O ₃ ppm	La ₂ O ₃ ppm	Lu ₂ O ₃ ppm	Sm ₂ O ₃ ppm	Tm ₂ O ₃ ppm	Yb ₂ O ₃ ppm	Y ₂ O ₃ ppm	U ₃ O ₈ ppm	ThO ppm	
Inferred	182	17	8.8	32	6.0	121	2.2	32	2.3	14	175	1.7	6.4	
Indicated	190	19	10.2	36	6.7	130	2.4	35	2.6	16	204	1.7	6.3	
Totals	183	17	9.0	33	6.1	122	2.2	33	2.4	15	179	1.7	6.4	
Parameters Block cut-off grade (cog) = 350ppm TREO-CeO ₂ Minimum thickness = 2 metres Search ellipse = 120m (Ind), 250m(Inf) Density = 1.9 tonnes/cubic metre TREO = total rare earth elements as oxides. TREO-CeO ₂ = TREO minus cerium oxide														

Figure 3: Mineral Resource Estimate

Alcore – highly encouraging fluorine yield observed in batch reactors first tests.

ABx's 83% owned subsidiary, Alcore, has now moved to an important phase in the commercialisation of its proprietary process to produce hydrogen fluoride and aluminium fluoride from recycled industrial waste. The company announced that they have completed three test runs under standard process conditions since the state-of-the-art batch reactor that was commissioned in early November. The new reactor is ten times larger than the previous laboratory reactor and is now performing as designed by Alcore's team. With fluorine gas being produced as well as several kilograms of metal sulphate powder – the results are in line with product that was produced in the previous manual methods before the reactor was commissioned. Alcore is now confident that the process is achieving a higher rate of fluorine yield in a single pass through the reactor through enhanced process mixing. Powder samples have been sent for analysis to measure fluorine content and confirm the fluorine yield.

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The positive results from the Bath pilot batch reactor means the next step in the commercialisation is substantially derisked. The Batch continuous pilot plant is expected to be commissioned in the second quarter of 2004.

Alcore's unique refining technology takes excess smelter bath from aluminium smelters and combines it with Sulfuric acid to produce Hydrogen fluoride which is then used to make Aluminium Fluoride. The process to convert Hydrogen fluoride to Aluminium fluoride is not proprietary technology and is a well-known commercial process.

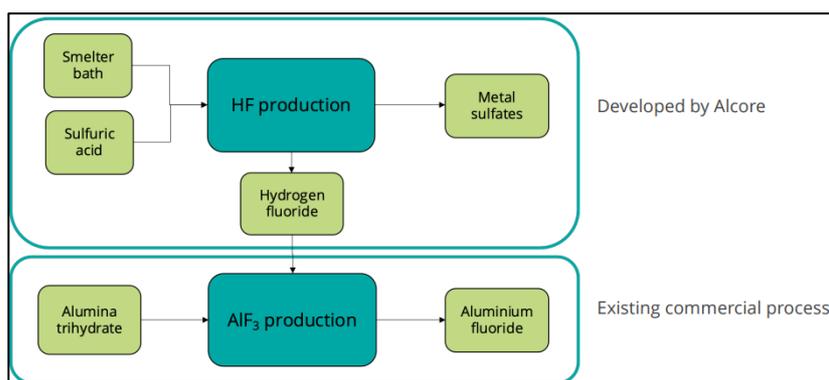


Figure 4: Alcore process schematic overview

Fluorine – now a critical material

In December, Fluorine was added to the list of Australian Federal Government's Critical Minerals (though, its not a mineral, its an element) in line with the inclusion of Fluospar on the critical minerals lists of most Western countries. Australia remains 100% dependent on Aluminium Fluoride imports (See Corporate Connect's ABx Initiation Report, 16/5/2023) for the domestic aluminium smelting industry.

Valuation

We have made small increase to our ABx Group valuation to reflect the following:

- Derisking of Alcore by 10%
- Changes in issued shares.

There is an uplift in our valuation from 33c to 40c, mainly reflecting the positive process news from the Alcore Project.

ABx Group - Valuation		Unrisked			Risky	
		Valuation (A\$ mill.)	Valuation (A\$/share)	PoS	Valuation (A\$ mill.)	Valuation (A\$/share)
Asset	Method					
Deep Leads - IAC Rare Earths	Blended (Project NPV & Resource)	50	0.20	33%	39	0.16
Alcore (83%)	NPV - 20ktpa Commercial Plant	69	0.28	55%	38	0.15
Sunrise Bauxite Project (50.1%)	NPV - 1.5mtpa export	34	0.14	40%	14	0.05
Other Bauxite/Rare Earth Tenements	Ind. Val ⁿ *, ABx Accounts	15	0.06	80%	12	0.05
Cash		5	0.02		5	0.02
Debt		-	-		-	-
Corporate		(7)	(0.03)		(7)	(0.03)
TOTAL	(Note: whole numbers may not add up due to rounding)	166	0.66		101	0.40

Figure 5: Valuation - February 2024

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