



2022

Annual Report

The Distinctive ABx Strategy

ABx Group (ASX:ABX) is a uniquely positioned, high-tech Australian company at the cutting-edge of providing the global market with much-needed new supplies of strategic minerals (specifically rare earth elements) and chemicals (aluminium fluoride - essential for aluminium smelting).

Delivering materials for a cleaner future

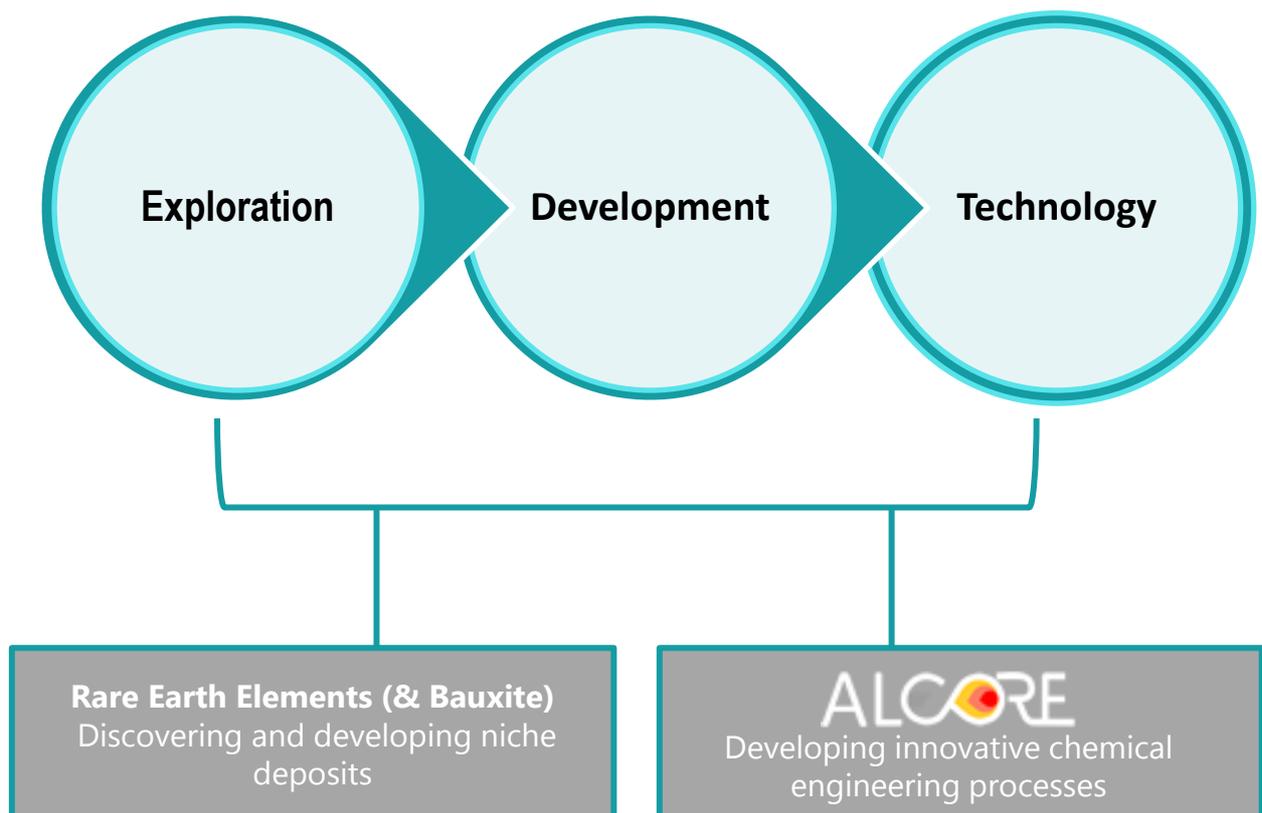


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Corporate Directory

ABx Group Limited

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ABN 14 139 494 885

Registered and Corporate Office

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Sydney NSW 2000
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Bankers

Australia & New Zealand Banking Group Limited
20 Martin Place
Sydney NSW 2000
Telephone: +61 2 9227 1818

St George Bank Limited
Level 14, 182 George St
Sydney NSW 2200
Telephone: +61 2 9236 2230

Directors

Paul Lennon (Non-Executive Chairman)
Ian Levy (Executive Director)
Ken Boundy (Non-Executive Director)
Dr Mark Cooksey (Managing Director & CEO)

Company Secretary

Henry Kinstlinger

Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000, Australia
Telephone: 1300 327 328 or +61 2 8234 5000

ASX Code – ABX

ABx Group Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting ABx Group Limited and its controlled entities.

ABx Group Limited is a company limited by shares, incorporated and domiciled in Australia.

Highlights

2022

Achieved our strategy milestones as we continue developing our two high-technology businesses.

Rare Earth Elements (REE) Exploration

Discovering and developing an ionic adsorption clay project in northern Tasmania



ALCORE Process

Establishing a plant to produce hydrogen fluoride and aluminium fluoride from recycled industrial waste, to replace imports





Rare Earth Elements

- Maiden resource estimate of 3.94Mt averaging 655ppm TREO-CeO₂ and 918ppm TREO at 200ppm TREO-CeO₂ cut-off grade, which is a confirmed ionic adsorption clay REE (IAC REE) resource
- Updated resource estimate in March 2023 of 13.9Mt averaging 507ppm TREO-CeO₂ and 705ppm TREO at 250ppm TREO-CeO₂ cut-off grade is from less than 20% of the 31.3km² REE extension area
- Deep Leads & Rubble Mound amalgamated into a 6.5 x 7km REE mineralised zone, which is currently being drilled

ALCORE

- Pilot plant design in progress with initial processing conditions identified and preferred supplier for primary pilot plant reactor close to being identified
- \$3.3M first instalment received of the \$7.5M in grant funding under the Federal Government's Modern Manufacturing Initiative (MMI)
- Positive test results using the specialised laboratory reactor to investigate the reaction of bath with oleum to produce hydrogen fluoride

Bauxite Projects

- Planning to be mining in Tasmania from Q3 2023 with notice of intent (NOI) submitted and accepted. The environmental impact statement is being prepared for submission
- Sunrise Bauxite Project: Engineering studies have been completed for the Binjour mine and Bundaberg port

Letter from the Chairman



Dear Shareholder,

I would like to thank you for your continued support for ABx Group throughout the year.

ABx Group is driven to deliver projects with substantial commercial upside while also making a significant, positive ESG contribution. This strategy sits at the heart of everything we do. While shareholders can receive a detailed overview of our activities in the operations report, I thought it would prove instructive to discuss the Company's overall strategy and why your board sees so much exciting potential.

At Alcore, the business is developing industry-leading technology that processes aluminium smelter waste, known as 'excess bath', into high-value products such as aluminium fluoride.

The only meaningful market for excess bath is new smelters, which require bath to commence operations. Aluminium industry forecasts suggest the global bath market will increasingly be in surplus, because far fewer new smelters are being constructed. All of 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 the potential to be the missing piece of this puzzle.

I mentioned ABx is not just focussed on ESG contributions, it is also dedicated to delivering financial returns. For Alcore, the aluminium fluoride market is very favourable with 1.2 million tonnes produced per annum, valued at ~US\$1.5b. With a sizable addressable market, the next critical task for Alcore is to firmly understand the process performance at larger scale. This is why the pilot plant is so important. Its completion will provide valuable engineering data and better indications of capital and operating costs, ahead of a full-scale commercial facility. The pilot plant is expected to be completed in 2023 and I urge all shareholders to watch this story closely.

Meanwhile, the developments at our Deep Leads – Rubble Mound rare earths deposit are also closely aligned with our strategy. ABx has successfully defined a maiden JORC compliant rare earths Resource which provides an initial indication of the potential size and scope of our deposit. Since the Resource was declared in November, ABx has had the rig turning almost non-stop with plenty of targets to further expand the channel.

Looking deeper into the total rare earth oxide (TREO) grades, Deep Leads' mineralisation is relatively rich in heavy rare earths, like dysprosium and terbium. These, along with neodymium and praseodymium, are used in permanent magnet technologies and are in high demand, fetching higher prices. There is a major financial and ESG opportunity to be realised at the project – and this is before we even consider that the mineralisation style is an ionic adsorption clay (IAC).

Not all clays are created equal and, in ABx's case, its IAC is very special. At Deep Leads we are seeing rare earths attached ('adsorbed') to the surface of clay particles. Why is this important? The Australian Nuclear Science and Technology Organisation (ANSTO) have run 'desorption' tests, where the REEs are extracted from the clay into a solution. This process achieves high REE recoveries using a relatively benign salt solution with a pH of 4 (less acidic than apple juice). This compares favourably to many other REE deposits, which need more aggressive and expensive acid processing. Due to this unique mineralisation, the potential for low-cost REE production at Deep Leads is phenomenal.

Finally, ABx Group continues to pursue the excellent potential at its bauxite projects in Queensland and Tasmania. These projects offer fantastic opportunity to advance towards the production phase. Our previous bauxite mining operations were conducted in close conjunction with the landholders, establishing a reputation for quality environmental management. I see no reason why ABx cannot continue to maintain this reputation into the future.

When looking at the strategy which ABx is pursuing and the track record of execution, I am exceptionally proud of the work completed to date and excited for what the future may bring.

Thank you again to all shareholders and I look forward to updating you all on future progress.

Yours sincerely,



Paul Lennon
Non-Executive Chairman



ABx Group is driven to deliver projects with substantial commercial upside while also making a significant, positive ESG contribution. This strategy sits at the heart of everything we do.

Review of Operations

This Review of Operations covers the 12 month period to 31 December 2022.

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Corporate



As at 31st December 2022, the Company shares on issue total 223,590,814.

Effective 1 February 2022, the Company appointed Dr Mark Cooksey (former Senior Principal Research Leader at CSIRO and Senior Engineer in Rio Tinto's aluminium division) as its new Chief Executive Officer.

Subsequently, effective 1 September 2022, Dr Cooksey was appointed Managing Director.

Dr Cooksey's three highest priorities are:

- Advance the Company's rare earth elements exploration projects to its maiden resource
- Bring the aluminium fluoride process into production; and
- Commence the Sunrise Bauxite Project at Binjour, and develop a major marketing business unit with ABx's Indian joint venture partner, Rawmin Mining and Industries

ABx Group is delivering materials for a cleaner future:

- Discovering and developing an ionic adsorption clay rare earth project in northern Tasmania
- Establishing a plant to produce hydrogen fluoride and aluminium fluoride from recycled industrial waste, to replace imports
- Mining and enhancing bauxite resources for the cement, aluminium and fertiliser industries

During the year, ABx Group continued to execute its strategy, delivering a series of important milestones, including:

Significant expansion of ionic adsorption clay rare earth elements deposit

ABx is the first company to discover clay-hosted rare earth elements (REE) in Tasmania and also has the highest reported extractions from any clay-hosted rare earths prospect in Australia. The strong REE recoveries follow testing which confirms ABx's rare earths deposits to be of the ionic adsorption clay (IAC) variety. ABx has continued to make major discoveries and also delivered a maiden resource which post period-end has been upgraded, more than tripling in size to 13.9Mt.

Commencement of construction for Alcore pilot plant

Alcore commenced construction of its pilot plant facility, as well as commissioned and operated several advanced reactors. The results of this research and development enabled the initial operating conditions for processing excess bath at larger scale to be selected.

Alcore was granted \$7.5M from the Australian Government's Modern Manufacturing Initiative to support its proposed \$16.4M aluminium smelter bath recycling plant in Bell Bay, Tasmania.

Progressing bauxite operations in Queensland and Tasmania

ABx signed a joint venture agreement with Alumin Pty Limited for the development of the Sunrise Bauxite Project in Queensland, comprising a bauxite mine at Binjour and port operations at Bundaberg. Engineering studies were completed and environmental studies progressed.

The mine lease application is underway for bauxite mining at DL130 Bauxite Project in Tasmania. ABx plans to recommence bauxite mining in Q3 2023.

Rare Earth Elements Exploration



Rare earths are a strategic focus for ABx Group, with the Company capitalising on its major discoveries in Tasmania, as well as a series of commodity tailwinds.

During the period, ABx announced two additional rare earth discoveries, at Portrush and Rubble Mound. This confirms ABx has at least four rare earth discoveries in northern Tasmania.

The discovery of REE at Rubble Mound proved pivotal for the Company's exploration potential, with it being located approximately 6km southeast of Deep Leads. The high-grade results from Rubble Mound assisted with the interpretation of a mineralised channel between Deep Leads and Rubble Mound, which has been validated with subsequent drilling.

In November 2022, ABx announced its maiden rare earths resource estimate for the Deep Leads – Rubble Mound channel of 3.94 million tonnes at an average grade of 918ppm TREO and 655ppm TREO-CeO₂ (cerium oxide is removed due to its relatively low value). The resource featured a cut-off grade of 200ppm TREO and approximately 87% of the estimate was in the closely-drilled indicated category.

Following period-end and after further successful drilling results, ABx has more than tripled this estimate. In March 2023, the Company announced an updated resource estimate of 13.9 million tonnes at an average grade of 705ppm TREO and 507ppm TREO CeO₂ at an increased cut-off grade of 250ppm TREO. This estimate covers approximately 16% of the prospective area currently identified for future resource expansion drilling.

The mineral resource results were particularly encouraging due to the strong presence of 'permanent magnet' rare earth elements, namely neodymium, praseodymium, dysprosium and terbium. Greater concentrations of these elements are a common feature of clay-hosted REE deposits when compared with hard rock deposits.

Permanent magnet rare earths are highly prized, representing over 90% of the total value of rare earths consumption. Permanent magnets are used in electric vehicles, wind turbines, smart phones and military applications. The demand for these rare earths is predicted to grow faster than for other rare earths and, encouragingly, prices for these rare earths have also risen significantly in the last two years.

Globally, most rare earths are sourced from hard-rock mines. These typically require large, costly processing plants and a significant lead time to reach production.

A less common source of rare earths is IAC deposits, which have historically been mined only in southern China. A major advantage of IAC deposits is that the rare earths can be extracted from the clay via a simple desorption process. Secondly, they often exist at shallow depth. These advantages enable a project to be developed rapidly and at lower cost. Furthermore, IAC deposits typically contain low concentrations of radioactive elements such as uranium and thorium.

In May 2022, ABx received metallurgical testing results from Australian Nuclear Science and

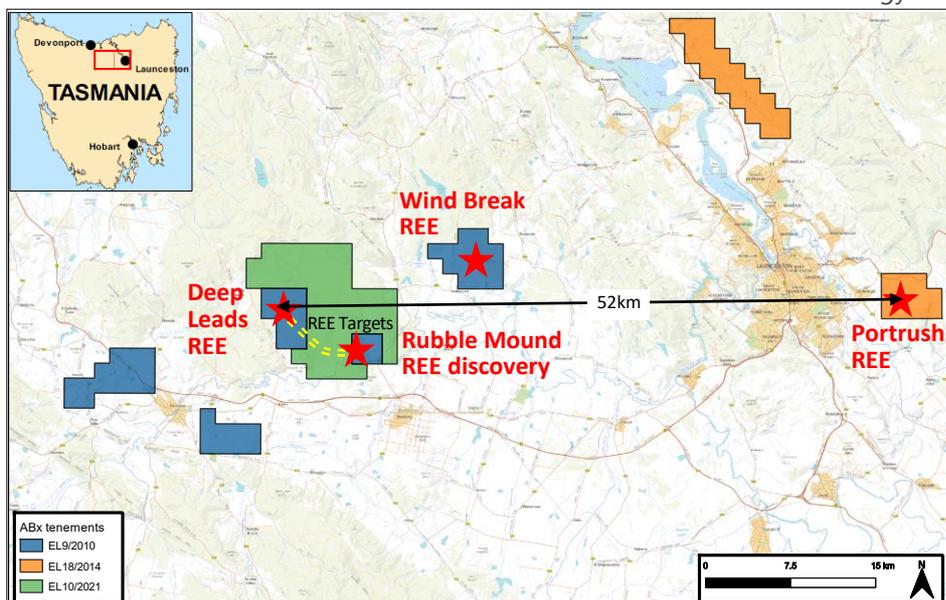
Technology Organisation (ANSTO) which has proven the mineralisation at Deep Leads – Rubble Mound to be of the IAC variety.

Results from this initial ANSTO testing saw extraction rates of 48% to 71% under standard desorption test conditions, which represent low-acid, low-cost processing.

Results received post year-end delivered extraction rates of up to 83% and indicate ABx has the highest reported extractions of any clay-hosted REE prospect in Australia. This puts ABx at the forefront for investors and countries seeking to diversify rare earths supply.

Following these excellent discovery and processing results, ABx has built significant momentum and will continue to conduct further exploration, which will include targeting new areas within its tenements that have geological features considered prospective for additional rare earths.

The ABx strategy is to produce a mixed rare earth carbonate that can be sold to existing refineries to increase their production. The ABx carbonate will be high in heavy rare earths and low in radioactive elements, which is expected to be attractive to many prospective customers. Market discussions with several potential customers endorse this strategy.



ABx leases in the combined 52km wide REE province



ALCORE

Aluminium fluoride for aluminium smelters

ABx Group has significantly advanced the development of 83%-owned Alcore, which is developing a process to refine aluminium smelter waste into high-value chemicals.

Alcore has developed a world-first process to recover hydrogen fluoride from an aluminium smelter waste product, known as excess bath, which can be combined with aluminium hydroxide to produce aluminium fluoride¹.

The Alcore process has the potential to resolve two key challenges for Australia's aluminium smelting industry.

The first challenge relates to the supply of aluminium fluoride. This chemical is strategically important as it is essential for maintaining smelter operations.

Australia is entirely reliant on imports to meet its aluminium fluoride requirements. The country is the largest producer of primary aluminium metal without its own domestic aluminium fluoride production.



¹ Alcore is also investigating the use of dross (another aluminium smelter waste) and bauxite as alternatives to aluminium hydroxide as the source of aluminium. The use of dross or bauxite would further lower the production cost.

Currently, Australia typically imports more than 80% of its aluminium fluoride from China, but this proportion was only 40% in 2021 when Chinese production was lower, illustrating the supply risks. The second key challenge faced by Australia's aluminium smelter industry relates to the production of the excess bath.

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 the global bath market will increasingly be in surplus, because far fewer new smelters are being constructed. All of 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 a major opportunity to apply its advanced technology to resolve these major industry challenges and deliver significant value to shareholders.

During the year, development work continued at the Alcore Technology Centre in Berkeley Vale, NSW, where a pilot plant facility is being established.

In July, a section of the Alcore Technology Centre was upgraded to allow the operation of three new laboratory reactors.

Two reactors were constructed and commissioned to produce oleum. The first stage of the Alcore process is to produce oleum, which is highly concentrated sulfuric acid. Working closely with one of its international engineering partners, BFluor Chemicals, Alcore successfully brought these reactors online to commence tests with bath.

The third, customised reactor was purchased from an international specialist manufacturer to conduct further testing of the recovery of fluorine from aluminium smelter bath. Some modifications were made in-house. This enabled Alcore to rapidly investigate a larger range of process conditions with improved process control compared to previous experiments in the original Alcore laboratory.

This was a significant step forward in Alcore capability.

In October, the results of extensive tests using this reactor, combined with literature data and thermodynamic modelling, allowed Alcore to select the initial operating conditions (e.g. temperature, residence time, amount of acid) for the pilot plant reactor.

The design of the overall pilot plant facility was also improved with safety systems, input material preparation, product materials handling, safety systems and storage areas for input and product materials. These facility upgrades will occupy the entirety of the rear section of the Alcore Technology Centre.

The pilot plant reactor is intended to process 20 kg per hour of bath to produce hydrogen fluoride. This was previously planned to be 10 kg per hour, but was increased because the larger size allows a better representation of the reactor design to be used in the commercial plants. The design has been discussed with several international manufacturers and the preferred supplier is close to being identified.

Pilot plant operations will inform the development of 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 less risk and allows a faster path to production. Subsequent production may use aluminium from dross or bauxite to further improve the financial and environmental outcomes.

The initial commercial 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. 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.

In April, Alcore was granted \$7.5M from the Australian Government's Modern Manufacturing Initiative (MMI) to support its proposed \$16.4M aluminium smelter bath recycling plant in Bell Bay, Tasmania. The \$3.3M first instalment was received just after the end of the year.

In addition, Alcore agreed with the Department of Industry, Science, Energy and Resources to include activities relating to its pilot plant in the MMI project plan. Alcore will match the grant funding dollar-for-dollar for the project.



The inner lab at Alcore's sophisticated laboratory in Berkeley Vale, Central Coast NSW is uniquely licensed for advanced chemical experiments, under strict safety & environmental systems with qualified staff.

Bauxite Operations



The ABx strategy is to selectively produce metallurgical grade, cement grade and fertiliser grade bauxite, with a focus on profitability.

Sunrise Bauxite Project at Binjour, Queensland

ABx considers the Sunrise Bauxite Project to be the best source of gibbsite trihydrate bauxite in Queensland. Bauxite resources total 37 million tonnes (see Resources statement) of 3-15 metre thick bauxite, including 10 million tonnes suitable for simple bulk mining and shipping of bauxite averaging 44-45% Al_2O_3 and 5% SiO_2 , which is ideal metallurgical bauxite for low-temperature Bayer alumina refineries.

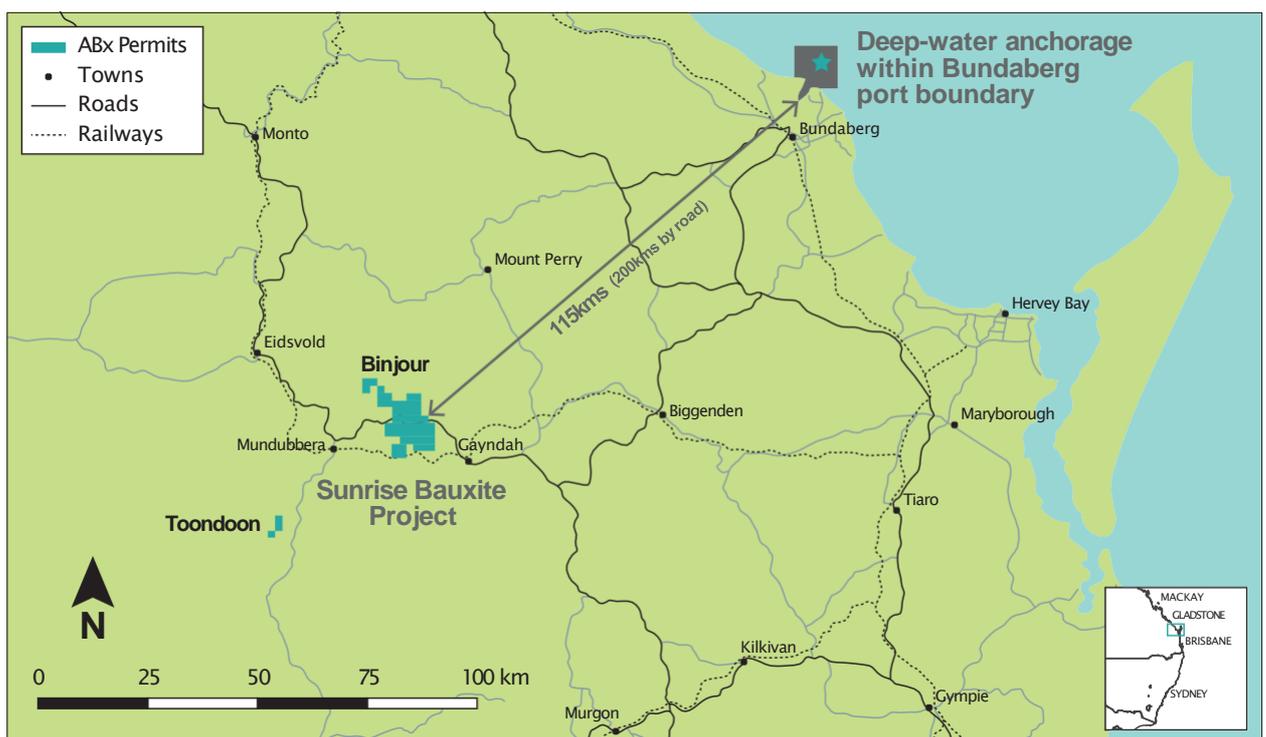
In early 2022, ABx signed a joint venture agreement with Alumin Pty Limited for the development of the Sunrise Bauxite Project, comprising a bauxite mine at Binjour plateau and port operations at Bundaberg. Alumin is an Australian special purpose vehicle company associated with our strategic marketing partner, Rawmin Mining and Industries of India (Rawmin). Under the agreement, Alumin Pty Ltd will contribute up to \$18 million of the development costs earning up to 49.9% equity in the project, which ABx anticipates will fund all operations associated with mine and port development.

During 2022, engineering studies were completed for the Binjour mine and Bundaberg port. Environmental studies progressed, including terrestrial ecology surveys, groundwater monitoring bore installation, and geochemistry sampling. The outcomes have meant that an extended approval and land tenure process will be required for both the mine and port sites.

It is anticipated 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 plans to begin exporting product in H1 2025.

DL130 Project, Tasmania

In Tasmania, ABx has a JORC compliant resource of 13.7 million tonnes across three deposits. ABx plans to recommence bauxite mining in Q3 2023, at the DL130 Bauxite Project. The primary products are likely to be cement grade and fertiliser grade bauxite. The notice of intent has been accepted and the mine lease application is in progress.



Location of Sunrise Bauxite Project at Binjour, QLD



Tenements, Resources and Listing Rule Statements

as at 31 December 2022

Tenement information required under LR 5.3.3

Tenement No.	Location
New South Wales	
EL 6997*	Inverell
EL 7357	Taralga
EL 8600	Penrose Quarry
Queensland	
MLA 100277	Sunrise ML application
EPM 27787	Binjour
ML 80126	Toondoon ML
Tasmania	
EL 7/2010	Conara
EL 9/2010	Deloraine
EL 18/2014	Prosser's Road
EL 10/2021	Rubble Mound. Granted March 2022

**EL6997 expired at the end of its term in December 2022
All tenements are in good standing, 100% owned and not subject to any third-party royalties nor are they encumbered in any way.*

Comparison of Resources and Reserves required under LR 5.21.4

The resources for Rare Earth Elements have been the most significant change to resources (see page 10 and resources table). The Inverell Tenement reached its expiry date in December and the company awaits government decisions regarding the inland rail project that affect bauxite resources at Inverell. There has been no other material change in Mineral Resources from the previous year.

Governance and Internal Controls required under LR 5.21.5

The company reports its Mineral Resources and Ore Reserves on an annual basis, with Mineral Resources inclusive of Ore Reserves past, present and future. Reporting is in accordance with the 2012 Edition of the

Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and the ASX Listing Rules. Mineral Resource estimates and procedures are subject to internal and external review by qualified professionals. All Competent Persons named by the company are suitably qualified and experienced as per minimum acceptable requirements defined in the JORC Code 2012 Edition. Prior to the public release of the Mineral Resources estimates, they are reviewed by senior management and the company's board.

Qualifying Statements

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

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

Tasmania: The information relating to Exploration Information and Mineral Resources in Tasmania has been prepared or updated under the JORC Code 2012. Mr Rebek and Mr Levy have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

Resources

Region	Resource Category	Million Tonnes	Thickness (m)	Al ₂ O ₃	SiO ₂	Fe ₂ O ₃	TiO ₂	LOI	Al ₂ O ₃ Avl @ 143°C	Rx SiO ₂	% Lab Yield	O'Burden (m)
				%	%	%	%	%	%	%	%	%
CAMPBELL TOWN	Inferred	0.9	3.0	42.6	3.5	25.4	3.5	25	36.7	3.0	50	2.1
	Indicated	0.8	3.2	42.5	3.1	26.4	3.0	24	36.2	2.8	55	1.8
AREA TASMANIA	Total	1.7	3.1	42.5	3.3	25.9	3.3	25	36.5	2.9	52	2.0
Fingal Rail Cement-Grade Bauxite ⁸	Inferred	2.4	3.3	30.9	19.5	35.4	3.9	17	--	--	--	1.9
	Indicated	3.9	3.8	31.1	19.0	35.2	4.0	17	--	--	--	1.7
	Total	6.3	3.6	31.0	19.2	35.3	4.0	17	--	--	--	1.8
DL-130 AREA TAS	Inferred	5.7	3.8	44.1	4.3	22.8	3.1	25	37.6	3.2	55	1.5
	Total Tas	13.7	3.6	37.9	11.0	28.9	3.5	21	n.a.	n.a.	54	1.7
BINJOUR QLD ² DSO, Screen & Cement	Inferred	14.2	4.3	40.7	7.3	24.7	4.3	22	32.3	6.7	80	8.5
	Indicated	22.8	4.0	33.5	19.2	24.9	4.2	17	15.8	17.4	63	6.6
	Total	37.0	4.1	36.2	14.6	24.9	4.2	19	22.1	13.3	69	7.3
TOONDOON QLD ³	Inferred	3.5	4.9	40.2	7.2	25.3	4.9	22	32.8	5.2	67	1.5
TARALGA ⁴	DSO Inferred	9.9	3.1	40.4	5.7	24.6	4.1	22	35.2	1.9	54	0.1
	Indicated	10.2	3.7	41.3	5.3	25.9	4.0	23	36.1	1.9	55	0.7
	Total	20.1	5.6	40.8	5.5	25.3	4.0	23	35.7	1.9	55	0.5
	PDM-DSO Inferred	7.6	2.5	37.0	6.0	38.4	3.5	13	22.1 ¹	1.3	72	0.2
	Indicated	10.3	3.1	37.6	3.9	40.4	3.7	14	22.4 ¹	1.1	71	0.7
	Total	17.8	5.8	37.3	4.8	39.6	3.6	14	22.3 ¹	1.2	72	0.5
Total Taralga	37.9	5.7	39.2	5.2	32.0	3.8	18	35.4	1.6	63	0.5	
Subtotal		92.1	tonnes									
INVERELL ⁵ Expired 12/22	Inferred	17.5	4.7	39.8	4.8	27.7	4.3	22	31.0	4.2	61	2.3
	Indicated	20.5	4.8	40.6	4.7	26.9	4.1	23	32.0	4.0	60	2.4
	Total	38.0	4.8	40.2	4.7	27.3	4.2	22	31.6	4.1	61	2.4
GRAND TOTAL		130.1	tonnes									

Explanations: Resource tonnage estimates are quoted in-situ, pre mined tonnes. All assaying done at NATA-registered ALS Laboratories, Brisbane. **Chemical definitions:** Leach conditions to measure available alumina "Al₂O₃ Avl" & reactive silica "Rx SiO₂" is 1g leached in 10ml of 90gpl NaOH at 143°C for 30 minutes. LOI = loss on ignition at 1000°C. **Lab Yield** is for drill dust samples screened by ALS lab at 0.26mm.

Updated REE Resources - ASX release 20/03/2023

Resource Category	Million Tonnes	From (m)	To (m)	Thick-ness (m)	TREO max ppm	TREO avg ppm	TREO-CeO ₂ ppm	Perm Mag ppm	Permanent Magnet REOs			
									Nd ₂ O ₃ ppm	Pr ₆ O ₁₁ ppm	Tb ₄ O ₇ ppm	Dy ₂ O ₃ ppm
Inferred	11.2	3.6	10.7	7.2	4,036	689	512	170	113	28	4.1	25
Indicated	2.7	4.8	11.2	6.4	5,615	772	490	174	116	30	4.2	24
Total	13.9	3.8	10.8	7.0	5,615	705	507	171	114	29	4.1	24

Other Rare Earth oxides

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
177	14	6.9	26	5.0	99	1.9	25	2.0	12	149
283	13	7.8	26	4.5	101	1.6	27	1.8	11	123
198	14	7.0	26	4.9	100	1.8	26	2.0	12	144

Parameters Cut-off grade = 250ppm TREO-CeO₂ Minimum thickness = 2 metres
Maximum extrapolation = 80 metres Density = 1.9 tonnes/cubic metre
TREO = total rare earth elements as oxides. TREO-CeO₂ = TREO minus cerium oxid

Information relating to Mineral Resources previously reported according to the JORC Code as follows:

¹ Maiden Tasmania Mineral Resource, 5.7 million tonnes announced on 08/11/2012

² Binjour Mineral Resource, 37.0 million tonnes announced on 18/06/2018

³ QLD Mining Lease 80126 Maiden Resource, 3.5 million tonnes announced on 03/12/2012

⁴ Goulburn Taralga Bauxite Resource Increased by 50% to 37.9 million tonnes announced on 31/05/2012

⁵ Inverell Mineral Resource update, 38.0 million tonnes announced on 08/05/2012

⁶ Guyra Maiden Mineral Resource, 6.0 million tonnes announced on 15/08/2011 (dropped 2019)

⁷ Initial resources for 1st Tasmanian mine, 3.5 million tonnes announced on 24/03/2015

⁸ Resource Upgrade for Fingal Rail Project, Tasmania announced on 25/08/2016

Director's Report



Your directors present their report together with the financial statements of the parent entity and the consolidated entity (referred to hereafter as the **Group**) consisting of ABX Group Limited (the **Company**) and the entities it controlled at the end of or during the year ended 31 December 2022.

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

Consolidated results The net consolidated loss of the Group for the year ended 31 December 2022 was \$3.48 million (2021: net loss \$5.61 million). The consolidated loss arises largely from bauxite minerals refining development and Bauxite and REE (Rare Earth Element) exploration activities during the year in Eastern Australia and Tasmania.

Total Shareholders' Funds as at 31 December 2022 are \$13.09 million (2021: \$16.75 million). Additional information on the operations of the Group is disclosed in both Chairman's review and Review of Operations section of this report

Review of operations Additional information on the operations of the Group is disclosed in both Chairman's review and Review of Operations section of this report.

Information on the operations and financial position of the Group and its business strategies and prospects are set out in the Review of Operations on page 8 to 16 of this Annual Report.

Dividends The Directors of the Company do not recommend that any amount be paid by way of dividend. The Company has not paid or declared any amount by way of dividend since the commencement of the financial year.

Directors The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul A Lennon	Non-Executive Chairman
Dr Mark Cooksey	Executive Director (Appointed 1 st September 2022)
Ian Levy	Executive Director
Ken Boundy	Non-Executive Director

The number of Directors' Meetings and Directors' Committee Meetings held, and the number of meetings attended, by each of the Directors of the Company during the financial year were:

Directors	Directors Meetings		Remuneration Committee ¹		Audit Committee ²	
	Attended	Held whilst in office	Attended	Held whilst in office	Attended	Held whilst in office
Paul A Lennon	13	13	1	1	2	2
Ian Levy	13	13	1	1	2	2
Ken Boundy	13	13	1	1	2	2
Dr Mark Cooksey*	5	5	-	-	-	-

¹ The Remuneration Committee is made up of the whole board

² The Audit Committee is made up the whole board

* Dr Mark Cooksey appointed on 1st September 2022

Information on Directors and Management

Directors

Paul Anthony Lennon AO - **Non-Executive Chairman**

Experience and expertise	<p>Mr Lennon served as the 42nd Premier of Tasmania (2004-2008) and brings substantial knowledge of industry, also serving as the state's Treasurer (2004-2006), the Minister for Infrastructure, Energy and Resources (1998-2002), and Minister for Economic Development, Energy and Resources (2002-2004).</p> <p>With more than 30 years' experience assisting the development of Tasmanian industry through government, Mr Lennon is exceptionally well equipped to oversee the development of ABx's rare earths exploration and the proposed Alcore pilot plant, both of which are located in Tasmania.</p> <p>In 2015, Mr Lennon was one of only two Tasmanians to be awarded Officer of the Order of Australia in recognition of his role in developing major infrastructure and enhancing economic diversification.</p>
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	<p>Chairman</p> <p>Member of the Remuneration and Audit Committee</p>
Interests in Shares	<p>3,984,869 shares – indirectly held</p> <p>300,000 placement options</p> <p>300,000 share purchase plan options</p> <p>150,000 employee share options</p>

Information on Directors and Management *(continued)*

Dr Mark Cooksey - **Managing Director and Chief Executive Officer**

Experience and expertise	Dr. Mark Cooksey is a highly experienced engineer with more than 25 years' experience in process improvement and process development leadership positions with Rio Tinto, GE and CSIRO. Mark has direct experience in aluminium smelting, commencing his career as an engineer at Comalco (now Rio Tinto Alcan) where he led process improvement initiatives at the aluminium smelter operations in Gladstone and New Zealand. Dr Cooksey also has substantial knowledge of the commercialisation process for new technologies, serving a number of roles, including Senior Principal Research Leader, at the CSIRO for approximately 16 years. Mark holds a PhD (Chemicals & Materials Engineering) from the University of Auckland and a Bachelor of Engineering (Materials – First Class Honours) and Bachelor of Science (Information Technology and Applied Mathematics) from the University of Western Australia.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	Managing Director and Chief Executive Officer
Interests in Shares	160,000 shares - indirectly held 300,000 option - employee share option

Ian Levy - **Executive Director**

Experience and expertise	Ian Levy is a geologist with more than forty years' experience developing mines from discovery through to production. Mr Levy has worked for a number of major resources companies, including WMC Limited, Pancontinental Mining, Gympie Gold and also served as CEO of Allegiance Mining. He has overseen the development of a number of gold, bauxite, base metals, nickel and industrial minerals projects. Ian was a member of the Joint Ore Reserves Committee (JORC) for 11 years including 4 years as Vice Chairman and Federal President, Australian Institute of Geoscientists.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	Executive Director 2022, Non-Executive 2023
Interests in Shares	6,301,316 shares - indirectly held 400,000 placement options 150,000 employee share options

Information on Directors and Management *(continued)*

Ken Boundy - Non-Executive Director

Experience and expertise	Ken Boundy is a highly qualified corporate leader with a broad experience across many sectors of the economy in both executive and non-executive roles. For approximately 20 years, Ken has led a number of companies across the wine, food, building materials and tourism industries. During this period he has had responsibility for corporate development for two ASX100 companies, which included extensive M&A activity. As an executive, Ken was CEO of Tourism Australia and Goodman Fielder Asia as well as having divisional leadership roles in other private sector organisations. Since 2004, Ken has been an independent Non-Executive Director and Chairman on 21 private and public boards. Ken is a Fellow of the Australian Institute of Company Directors and holds a Master of Business Administration from Deakin University.
Other Current Directorships of Listed Companies	Non-Executive Director of Timberlink Australia Pty Ltd
Former Directorships in the Last Three Years of Listed Companies	Non-Executive Director of Net Comm Wireless Limited
Special Responsibilities	Member of the Remuneration and Audit Committee
Interests in Shares	1,073,122 shares - directly held 1,479,967 shares - indirectly held 300,000 placement options 150,000 employee share options

Officers

Henry Kinstlinger - Company Secretary

Experience and expertise	Henry Kinstlinger has, for the past thirty years, been actively involved in the financial and corporate management of a number of public companies and non-governmental organisations. He is currently the Company Secretary of Hudson Investment Group Limited and Frontier Capital Group Limited. He is a corporate consultant with broad experience in investor and community relations and corporate and statutory compliance.
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Information on Directors and Management *(continued)*

Francis Choy, MCom MBA FCPA (HK) FCPA CA - Chief Financial Officer

Experience and expertise

Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project financing, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia.

Likely developments

Information on likely developments in the operations of the Group, known at the date of this report has been covered generally within the report. In the opinion of the Directors providing further information would prejudice the interests of the Group.

Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Information on Directors and Management *(continued)*

Significant changes in nature of activities

Please refer Review of Operations section for details.

Matters subsequent to balance date

Alcore Limited, controlled entity of ABX Group Ltd, received the \$3.3 million first instalment of the previously announced \$7.5 million in grant funding under the Federal Government's Modern Manufacturing Initiative (MMI) in January 2023. In addition, Alcore has agreed with the Department of Industry, Science, Energy and Resources to include activities relating to its pilot plant at the Alcore Technology Centre to the MMI project plan. Alcore will match the grant funding dollar-for-dollar for the project. The pilot plant is being designed to recover fluorine from 'excess bath', an aluminium smelter waste product, to produce hydrogen fluoride.

At the date of this report, there are no other matters or circumstances which have arisen since 31 December 2022 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 31 December 2022, of the Group;
- The results of those operations; or
- The state of affairs, in financial years subsequent to 31 December 2022, of the Group.

Environmental regulations

The Group is subject to significant environmental regulation in respect of its exploration activities as follows:

- The Company's operations in the State of Queensland involve drilling operations. These operations are governed by the *Queensland Government Environmental Protection Act (1994)* as reprinted February 2007.
- The Company's operations in the State of NSW involve exploration activities including drilling. These operations are governed by the *Environment Planning and Assessment Act 1979*.

- The Company's operations in the State of Tasmania involve exploration activities including drilling.

These operations are governed by the *Environmental Management and Pollution Control Act 1994*.

- The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers.
- The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment.
- To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Environmental Code of Practice for Bauxite mineral exploration

The Company is committed to conducting its exploration programs by following industry best practice in accordance with published government guidelines and codes. The following policy is specific to bauxite exploration on the Company's Eastern Australian bauxite province.

Access to Land

Prior to the commencement of any work, the Company makes contact with landholders/ leaseholders and discusses the general aims and types of work likely to be conducted. Discussion with landowners, leaseholders and Native Title Claimants is ongoing. It commences prior to any work being conducted and continues throughout the program and beyond the cessation of

Information on Directors and Management *(continued)*

exploration work. The Company establishes conditions of access with landholders and where practicable, signs a written access agreement that sets out conditions and includes a schedule of agreed compensation payments. The Company endeavours to provide landholders with ample warning prior to commencing any work and landholders are kept informed upon commencement, during and upon completion of an exploration program.

Type of Land

The type of land is determined and its inhabitants are assessed to identify areas of particular environmental concern including identification of sensitive areas or areas prone to erosion, water catchment, heritage sites, and areas home to vulnerable and endangered species. Land use is taken into consideration and land under cultivation is not disturbed without the express consent of the landholder.

Mineral Exploration Programs Access

The Company utilises existing tracks for access where possible. Climatic conditions are considered when assessing areas to avoid access during extreme conditions such as during bush fire risk during hot, windy conditions and damage to tracks after heavy rain. Surface disturbances are kept to a minimum.

Drilling

Drilling programs include rehabilitation and where possible holes are positioned in areas requiring little or no clearing. Small, manoeuvrable drill rigs are used to minimise the need for track clearing and to reduce ground compaction. Where required, topsoil is removed and stored separately so that it can be replaced during rehabilitation of the site. Ground sheets are used where required to avoid oil/ fuel spills contaminating the soil.

Rehabilitation

Drill sites are rehabilitated as soon as practicable and drill holes are filled and capped where necessary. Landholders are asked to confirm at the end of each program that exploration has been conducted to their satisfaction and that sites have been rehabilitated.



Remuneration Report

– Audited

This information provided in this Remuneration Report has been audited as required under section 308 (3C) of the *Corporations Act 2001*.

This report outlines the remuneration arrangements in place for Directors and Executives of the Company.

Remuneration committee

The Remuneration Committee, which presently consists of the whole board, will serve to determine the remuneration levels of any Executive Director's remuneration (including base salary, incentive payments, equity awards and service contracts) and remuneration issues for Non-Executive Directors.

The Committee meets as often as required but not less than once per year.

The Committee met once during the year as disclosed in the table of Directors Meetings disclosed on page 19.

Options granted to directors and key management personnel do not have performance conditions. As such the Group does not have a policy for directors and key management personnel removing the "at risk" aspect of options granted to them as part of their remuneration.

Directors' and other Key Management Personnel remuneration

The following persons were Directors of the Company during the whole financial year, unless otherwise stated.

- Paul A Lennon Non-Executive Chairman
- Ian Levy Executive Director
- Ken Boundy Non-Executive Director
- Dr Mark Cooksey Executive Director & CEO
Appointed 1 Sept 2022

The following persons were other key management personnel of the Company during the financial year:

- Leon Hawker Chief Operating Officer
- Paul Glover General Manager
- Nathan Towns National Operations
Manager

- Henry Kinstlinger Company Secretary
- Rex Adams Director of Alcore Ltd

Executive's remuneration and other terms of employment are reviewed annually having regard to relevant comparative information and independent expert advice. As well as basic salary, remuneration packages include superannuation. Directors are also able to participate in an Employee Share Option Plan.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Consideration is also given to reasonableness, acceptability to shareholders and appropriateness for the current level of operations.

Remuneration of Non-Executive Directors is determined by the Board based on recommendations from the Remuneration Committee and the maximum amount approved by shareholders from time to time.

Performance conditions

The elements of remuneration as detailed within the Remuneration Report are dependent on the satisfaction of the individual's performance and the Group's financial performance.

The Board undertakes an annual review of its performance and the performance of the Board Committees.

Details of the nature and amount of each element of the remuneration of each Director of the Company and each specified executive of the Company and the Group receiving the highest remuneration are set out in the following tables. The remuneration amounts are the same for the Company and the Group.

Remuneration Report

– Audited *(continued)*

Directors and Other Key Management Personnel of ABX Group Limited

	Short Term Employee Benefits		Post Employment Benefits	Long Term Benefits		Total
	Salary & other fees	Non-Monetary Benefits	Super-annuation	Long Service Leave	Share Based Payments	
Consolidated Group 2022 Directors	\$	\$	\$	\$	\$	\$
Paul A Lennon	129,500	-	-	-	-	129,500
Ian Levy	138,000	-	-	-	-	138,000
Ken Boundy	75,000	-	-	-	-	75,000
Mark Cooksey*	275,000	-	28,200	6,585	-	309,785
Total-Directors	617,500	-	28,200	6,585	-	652,285
Other KMP						
Leon Hawker	220,000	-	22,550	8,630	-	251,180
Paul Glover	201,500	-	21,525	5,753	-	228,778
Rex Adams	32,433	-	3,317	-	-	35,750
Henry Kinstlinger	109,890	-	-	-	-	109,890
Nathan Towns	180,000	-	18,450	5,896	-	204,346
Total-KMP	743,823	-	65,842	20,279	-	829,944
2021 Directors	\$	\$	\$	\$	\$	\$
Paul A Lennon	174,250	-	-	-	-	174,250
Ian Levy	31,250	-	-	-	-	31,250
Ken Boundy	50,000	-	-	-	-	50,000
Total-Directors	255,500	-	-	-	-	255,500
Other KMP						
Leon Hawker	200,000	-	19,500	3,330	-	222,830
Paul Glover	200,000	-	19,500	3,330	-	222,830
Mark Cooksey	220,000	-	21,450	3,668	-	245,118
Henry Kinstlinger	109,890	-	-	-	-	109,890
Benjamin Amzalak	157,500	-	15,375	5,397	-	178,272
Total-KMP	887,390	-	75,825	15,725	-	978,940

The amounts reported represent the total remuneration paid by entities in the ABx Group Limited of companies in relation to managing the affairs of all the entities within the ABx Group Limited.

There is no performance conditions related to any of the above payments.

There is no other element of Directors and Executives remuneration.

* Appointed 1 Sept 2022

Remuneration Report

– Audited *(continued)*

Executive services agreement

In addition the Company has agreed with Mr Ian Levy as Executive Director in providing the services to the Company at an agreed rate of \$220,000 for the year 2022.

There was one service agreement in place formalising the terms of remuneration of Dr Mark Cooksey. The agreement has no specific term, remunerated in \$280,000 p.a and may be terminated by either party upon reasonable notice. The Company may terminate the agreement in the event of serious misconduct by either party without any compensatory payment.

There was one service agreement in place formalising the terms of remuneration of Mr Hawker. The agreement has no specific term, remunerated in \$220,000 p.a and may be terminated by either party upon reasonable notice. The Company may terminate the agreement in the event of serious misconduct by either party without any compensatory payment.

There was one service agreement in place formalising the terms of remuneration of Mr Glover. The agreement has no specific term, remunerated in \$210,000 p.a and may be terminated by either party upon reasonable notice. The Company may terminate the agreement in the event of serious misconduct by either party without any compensatory payment.

There was one service agreement in place formalising the terms of remuneration of Mr Towns. The agreement has no specific term, remunerated in \$180,000 p.a and may be terminated by either party upon reasonable notice. The Company may terminate the agreement in the event of serious misconduct by either party without any compensatory payment.

Corporate Service agreements

The Company has entered into a Corporate Service Agreement with Hudson Asset Management Pty Limited pursuant to which Hudson Asset Management Pty Limited has agreed to provide its office management, registered office, administrative, accounting and secretarial services.

The term of the Corporate Services Agreement has no fixed expiry term and the fee payable is that amount agreed between the parties from time to time. The terms of the Corporate Services Agreement provide that Hudson Asset Management Pty Limited shall act in accordance with the directions of the Board.

Share options granted to Directors and Other Key Management Personnel

For details please refer to Note 24 of the financial statements.

End of audited remuneration report.

Shares under option

Unissued ordinary shares of ABx Group Limited under option at the date of this report are as follows:

Class	Date options granted	Expiry Date	Exercise Price	No. of Options
Share placement option	24.05.2021	31.05.2023	\$0.20	5,534,000
Share placement option	24.05.2021	31.05.2023	\$0.20	32,500,000
Share purchase plan option	29.10.2021	31.05.2023	\$0.20	40,786,500
				78,820,500

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares issued on the exercise of options

No options were exercised during the year.

Directors' and Officers' indemnities and insurance

During the financial year ABX Group Limited (holding company) paid an insurance premium, insuring the Company's Directors, (as named in this report), Company Secretary, Executive officers and employees against liabilities not prohibited from insurance by the *Corporations Act 2001*.

A confidentiality clause in the insurance contract prohibits disclosure of the amount of the premium and the nature of insured liabilities.

Rounding

The amounts contained in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 31.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (K.S. Black & Co) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for services provided by the auditor of the parent and group entity:

	2022	2021
	\$	\$
Audit services:		
Amounts paid or payable to auditors for audit and review of the financial report for the entity or any entity in the Group		
Audit services	34,617	32,970
Review services	13,285	12,645
Taxation and other advisory services:		
Amounts paid or payable to auditors for non-audit taxation and advisory services for the entity or any entity in the Group		
Taxation	4,100	3,900
Advisory services	-	-
	52,002	49,515

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a Resolution of the Board of Directors.



Dr Mark Cooksey
Executive Director

Signed at Sydney
31 March 2023



Ian Levy
Director

Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 820 556

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

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

To the Members of ABX Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 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 *31st* day of March 2023

Phone 02 8839 3000
Fax 02 8839 3056

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scheme approved
under Professional
Standards Legislation


CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Corporate Governance Statement

The Company has adopted this Corporate Governance Plan, which forms the basis of a comprehensive system of control and accountability for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("**Principles and Recommendations**").

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size and scope, the size of the board and the implementation of additional corporate governance policies and structures will be reviewed.

a) Board Responsibilities

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- i. maintain and increase Shareholder value;
- ii. ensure a prudential and ethical basis for the Company's conduct and activities;
- iii. ensure compliance with the Company's legal and regulatory objectives consistent with these goals, the Board assumes the following responsibilities:

- a. developing initiatives for profit and asset growth;
- b. reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- c. acting on behalf of, and being accountable to, the Shareholders; and,
- d. identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis;

b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- i. the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and,
- ii. the principal criteria for the appointment of new directors is their ability to add value to the Company and its business. All incumbent directors bring an independent judgement to bear in deliberations and the current representation is considered adequate given the stage of the Company's development. The names, qualifications and relevant experience of each Director are set out at in the directors section of this website at www.abxgroup.com.au/site/about/board-and-management

c) Code of Conduct

As part of its commitment to recognising the legitimate expectations of stakeholders and promoting practices necessary to maintain

confidence in ABX's integrity, ABX has an established Code of Conduct (the Code) to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of ABX personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code.

These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all ABX commercial operations and the conduct of Directors, employees, consultants, contactors and all other people when they represent ABX. This Code also governs the responsibility and accountability required of ABX personnel for reporting and investigating unethical practices.

The Board, management and all employees of ABX are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including directors, and is available on the ABX website (under "Corporate Governance").

d) Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

A copy of ABX Diversity Policy is available on the ABX website (under "Corporate Governance").

e) Continuous Disclosure

The board has designated ABX's Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX.

The board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements and accountability at senior executive level for that compliance. A copy of ABX continuous disclosure policy can be found on ABX web site (under "Corporate Governance").

f) Whistle-blower policy

ABX is committed to the highest standards of conduct and ethical behaviour in all of our business activities, and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

ABX encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving ABX's businesses, and will ensure that those persons who make a report shall do so without fear of intimidation, disadvantage or reprisal.

A copy of ABX Whistle-blower Policy is available on the ABX website (under "Corporate Governance").

g) Anti-bribery and corruption policy

ABX has zero tolerance for bribery and corruption and are committed to identifying and preventing bribery and corruption. Any breach will be treated seriously and may result

Corporate Governance Statement *(continued)*

in disciplinary action, dismissal or termination of contract.

A copy of ABX Anti-bribery and Corruption Policy is available on the ABX website (under "Corporate Governance").

h) Audit Committee and Management of Risk

The Company's board sits as the audit and risk committee.

i) Remuneration Arrangements

The Board will decide the remuneration of an executive Director, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

In addition, a Director may be paid fees or other amounts (subject to any necessary Shareholder approval) for example non-cash performance incentives such as Options as determined by the Board where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create

value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

j) Shareholder Communications

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions. Information is communicated to Shareholders through:

- i. annual and half-yearly financial reports and quarterly reports;
- ii. annual and other general meetings convened for Shareholder review and approval of Board proposals;
- iii. continuous disclosure of material changes to ASX for open access to the public; and,
- iv. the Company maintains a website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX.

The auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

k) Trading in ABX Shares

ABX Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse of information for personal gain or to cause detriment to ABX.

Directors, senior executives and employees are required to advise ABX's Company Secretary of their intentions prior to undertaking any

transaction in ABX securities.

If an employee, officer or director is considered to possess material non-public information, they will be precluded from making a security transaction until after the time of public release of that information.

A copy of ABX Share Trading Policy is available on the ABX website (under "Corporate Governance").

l) Corporate Social Responsibility

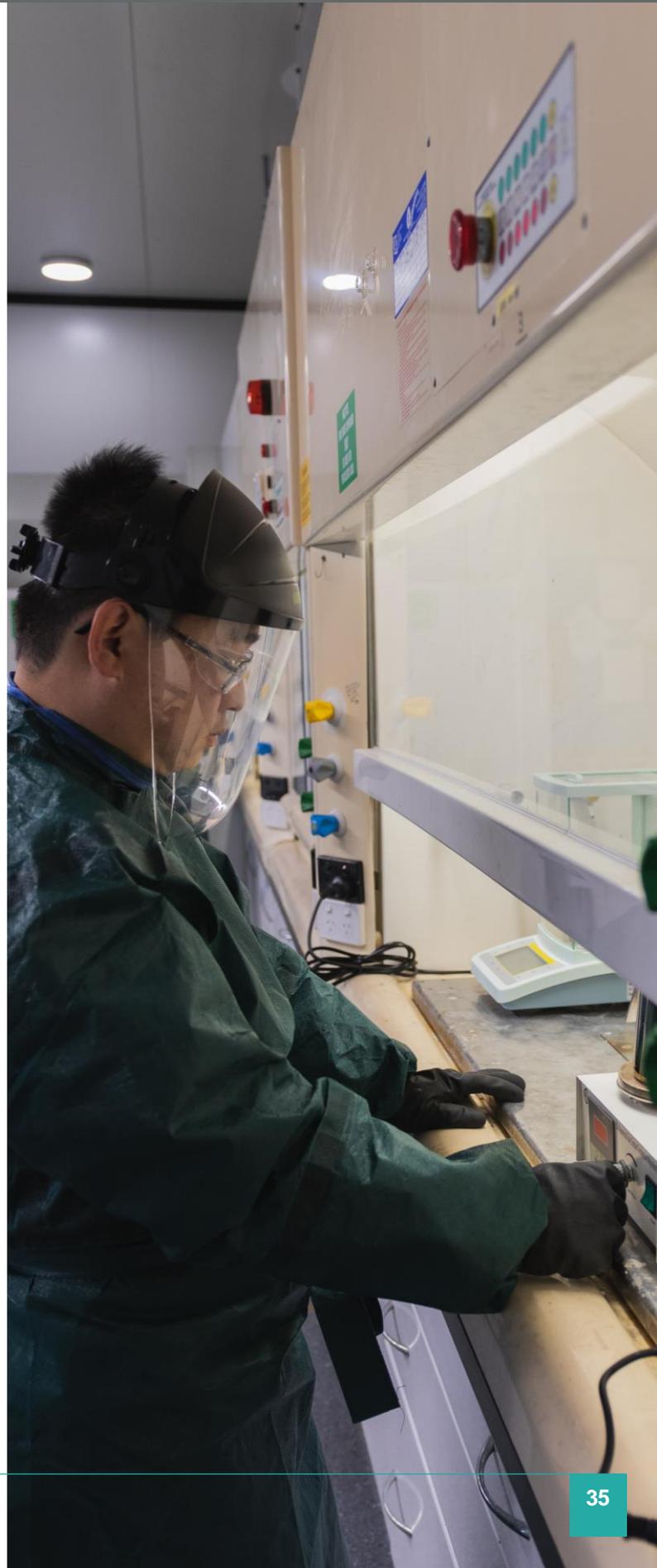
ABX is committed to conducting our operations and activities in harmony with the environment and society, and wherever practicable to work in collaboration with communities and government institutions in decision-making and activities for effective, efficient and sustainable solutions.

Our aim is to minimize our environmental footprint and safeguard the environment while sharing the benefits of share the benefits of mining with our employees and the community and contribute to economic and social development, minimizing our environmental footprint and safeguarding the environment, now and for future generations.

A copy of ABX Environmental, Health and Social Charter is available on the ABX website (under "Corporate Governance").

m) Departures from Recommendations

The Company is required to report any departures from the recommendations in its annual financial report.



Corporate Governance Statement *(continued)*

ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

Principle	Response
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
Recommendation 1.1	
The entity should have and disclose a charter, which sets out the the respective roles and responsibilities of the board, the Chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management	<p>Complies.</p> <p>The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board. The responsibilities delegated to the senior management team are set out in the Board Charter.</p> <p>The Board Charter can be viewed at the Company's website www.abxgroup.com.au/site/about/corporate-governance</p>
Recommendation 1.2	
<p>The entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>The entity should provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Complies.</p> <p>The Company has conducted appropriate checks for all current Directors.</p> <p>The Company will undertake appropriate checks described in Guidance Note 1, paragraph 3.15 issued by the ASX before appointing a person, or putting forward to Shareholders a candidate for election, as a Director.</p>
Recommendation 1.3	
The entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>Does not yet comply.</p> <p>Not all Directors have written agreement setting out the terms of their appointment. The Company will endeavour to finalise these agreements shortly.</p>
Recommendation 1.4	
The company secretary of the entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>Complies.</p> <p>The Company Secretary has been appointed and is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.</p>
Recommendation 1.5	
The entity should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and the progress in achieving them.	<p>Complies.</p> <p>The Diversity Policy is disclosed on the Company's website.</p>
The entity should disclose in its annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and its progress towards achieving them.	<p>Details of the Company's measurable objectives for achieving gender diversity and its progress towards achieving them and the entity's gender diversity figures are set out in the Company's annual report.</p>
The entity should disclose in its annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	<p>The Company has gender-diversity at various levels of management. However, the Company has not reported diversity metrics in the FY22 Annual Report. The Company will consider providing this disclosure in future Annual Reports.</p>
Recommendation 1.6	
The entity should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	<p>Will comply.</p> <p>The Company will disclose the process for evaluating the performance of the Board, its committees and individual directors in its future annual reports.</p> <p>Details of the performance evaluations undertaken will be set out in future annual reports.</p>

Recommendation 1.7

The entity should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process

Complies.

Senior executive key performance indicators are set annually, with performance appraised by the Board, and reviewed in detail by the Board.

The internal review is to be conducted on an annual basis and if deemed necessary an independent third party will facilitate this internal review.

Details of the performance evaluations undertaken will be set out in future annual reports.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The entity's board should have a nomination committee which has at least three members, a majority of whom are independent directors; and is chaired by an independent director.

Does not comply.

The Company does not have a nomination committee

The entity should disclose the charter of the committee, the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

Currently the role of the nomination committee is undertaken by the full Board. The Company intends to establish a nomination committee once the Company's operations are of sufficient magnitude.

If the entity does not have a nomination committee, it should disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Company does not have a nomination committee. The Board evaluates the skills, experience of its members and then determines whether additional members should be invited to the Board to complement or replace the existing members.

Recommendation 2.2

The entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Does not yet comply.

The Company intends to develop a board skill matrix setting out the mix of skills and diversity the Board has and requires. The skill matrix will be available at the Company's website once finalised.

Recommendation 2.3

The entity should disclose the names of the directors considered by the board to be independent directors and the length of service of each director.

Complies.

The Company's independent directors are Mr Ken Boundy and Mr Paul Anthony Lennon.

The entity should disclose if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd edition) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion

The independence of the directors and length of service of each director are set out in the Company's annual report.

Details of any relevant interest, position, association or relationship impacting upon a director's independence are set out in the Company's annual report.

Recommendation 2.4

A majority of the board of the entity should be independent directors.

Complies.

The Company has four directors. Two of these directors are non-executive directors.

Recommendation 2.5

The chair of the board of the entity should be an independent director and, in particular, should not be the same person as the CEO / Managing Director of the entity.

Complies.

The chair is an independent director, and is a different person to the CEO of the entity.

Corporate Governance Statement *(continued)*

Recommendation 2.6

The entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Does not yet comply.

Currently the induction of new directors and plan for professional development is managed informally by the full Board.

The Company intends to develop a formal program for inducting new directors and providing appropriate professional development opportunities consistent with the development of the Company.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

The entity should establish articulate and disclose its values

Complies.

The Board has a Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Group's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code.

The Code of Conduct is available on the Company's website.

Recommendation 3.2

A listed entity should:

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and
- (2) any other material breaches of that code that call into question the culture of the organisation.

Complies.

The Company's Corporate Governance Plan includes a Code of Conduct, which discloses the specific responsibility and accountability of ABx directors, senior executives and employees

The Code of Conduct can be viewed at the Company's website www.abxgroup.com.au/site/about/corporate-governance

Recommendation 3.3

A listed entity should have and disclose a whistleblower policy and ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Complies.

The Company's Corporate Governance Plan includes a whistleblower policy, which encourages promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

The whistleblower policy can be viewed at the Company's website www.abxgroup.com.au/site/about/corporate-governance

Recommendation 3.4

A listed entity should have and disclose an anti-bribery and corruption policy and ensure that the board or committee of the board is informed of any material breaches of that policy.

Complies.

The Company's Corporate Governance Plan includes an anti-bribery and corruption policy, which outlines the Company's commitment to comply with the laws and regulations and acting in an ethical manner, consistent with the principles of honesty, integrity, fairness and respect.

The anti-bribery and corruption policy can be viewed at the Company's website www.abxgroup.com.au/site/about/corporate-governance

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1

The board of the entity should have an audit committee, which consists only of non-executive directors, a majority of which are independent directors and is chaired by an independent chair that is not the chair of the board.

The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

Partially complies.

The board has established an audit and risk committee Charter.

Members of the committee comprise the whole board of directors.

A summary of the charter and details of the number of times the audit and risk committee met throughout the period and the individual attendances of the members at those meetings are set out in the Company's annual report.

Recommendation 4.2

The board should disclose whether it has, before approving the entity's financial statements for the financial period receive assurance from its Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.

Complies.

The Board requires the Chief Executive Officer and the Chief Financial Officer to provide such a statement before approving the entity's financial statements for a financial period.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Complies.

The Company goes through external auditor approval for its corporate reports. External auditor attends AGMs and is available to answer questions from Security Holders relevant to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

The entity should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.

Complies.

The Company has a written policy on information disclosure. The focus of these policies and procedures is continuous disclosure and improving access to information for investors.

The Company's continuous disclosure policy can be viewed at the Company's website.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Complies.**Recommendation 5.3**

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Complies.

Corporate Governance Statement *(continued)*

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1

The entity should provide information about itself and its governance to investors via its website.

Complies.

The Company has provided specific information about itself and its key personnel and has developed a comprehensive Corporate Governance Plan.

Details can be found at the Company's website.

Recommendation 6.2

The entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Complies.

The Company has established a Shareholder's Communication Policy. The Company recognises the importance of forthright communications and aims to ensure that the shareholders are informed of all major developments affecting the Company.

Details of the Shareholder's Communication Policy can be found on the Company's website.

Recommendation 6.3

The entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Complies.

The Shareholder's Communication Policy is available on the Company's website and details are set out in the Company's annual report.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Complies.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Complies.

The Company has provided the option to receive communications from, and send communications to, the entity and its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1

The board of a listed entity should have a committee or committees to oversee risk, each of which has at least three members, a majority of whom are independent directors and is chaired by an independent director.

The entity should disclose the charter of the committee, the members of the committee and at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.

Complies.

The Board has established an audit and risk committee to oversee risk which is comprised of the whole Board.

Details of the number of times the committee met and the individual attendances of the members at those meetings is set out in the Company's annual report.

Recommendation 7.2

The board or board committee should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risk the entity faces and to ensure that they remain with the risk appetite set by the board.

Complies.

<p>The entity should also disclose in relation to each reporting period, whether such a review has taken place</p>	<p>The Company's Corporate Governance Plan includes a Risk Management Review Procedure and Compliance and Control policy.</p> <p>The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p>The Board has delegated to the audit and risk committee the responsibility for implementing the risk management system.</p> <p>Details of the number of times the committee conducted a risk management review in relation to each reporting period will be disclosed in its annual reports.</p>
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Recommendation 7.3

<p>The entity should disclose if it has an internal audit function, how the function is structured and what role it performs. If the entity does not have an internal audit function, the entity should disclose that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Does not yet comply.</p> <p>The Board has delegated the internal audit function to the audit and risk committee and intends to establish and implement the structure and role of the internal audit function.</p> <p>The Company will disclose the details of the internal audit function in its future annual reports.</p>
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Recommendation 7.4

<p>The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Complies.</p> <p>The Company has an Audit and Risk committee appointed to manage economic sustainability and risk. In addition to this the Company also has an Environmental and Social Charter on its website, and manages environmental and social sustainability risks accordingly.</p> <p>With respect to the Tenements, the Company complies with environmental regulatory requirements and risk through the relevant authorities issued pursuant to permits from the relevant government departments in NSW, QLD and Tasmania.</p>
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PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

<p>The board should establish a remuneration committee which has at least three members, a majority of whom are independent directors and is chaired by an independent director.</p>	<p>Does not yet comply due to the size of the Company.</p>
<p>If the entity does not have a remuneration committee, the entity should disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board has adopted a Remuneration Committee Charter.</p> <p>However, the Company is not of a size that justifies having a separate Remuneration Committee so matters typically considered by such a committee are dealt with by the full Board.</p> <p>The Board has reviewed, through independent sources, the level and composition of remuneration for Directors and senior executives to ensure that such remuneration is appropriate and not excessive.</p>

Recommendation 8.2

<p>The entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Complies.</p> <p>The Company distinguishes the structure of Non-executive Directors' remuneration from Executive Directors and senior executives.</p> <p>Details of the policies and practices regarding remuneration are set out in the Company's annual report.</p> <p>The Remuneration Committee Charter is disclosed on the Company's website.</p>
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Corporate Governance Statement *(continued)*

Recommendation 8.3

If the entity has an equity-based remuneration scheme it should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and disclose that policy or a summary of it.

Complies.

The Company's Policy on Dealing with Company Securities prohibits executive staff from undertaking hedging or other strategies that could limit the economic risk associated with Company Securities issued under any equity based remuneration scheme.

The Company's Share Trading Policy can be viewed on the Company's website.

PRINCIPLE 9: ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES

Recommendation 9.1

A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

We do not have a director in this position and therefore this recommendation is not applicable.

Recommendation 9.2

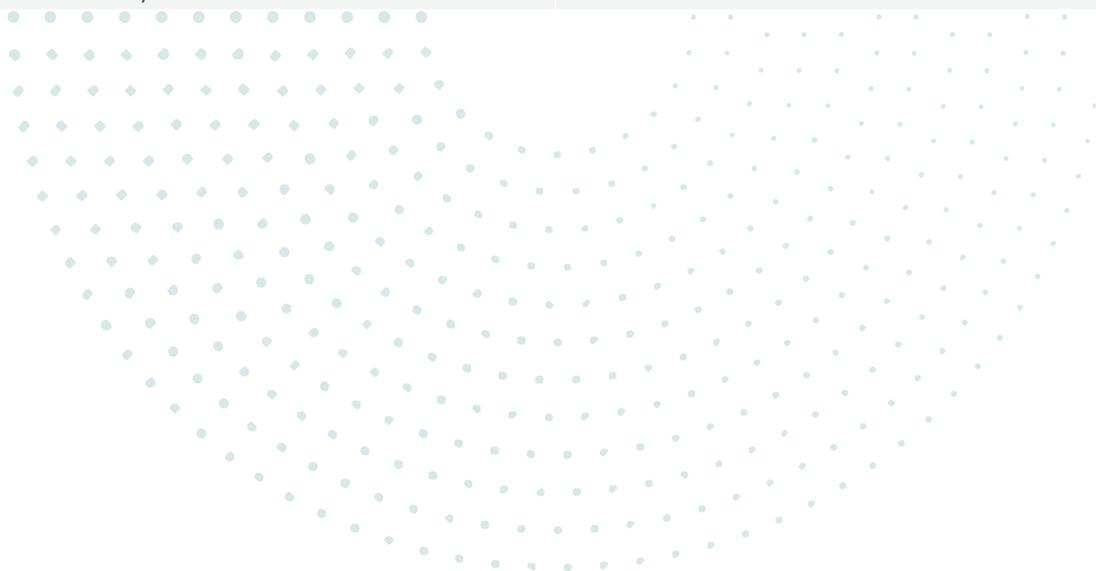
A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.

We do not have a director in this position and therefore this recommendation is not applicable.

Recommendation 9.3

A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

We do not have a director in this position and therefore this recommendation is not applicable.





Consolidated Statement of Profit or Loss And Other Comprehensive Income For The Year Ended 31 December 2022

		Consolidated Group	
		2022	2021
		\$'000	\$'000
	Notes		
Revenue	4	109	50
Other income and expenses	4	1,691	506
Administrative, development and exploration expenses	5	(5,260)	(6,155)
Finance costs	5	(113)	(269)
Profit/(Loss) before income tax		(3,573)	(5,868)
Income tax	6(a)	-	-
Profit/(Loss) after tax for the year		(3,573)	(5,868)
Other Comprehensive Income			
Other comprehensive income		-	-
Income tax		-	-
Other comprehensive income after tax		-	-
Total comprehensive income		(3,573)	(5,868)
Profit attributable to non-controlling interest		91	252
Total comprehensive income/(loss) attributable to members of the consolidated entity		(3,482)	(5,616)
Earnings/(Loss) per share		Cents	Cents
Basic earnings/(loss) per share (cents)	23	(1.56)	(3.24)
Diluted earnings/(loss) per share (cents)	23	(1.15)	(2.23)

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position As At 31 December 2022

	Notes	Consolidated Group	
		2022 \$'000	2021 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	2,057	6,095
Trade and other receivables	8	905	137
Other current assets	9	250	138
Financial assets	12	-	-
Total current assets		3,212	6,370
Non-current assets			
Plant and equipment - net	10	161	128
Mining tenements	11	12,834	13,247
Other non-current asset		-	87
Total non-current assets		12,995	13,462
Total Assets		16,207	19,832
LIABILITIES			
Current liabilities			
Trade and other payables	13	1,231	1,107
Employee benefits provision	14	215	157
Other Liabilities	15	1,477	1,653
Total current liabilities		2,923	2,917
Non-current liabilities			
Employee benefits provision	14	189	158
Other Liabilities	15	-	-
Total non-current liabilities		189	158
Total Liabilities		3,112	3,075
Net Assets		13,095	16,757
EQUITY			
Issued capital	16	32,736	32,736
Reserves	17	3,097	3,268
Accumulated losses		(22,850)	(19,368)
Total equity attribute to equity holder of parent entity		12,983	16,636
Non-controlling interest		112	121
Total Equity		13,095	16,757

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes In Equity

For the year ended 31 December 2022

Consolidated Group	Notes	Issued Capital \$'000	Reserve \$'000	Non- controlling interest \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 January 2022	16	32,736	3,268	121	(19,368)	16,757
Share placement		-	-	-	-	-
Share issuing cost		-	-	-	-	-
Business combination		-	(171)	(9)	-	(180)
Profit/(loss) for the year		-	-	-	(3,482)	(3,482)
Balance at 31 December 2022	16	32,736	3,097	112	(22,850)	13,095
Balance at 1 January 2021		25,749	2,938	8	(13,752)	14,943
Share placement		7,329	-	-	-	7,329
Share issuing cost		(342)	-	-	-	(342)
Business combination		-	330	113	-	443
Profit/(loss) for the year		-	-	-	(5,616)	(5,616)
Balance at 31 December 2021	16	32,736	3,268	121	(19,368)	16,757

The above Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Consolidated Group	
	2022	2021
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	56	41
Payments to suppliers, service providers and employees	(4,951)	(2,859)
Interest received	13	2
Net cash (used in)/provided by from operating activities	(4,882)	(2,816)
	19	
Cash flows from investing activities		
Acquisition of plant and equipment	(104)	(91)
Government fund refunded	948	506
Net cash provided by/(used in) from investing activities	844	415
Cash flows from financing activities		
Proceeds from issues of shares	-	7,329
Share issuing costs	-	(342)
Issue shares - controlled entity	-	625
Share issuing cost – controlled entity	-	(17)
Net cash provided by/(used in) from financing activities	-	7,595
Net (decrease)/ increase in cash and cash equivalents	(4,038)	5,194
Cash and cash equivalents at the beginning of the year	6,095	901
Cash and cash equivalents at the end of the year	2,057	6,095
	7	

The above Statement should be read in conjunction with the accompanying notes.

Notes To The Financial Statements

For The Year Ended 31 December 2022

1. CORPORATE INFORMATION

The consolidated financial statement and notes of ABX Group Limited for the year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors and covers ABX Group Limited as an individual parent entity as well as the consolidated entity consisting of ABX Group and its subsidiaries as required by the *Corporations Act 2001*.

The consolidated financial statement and notes is presented in Australian currency.

ABX Group Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

The Company was incorporated as an unlisted public company on 23 September 2009 and successfully listed on the ASX on 24 December 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001*.

Statement of Compliance

Compliance with Australian Accounting Standards ensures that the financial report of ABX Group Limited complies with International Financial Reporting Standards ('IFRS').

Critical to accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements

Management have made the following judgements when applying the Group's accounting policies:

Capitalisation of exploration costs

The Group follows the guidance of AASB 6 Exploration for and Evaluation of Mineral Resources when determining if exploration costs incurred can be capitalised. This determination requires significant judgement. In making this judgement, the Group evaluates if any one of the following conditions is met:

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.
- During the financial year, there were commodity price drops. No impairment losses were recognised as no significant production has occurred resulting in sales at prices requiring write-down of capitalised expenditures.

If one of the above conditions is met then the Group has made the judgement to capitalise the associated exploration expenses.

Going Concern

This financial report has been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and payments of liabilities in the normal course of business.

The directors believe the Company will be able to pay its debts as and when they fall due and to fund near term anticipated activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Historical cost convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention except where noted in these accounting policies.

Material Accounting Policies

The policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

ASIC Class Order 98/100

The Company is of a kind referred to in ASIC Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

b. Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ABX Group Limited (the "parent entity") as at reporting date and the results of all subsidiaries for the year then ended. ABX Group Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- The consideration transferred;
- Any non-controlling interest; and

The acquisition date fair value of any previously held equity interests over the acquisition date fair value of net assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity holdings shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The purchase method of accounting is used to account for the acquisitions of subsidiaries by the Group.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

c. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Reporting to management by segments is on this basis.

d. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Interest Revenue

Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset.

Other Income

Income from other sources is recognised when proceeds or the fee in respect of other products or services provided is receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

e. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and its wholly owned entities are part of a tax-consolidated group under Australian taxation law. ABX Group Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The amounts receivable/payable under tax funding arrangements are due upon notification by the entity which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiary. These amounts are recognised as current intercompany receivables or payables.

f. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

g. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

i. Trade and other receivables

Trade receivables are recognised initially at original invoice amounts and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 60 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that entities in the Group will not be able to collect all amounts due according to the original terms of receivables.

j. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets.)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting date. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held- to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets.)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

k. Tenement exploration, evaluation and development costs

Costs incurred in the exploration for, and evaluation of, tenements for suitable resources are carried forward as assets provided that one of the following conditions is met:

- the carrying values are expected to be justified through successful development and exploitation of the area of interest; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable mineral resources, and active and significant operations in relation to the area are continuing.
- Expenses failing to meet at least one of the aforementioned conditions are expensed as incurred.

Costs associated with the commercial development of resources are deferred to future periods, provided they are, beyond any reasonable doubt, expected to be recoverable. These costs are amortised from the commencement of commercial production of the product to which they relate on a straight-line basis over the period of the expected benefit. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

l. Property, plant and equipment

Land and building are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measure reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and other Comprehensive Income during the financial period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity. A revaluation surplus is credited to the asset revaluation reserve included within shareholder's equity unless it reverses a revaluation decrease on the same asset previously recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. A revaluation deficit is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive unless it directly offsets a previous revaluation surplus on the same asset in the asset revaluation reserve.

On disposal, any revaluation reserve relating to sold assets is transferred to retained earnings. Independent valuations are performed regularly to ensure the carrying amounts of land and buildings do not differ materially from the fair value at the Consolidated Statement of Financial Position date.

Land is not depreciated. Depreciation on other assets is calculated using the straight line, over their estimated useful lives, as follows:

Plant and equipment 5-15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

Any asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

m. Leases

Company as lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases, and capitalised at inception of the lease at the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter for the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis.

Company as lessor

Lease income from operating leases is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight –line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying value of the leased asset and recognised as an expense over the lease term on the bases as the lease income.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

o. Restoration and rehabilitation provisions

Both for close down and restoration and for environmental clean-up costs from exploration programs, if any, a provision will be made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

p. Employee benefits

(i) Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

q. Contributed equity

Ordinary shares are classified as equity

r. Other equity

Convertible notes which are settled for a fixed amount of cash; may only be converted into a fixed number of shares and may not be redeemed for cash or other financial asset, are treated as other equity.

s. Share based payments

Ownership-based remuneration is provided to employees via an employee share option plan. Share-based compensation is recognised as an expense in respect of the services received, measured on a fair value basis.

The fair value of the options at grant date is independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

t. Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for costs of servicing equity (other than dividends), the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u. New accounting standards for application

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. We have viewed these standards and interpretations and there are none having any material effect.

3. FINANCIAL RISK MANAGEMENT

a. General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Groups' risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Board receives reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's finance function also reviews the risk management policies and processes and reports their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are set out below:

b. Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Financial Assets		
Current		
Cash and cash equivalents	2,057	6,095
Trade and other receivables	905	137
	2,962	6,232
Financial liabilities		
Current		
Trade and other payables	1,231	1,107
	1,231	1,107

3. FINANCIAL RISK MANAGEMENT continued

c. Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments that is, borrowing repayments. There is no bank borrowing at the balance date. It is the policy of the Board of Directors that treasury reviews and maintains adequate committed credit facilities and the ability to close-out market positions.

Maturity Analysis of financial assets

	Carrying Amount \$'000	Contractual Cash Flows \$'000	< 6 mths \$'000	6 - 12 mths \$'000	1 - 3 years \$'000	> 3 years \$'000
Consolidated 2022						
Current						
Cash and cash equivalent	2,057	2,057	2,057	-	-	-
Trade and other receivables	905	905	847	58	-	-
Non-current						
Trade and other receivables	-	-	-	-	-	-
Total financial assets	2,962	2,962	2,904	58	-	-

2021

Current						
Cash and cash equivalent	6,095	6,095	6,095	-	-	-
Trade and other receivables	137	137	98	39	-	-
Non-current						
Trade and other receivables	-	-	-	-	-	-
Total financial assets	6,232	6,232	6,193	39	-	-

Maturity Analysis of financial liabilities

	Carrying Amount \$'000	Contractual Cash Flows \$'000	< 6 mths \$'000	6 - 12 mths \$'000	1 - 3 years \$'000	> 3 years \$'000
Consolidated Group 2022						
Financial Liabilities						
Current						
Trade and other payables	1,231	1,231	214	1,017	-	-
Non-Current						
Other Liabilities	-	-	-	-	-	-
Total financial liabilities at amortised cost	1,231	1,231	214	1,017	-	-
2021						
Financial Liabilities						
Current						
Trade and other payables	1,107	1,107	256	851	-	-
Non-Current						
Other Liabilities	-	-	-	-	-	-
Total financial liabilities at amortised cost	1,107	1,107	256	851	-	-

3. FINANCIAL RISK MANAGEMENT continued

d. Interest rate risk

The Group is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk. There is no bank borrowing at the balance date; therefore there is no material exposure to interest rate risk.

Sensitivity analysis

There is no bank borrowing at the balance date.

The following tables demonstrate the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit after tax (through the impact on fluctuation on deposit interest rate). There is no impact on the Group's equity.

	Carrying Amount \$'000	+1% of Profit/ (Loss) \$'000	-1% of Profit/ (Loss) \$'000
Consolidated Group			
2022			
Cash and cash equivalents	2,962	30	(30)
Tax charge of 25%	-	(8)	8
After tax increase/(decrease)	<u>2,962</u>	<u>22</u>	<u>(22)</u>
2021			
Cash and cash equivalents	6,095	61	(61)
Tax charge of 25%	-	(15)	15
After tax increase/(decrease)	<u>6,095</u>	<u>46</u>	<u>(46)</u>

e. Currency risk

In 2022, the consolidated entity and parent entity were not exposed to foreign currency risk (2021: Nil)

f. Capital risk management

The Group considers its capital to comprise its ordinary share capital and reserves.

In managing its capital, the group's primary objectives are to pay dividends and maintain liquidity. These objectives dictate any adjustments to capital structure. Rather than set policies, advice is taken from professional advisors as to how to achieve these objectives. There has been no change in either these objectives or what is considered capital in the year.

4. REVENUE

	Consolidated Group	
	2022 \$'000	2021 \$'000
Revenue		
Sale of mineral	56	41
Interest income	20	9
Others	33	-
	<u>109</u>	<u>50</u>
Other Income and expenses		
Government research and development grant	1,272	506
Accrued government MMI Grant	280	-
Others	139	-
	<u>1,691</u>	<u>506</u>

5. EXPENSES

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Profit/(loss) before income tax arrived after (charging)/crediting the following specific items:		
Administrative development and exploration expenses		
Directors and employee salaries and on costs not capitalised	(425)	(409)
Consulting and professional fee	(207)	(214)
Cost of sales, Development and Exploration expenses not capitalised	(4,073)	(5,167)
Others	(555)	(365)
	<u>(5,260)</u>	<u>(6,155)</u>
Finance costs		
Depreciation	(71)	(261)
Provision for doubtful debt	(39)	(5)
Others	(3)	(3)
	<u>(113)</u>	<u>(269)</u>

6. INCOME TAX

a. Income tax

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense	<u>-</u>	<u>-</u>
Deferred tax expense		
Increase/(decrease) in deferred tax expense	<u>-</u>	<u>-</u>

b. Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Profit/(Loss) from continuing operations before income tax expense	<u>(3,573)</u>	<u>(5,868)</u>
Income tax expense (benefit) calculated at 25% (2021:25%)	(893)	(1,467)
Permanent differences		368
Timing differences not brought to account		477
Tax losses not brought to account accrued during the year		622
Income tax expense at effective tax rate of 25% (2021:25%)	<u>-</u>	<u>-</u>

INCOME TAX continued

c. assets and liabilities

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Deferred tax assets and liabilities have not been recognised in the balance sheet for the following items:		
Prior year unrecognised tax losses now ineligible due to change in tax consolidation group		
Other deductible temporary differences	88	(337)
Deferred tax asset in respect of exploration activities not brought to account	13,247	15,492
Deferred tax liability in respect of exploration activities not recognized to the extent of unrecognized deferred tax asset	(12,834)	(13,246)
Deferred tax asset/(liability) in respect of exploration activities not recognised to the extent of unrecognised deferred tax asset & failure of the probability criteria	501	1,909

7. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Cash and cash equivalents	2,027	6,065
Cash held in trust – tenement deposit and guarantee	30	30
	2,057	6,095

a. Reconciliation to cash at the end of the year

	Consolidated Group	
	2022	2021
	\$'000	\$'000
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Cash and cash equivalents	2,057	6,095
Balances per Statement of Cash Flows	2,057	6,095
Weighted Average Interest Rates	1.00%	0.95%

b. Interest rate risk exposure

The Group's and the parent entity's exposure to interest rate risk is discussed in Note 3.

8. TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2022	2021
Current	\$'000	\$'000
Receivable - trade	61	-
Receivable – accrued government grant	726	-
Tenement security deposit	58	58
Receivables - GST	60	40
Others	-	39
	<u>905</u>	<u>137</u>

a. Impaired receivables and receivables past due

None of the current or non-current receivables are impaired or past due but not impaired.

b. Receivables - GST

These amounts relate to receivables for GST paid.

c. Interest rate risk

Information about the Group's and the parent entity's exposure to interest rate risk in relation to trade and other receivables is provided in Note 3.

d. Fair value and credit risk

Current trade and other receivables

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Non-current trade and other receivables

The fair values and carrying values of non-current receivables are as follows:

The controlled entities receivables have no terms of repayment and are not interest bearing.

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Consolidated Group				
Receivable - Employee Share Plan	-	-	-	-
Receivables - Other Parties	-	-	39	39

9. OTHER CURRENT ASSETS

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Prepayments and prepaid expenditures	250	138
	250	138

10. PLANT AND EQUIPMENT

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Plant and equipment		
At cost	716	552
Accumulated depreciation	(627)	(518)
Carrying value	89	34
Motor vehicles		
At cost	107	107
Accumulated depreciation	(35)	(13)
Carrying value	72	94
Total carrying value	161	128

Reconciliations

Reconciliations of the carrying amounts of each class of plant & equipment at the beginning and end of the current and previous financial year are set out below:

Consolidated Group	Plant & equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000
2022			
Carrying amount at 1 January 2022	34	94	128
Additions	104	-	104
Disposal	-	-	-
Depreciation	(49)	(22)	(71)
Carrying amount at 31 December 2022	89	72	161
2021			
Carrying amount at 1 January 2021	248	51	299
Additions	36	55	91
Disposal	-	-	-
Depreciation	(250)	(12)	(262)
Carrying amount at 31 December 2021	34	94	128

11. MINING TENEMENTS

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Mining tenements	12,834	13,247

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.

Licence No	Project	Status	Area (sq km)	Mining tenement cost + capitalisation
EL 7357	Taralga	Granted	123.00	1,605,291
EL 8600	Penrose Quarry	Granted	6.00	259,096
Sub-total			129.00	1,864,388
EPM 27787	Binjour	Granted	126.00	3,254,805
ML 80126	Toondoon ML	Granted	1.31	-
ML 100277	Sunrise ML Application	Granted	4.37	921,051
Sub-total			127.31	4,175,855
				-
EL 7/2010	Conara	Granted	129.00	4,086,903
EL 9/2010	Deloraine	Granted	136.00	2,288,541
EL 18/2014	Prossers Road	Granted	56.00	383,514
EL10/2021	Rubble Mound	Granted	51.00	29,300
MLA1961P/M				5,000
Sub-total			321.00	6,793,259
Total			577.31	12,833,502

12. FINANCIAL ASSETS

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Investment - at cost	32	32
Impairment provision	(32)	(32)
	<u>-</u>	<u>-</u>

13. TRADE AND OTHER PAYABLES

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Current		
Trade payables	174	257
Other payables	1,057	850
	<u>1,231</u>	<u>1,107</u>

14. EMPLOYEE BENEFITS PROVISION

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Current		
Staff Leave Entitlement	215	157
Non-Current		
Staff Leave Entitlement	189	158

15. OTHER LIABILITIES

Current		
Accrued payable	1,477	1,653

16. ISSUED CAPITAL

	Consolidated Entity and Parent Entity		Consolidated Entity and Parent Entity	
	2022	2021	2022	2021
	Number of Shares	Number of Shares	\$'000	\$'000
Ordinary shares issued	<u>223,590,814</u>	223,590,814	<u>32,736</u>	32,736

a. Movements during the year:

Consolidated Entity and Parent Entity

Opening balance	223,590,814	150,304,314	32,736	25,749
Share placement	-	73,286,500	-	7,329
Share placement - in lieu of services	-	-	-	-
Share issuing costs	-	-	-	(342)
Closing balance	<u>223,590,814</u>	<u>223,590,814</u>	<u>32,736</u>	<u>32,736</u>

16. ISSUED CAPITAL continued

b. Performance Employee Options

No employee performance options were exercised during the year. (2021: \$nil option)

No other performance option is granted or exercised during the reporting period.

c. Terms and Conditions

Each ordinary share participates equally in the voting rights of the Company. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

d. Options

There were 78,820,500 options on unissued ordinary shares outstanding at the end of the financial year.

17. RESERVES

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Option Reserves	593	593
Business Combination	2,504	2,675
	3,097	3,268

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Option Reserves	593	593

The Company granted 8,200,000 options to directors and other key management personnel under the Company employee share option plan in 2009.

The Company granted a further 500,000 success options.

The Company allocated 420,000 performance options to three eligible employees in 2011.

Please refer Note 26 to the financial statements for details.

18. INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Class of Shares	Equity Holding		Country of Incorporation
		2022 %	2021 %	
ABx 1 Pty Ltd	Ordinary	100	100	Australia
ABx 2 Pty Ltd	Ordinary	100	100	Australia
ABx 3 Pty Ltd	Ordinary	100	100	Australia
ABx 4 Pty Ltd	Ordinary	100	100	Australia
ABxTASML1 Pty Ltd	Ordinary	100	100	Australia
XBxTASML1 Pty Ltd	Ordinary	100	100	Australia
Tasmanian Bauxite Operation Pty Ltd	Ordinary	100	100	Australia
Alcore Limited	Ordinary	83	82	Australia

Parent Entity Financial Information

a. Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent Entity	
	2022 \$'000	2021 \$'000
Statement of Financial Position		
Current assets	2,265	5,258
Non-current asset	27,622	25,209
Total assets	<u>29,887</u>	<u>30,467</u>
Current liabilities	2,676	2,736
Non-current liabilities	190	158
Total liabilities	<u>2,866</u>	<u>2,894</u>
Shareholder's equity		
Issued Capital	32,736	32,736
Reserves	593	593
Accumulated losses	(6,308)	(5,756)
	<u>27,021</u>	<u>27,573</u>
Statement of Profit and Loss and Comprehensive Income		
Profit/(Loss) for the year	(552)	(1,608)
Total comprehensive profit/(Loss)	(552)	(1,608)

b. Guarantees entered into by the parent entity

ABX Group Limited has not provided guarantees to its subsidiaries within the Group. No liability was recognised by ABX Group Limited in relation to these guarantees as the likelihood of payment is not probable.

c. Contingent liabilities of the parent entity

Refer to note 21.

d. Contractual commitments by the parent entity for the acquisition of property, plant and equipment.

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment.

19. RECONCILIATION OF (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group	
	2022	2021
	\$'000	\$'000
(Loss) /Profit for the year	(3,482)	(5,616)
Capitalised exploration expenditure	501	3,408
Government fund refunded	(1,394)	(506)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(342)	38
(Increase)/Decrease in other current assets	(112)	(120)
Increase/(Decrease) in trade and other creditors and provisions	(53)	344
(Increase) in deferred tax assets	-	-
Increase in deferred tax liabilities	-	-
Net cash (used in)/provided by from operating activities	(4,882)	(2,816)

20. SEGMENT INFORMATION

The Group operates one business being the mineral, exploration and development of resources in Australia.

	Mineral Exploration and Development of Resources in Australia	
	2022	2021
	\$'000	\$'000
Revenue		
- Sale	56	41
- Interest income	20	9
- R&D and government funding	1,388	506
- Others	336	-
Total Revenue	1,800	556
Exploration, Development and Other Expenses	(5,260)	(5,910)
Depreciation & amortisation expenses	(113)	(262)
Segment results	(3,573)	(5,616)
Assets		
Current assets	3,212	6,370
Plant & equipment	161	128
Exploration, evaluation and development assets	12,834	13,247
Other non-current assets	-	87
Total assets	16,207	19,832
Current liabilities	(2,923)	(2,917)
Non-current liabilities	(189)	(158)
Net assets	13,095	16,757

21 COMMITMENTS AND CONTINGENT LIABILITIES

Tenement Expenditure Commitments	Consolidated Group	
	2022	2021
	\$'000	\$'000
Minimum tenement exploration expenditures	680	345
Tenement lease and levy payment	62	59
	742	404

The minimum exploration expenditure commitments \$0.68 million and lease payments \$0.06 million on the Company's exploration tenements totalling approximately \$0.74 million over the remaining term of the tenements.

Executive services agreement

The Company has agreed with Dr Mark Cooksey as Executive Director and Mr Ian Levy as Non-Executive Director in providing the services to the Company at an agreed rate for the calendar year 2022.

Corporate Service agreement

The Company has entered into a Corporate Service Agreement with Hudson Asset Management Pty Limited pursuant to which Hudson Asset Management Pty Limited has agreed to provide its management, registered office, administrative accounting and secretarial services.

The term of the Corporate Services Agreement has no fixed expiry term and the fee payable is that amount agreed between the parties from time to time. The terms of the Corporate Services Agreement provide that Hudson Asset Management Pty Limited shall act in accordance with the directions of the Board.

There are no other material contingent liabilities as at the date of this report.

22 EVENTS SUBSEQUENT TO BALANCE DATE

Alcore Limited, controlled entity of ABX Group Ltd received the \$3.3 million first instalment of the previously announced \$7.5 million in grant funding under the Federal Government's Modern Manufacturing Initiative (MMI) in January 2023. In addition, Alcore has agreed with the Department of Industry, Science, Energy and Resources to include activities relating to its pilot plant at the Alcore Technology Centre to the MMI project plan. Alcore will match the grant funding dollar-for-dollar for the project. The pilot plant is being designed to recover fluorine from 'excess bath', an aluminium smelter waste product, to produce hydrogen fluoride.

At the date of this report there are no other matters or circumstances, which have arisen since 31 December 2022 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2022, of the Group;
- the results of those operations; or
- the state of affairs, in financial years subsequent to 31 December 2022, of the Group.

23 EARNINGS/(LOSS) PER SHARE

	Consolidated Group	
	2022	2021
	Cents	Cents
Basic earnings/(loss) per share	(1.56)	(3.24)
Fully diluted earnings/(loss) per share	(1.15)	(2.23)
	2022	2021
	\$'000	\$'000
Profit/(loss) from continuing operations used in calculating basic and fully diluted earnings per share	(3,482)	(5,616)
	2022	2021
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	223,590,814	173,352,064
Adjustments for calculation of diluted earnings per share:		
Options issued	78,820,500	78,820,500
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	302,411,314	252,172,564

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

a. Directors

The following persons were Directors of ABX Group Limited during the whole of the financial year unless otherwise stated:

- Paul A Lennon Non-Executive Chairman
- Ian Levy Non-Executive Director
- Ken Boundy Non-Executive Director
- Mark Cooksey Executive Director and Chief Executive Officer Appointed 1 Sept 2022

b. Other Key Management Personnel

The following persons were other key management personnel of ABX Group Limited during the financial year:

- Leon Hawker Chief Operating Officer
- Paul Glover General Manager
- Nathan Towns National Operations Manager
- Henry Kinstlinger Company Secretary
- Rex Adams Director of Alcore Limited

c. Compensation of Key Management Personnel

	Consolidated Group	
	2022	2021
	\$	\$
Directors		
Short term employee benefits	617,500	255,500
Post employment benefits	28,200	-
Long term benefits	6,585	-
Termination benefits	-	-
Share based payments	-	-
	652,285	255,500
Other Key Management Personnel		
Short term employee benefits	743,823	887,390
Post employment benefits	65,842	75,825
Long term benefits	20,279	15,725
Termination benefits	-	-
Share based payments	-	-
	829,944	978,940

24. KEY MANAGEMENT PERSONNEL DISCLOSURES continued

Directors and other key management personnel of ABX Group Limited

	Short Term Employee Benefits		Post Employment Benefits	Long Term Benefits	Share Based Payments	Total
	Salary & other fees	Non-Monetary Benefits	Super-annuation	Long Service Leave		
Consolidated Group 2022	\$	\$	\$	\$	\$	\$
Directors						
Paul A Lennon	129,500	-	-	-	-	129,500
Ian Levy	138,000	-	-	-	-	138,000
Ken Boundy	75,000	-	-	-	-	75,000
Mark Cooksey*	275,000	-	28,200	6,585	-	309,785
Total-Directors	617,500	-	28,200	6,585	-	652,285
Other KMP						
Leon Hawker	220,000	-	22,550	8,630	-	251,180
Paul Glover	201,500	-	21,525	5,753	-	228,778
Rex Adams	32,433	-	3,317	-	-	35,750
Henry Kinstlinger	109,890	-	-	-	-	109,890
Nathan Towns	180,000	-	18,450	5,896	-	204,346
Total-KMP	743,823	-	65,842	20,279	-	829,944
2021	\$	\$	\$	\$	\$	\$
Directors						
Paul A Lennon	174,250	-	-	-	-	174,250
Ian Levy	31,250	-	-	-	-	31,250
Ken Boundy	50,000	-	-	-	-	50,000
Total-Directors	255,500	-	-	-	-	255,500
Other KMP						
Leon Hawker	200,000	-	19,500	3,330	-	222,830
Paul Glover	200,000	-	19,500	3,330	-	222,830
Mark Cooksey	220,000	-	21,450	3,668	-	245,118
Henry Kinstlinger	109,890	-	-	-	-	109,890
Benjamin Amzalak	157,500	-	15,375	5,397	-	178,272
Total-KMP	887,390	-	75,825	15,725	-	978,940

The amounts reported represent the total remuneration paid by entities in the ABX Group Limited of companies in relation to managing the affairs of all the entities within the ABX Group Limited.

There is no performance conditions related to any of the above payments.

There is no other element of Directors and Executives remuneration.

* Appointed 1 September 2022

24. KEY MANAGEMENT PERSONNEL DISCLOSURES continued

d. Employee Share Option Plan

The Company has adopted an Employee Share Option Plan, (**ESOP**) for its employees. A person is an employee of the Company if that person is an Executive Director, Non-executive Director or considered by the Board to be employed by the Company or a related party of the Company.

The purpose of the ESOP is to provide an opportunity for all eligible employees of the Company to participate in the growth and development of the Company through participation in the equity of the Company.

The Company believes it is important to provide incentives to employees in the form of options which provide the opportunity to participate in the share capital of the Company. The Company expects to apply the proceeds of exercise of the Options to working capital needs, asset or business acquisitions and general corporate purposes. All options to be issued must be consistent with any applicable Listing Rules and having regard to regulatory constraints under the *Corporations Act 2001*, ASIC policy or any other law applicable to the Company.

Options held in ABX Group Limited 2022

Directors	Nature	Balance at beginning of year	Grant during the year	Vested during the year	Exercised during the year	Expired during the year	Balance at end of year
Mark Cooksey	ESOP	-	300,000	-	-	-	-
Paul Lennon	ESOP	-	150,000	-	-	-	-
Ian Levy	ESOP	-	150,000	-	-	-	-
Ken Boundy	ESOP	-	150,000	-	-	-	-
Other Key Management Personnel							
Henry Kinstlinger	ESOP	-	150,000	-	-	-	-
Paul Glover	ESOP	-	150,000	-	-	-	-
Leon Hawker	ESOP	-	150,000	-	-	-	-
Mark Luca	ESOP	-	150,000	-	-	-	-
Nathan Towns	ESOP	-	150,000	-	-	-	-
Julie Young	ESOP	-	150,000	-	-	-	-

e. Shareholdings and Option Holdings of Directors and Key Management Personnel

Particulars of Interest in the Issued Capital of the Company's Ordinary Shares and Options:

Directors	Shares Direct Interest	Shares Indirect interest	Employee Share Option	Placement Share Purchase
Paul A Lennon	-	3,984,869	150,000	600,000
Ian Levy	-	6,301,316	150,000	400,000
Ken Boundy	1,073,122	1,479,967	150,000	300,000
Dr Mark Cooksey	-	160,000	300,000	-

Shareholdings and Option Holdings of Directors and Key Management Personnel
Shares held in ABX Group Limited
2022

Directors	Balance at beginning of year	Changes during the year	Balance at end of year
Paul A Lennon	3,984,869	-	3,984,869
Ian Levy	6,301,316	-	6,301,316
Ken Boundy	2,553,089	-	2,553,089
Dr Mark Cooksey	-	160,000	160,000

Other Key Management Personnel

Paul Glover	320,895	-	320,895
Leon Hawker	541,728	-	541,728

2021

Directors	Balance at beginning of year	Changes during the year	Balance at end of year
Paul A Lennon	3,384,869	600,000	3,984,869
Ian Levy	5,901,316	400,000	6,301,316
Ken Boundy	2,253,089	300,000	2,553,089

Other Key Management Personnel

Paul Glover	170,895	150,000	320,895
Leon Hawker	241,728	300,000	541,728

25 REMUNERATION OF AUDITORS

	Consolidated Group	
	2022	2021
	\$	\$
Audit services:		
Amounts paid or payable to auditors for audit and review of the financial report for the entity or any entity in the Group		
Audit services	34,617	32,970
Review services	13,285	12,645
Taxation and other advisory services:		
Amounts paid or payable to auditors for non-audit taxation and advisory services for the entity or any entity in the Group		
Taxation	4,100	3,900
Advisory services	-	-
	52,002	49,515

26. SHARE BASED PAYMENTS

	Number of instruments	Vesting Conditions	Expiry
Employee Share Option	1,650,000	First vested 31/5/2023	1/6/2028

The number and weighted average exercise price of share options is as follows:

	Consolidated Entity	
	2022 Number	2021 Number
Vested and exercisable at beginning of the year	-	-
Granted during the year	1,650,000	-
Vested during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Vested and exercisable at end of the year	<u>-</u>	<u>-</u>
<i>Option expenses</i>		
Share options granted	-	-
Expense recognised as costs	-	-
Deducted from equity	-	-
Fair value per option at grant time	-	-

1. In 2022, the fair value of options granted above is determined using the Black-Scholes formula. The model inputs were: the share price of \$0.10, the exercise price of \$0.16, expected volatility of 30%, expected dividends of \$Nil and a risk-free interest rate of 3.60%. There is no service or performance criterion in relation to the options.

	Employee Share Option	Total
2022		
Grant date	1/6/2022	
Expiry date	1/6/2028	
Exercise price (\$)	0.1692	
Balance at beginning of year	-	-
Granted during the year	1,650,000	1,650,000
Vested during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Balance at the end of year	<u>-</u>	<u>-</u>
Vested and exercisable at end of year	<u>-</u>	<u>-</u>
Weighted average exercise price 0.1695 cents.		

27. RELATED PARTY TRANSACTIONS

a. Parent Entities

The parent entity within the Group is ABX Group Limited.

b. Subsidiaries

Interests in subsidiaries are disclosed in Note 18.

c. Key Management Personnel Compensation

Key management personnel compensation information is disclosed in Note 24.

d. Transactions with Related Parties

There is no transaction with related parties during the year ended 31 December 2022.

e. Outstanding Balance

	Consolidated Group	
	2022	2021
	\$'000	\$'000
Receivable Non-current		
Advance to related entities	-	-
Payable Non-current		
Advance from related entities	-	-

f. Guarantees

No guarantees were given or received from related parties during the year.

g. Terms and Conditions

All transaction were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for repayment of loans between the parties and that no interest is charged on outstanding balances.

Directors' Declaration

The directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the year ended on that date of the Company and the consolidated entity.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures included on page 8 to 13 of the Directors' Report (as part of audited Remuneration Report), for the year ended 31 December 2022, comply with section 300A of the *Corporations Act 2001*.
4. The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Dr Mark Cooksey
Executive Director



Ian Levy
Director

Signed at Sydney

30 March 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of ABX Group Limited

Opinion

We have audited the financial report of ABX Group Limited (the company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Phone 02 8838 9000
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Entity listed by a
scheme approved
under Professional
Standards Legislation


CHARTERED ACCOUNTANTS
AUSTRALIA AND NEW ZEALAND

Key audit matter	How our audit addressed the key audit matter
<p>Mining Tenements Refer to note 11 (Mining tenements)</p> <p>At 31 December 2022, the Group has capitalised mining tenement costs of \$12.8mil.</p> <p>Market capitalisation for the company as at 22 March 2022 was \$26.8mil.</p> <p>AASB 136, 'Impairment of Assets' requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.</p> <p>Mining Tenements are a Key Audit matter due to their material impact on the financial statements and so should be brought to the attention by way of key audit matter.</p>	<p>Notwithstanding the key audit matters identified, we have determined that impairment is not appropriate having applied the following procedures:</p> <ul style="list-style-type: none"> • We audited the updated discounted cash flow forecast and confirmed the underlining assumptions, cost estimates and revenue projections. • We confirmed that the volumes of reserves used in the discounted cash flow forecast have not used reserves from the tenements that have been relinquished. • We have confirmed the ownership of mining tenements. • We have reviewed the independent valuation report prepared by Michael Leu and Eric Kam dated 18 March 2021 that has applied the methodologies of the VALMIN Code 2015 and reported in JORC 2012 confirming the lower value of \$43.1m.
<p>Other information The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and the auditor's report thereon.</p>	<p>Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.</p>
<p>Directors' responsibility for the financial report The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the presentation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p>	

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In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our representation of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report include in pages 14 to 16 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report for the year ended 31 December 2022 complies with section 300A of the Corporation Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

KS Black & Co
Chartered Accountants



Phillip Jones
Partner
Dated: 30 March 2023
Sydney

Phone 02 0039 9000
Fax 02 0039 9055



Shareholder Information

As at 31 March 2023

A. Substantial Holders

Those shareholders who have lodged notice advising substantial shareholding under the Corporations Act 2001 are as follows:

Shareholder	No. of Shares	% Held
Nil		

B. Distribution of Equity Securities

Range	Total Holders	Units	% of Issued Capital
1 - 1,000	87	19,170	0.01
1,001 - 5,000	474	1,687,352	0.75
5,001 - 10,000	456	3,927,995	1.76
10,001 - 100,000	1,144	46,599,012	20.84
100,001 Over	376	171,357,285	76.64
Rounding			0.00
Total	2,537	223,590,814	100.00

C. Unmarketable Parcels

	Minimum Parcel size	Holders	Unit
Minimum \$500.00 parcel at \$0.1100 per unit	4,546	428	1,047,875

D. Twenty Largest Shareholders

The names of the twenty largest holders of quoted equity securities aggregated are listed below:

Rank	Name	Units	% of Issued Capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,856,307	2.62
2	JUSTEVIAN PTY LIMITED <SUPERANNUATION FUND A/C>	5,818,316	2.60
3	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	5,630,000	2.52
4	AFTRON PTY LTD <C E VRISAKIS FAMILY AC A/C>	5,615,000	2.51
5	WSF PTY LTD <WOODSTOCK SUPER FUND A/C>	4,920,746	2.20
6	MR PETER PALAN + MRS CLARE PALAN <NAPLA PROVIDENT FUND A/C>	4,830,000	2.16
7	BNP PARIBAS NOMS PTY LTD <DRP>	3,572,201	1.60
8	SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A/C>	3,000,000	1.34
8	SHAREHOLDERS MUTUAL ALLIANCE PTY LTD <SHMA SUPER FUND A/C>	3,000,000	1.34
10	LONDON WALL INVESTMENTS PTY LTD <THE JENKINS FAMILY A/C>	2,938,000	1.31
11	MR LOUIS GHIRARDELLO	2,923,421	1.31
12	NOVWOOD HOLDINGS PTY LTD <CREST S/F A/C>	1,985,000	0.89
13	HANKATRON PTY LTD <CASPERIUS SUPER FUND A/C>	1,874,000	0.84
14	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,803,300	0.81
15	GREATNECK PTY LTD <SPIRA FAMILY SUPER FUND A/C>	1,800,000	0.81
16	PARAMUL PTY LTD <LENNON FAMILY A/C>	1,708,554	0.76
17	MR ROBERT DOBSON MILLNER	1,666,793	0.75
18	PARAMUL PTY LTD <LENNON SUPER FUND A/C>	1,570,845	0.70
19	MISS KIM VAN NETTEN	1,375,451	0.62
20	MR CHRISTOPHER JAMES TACKENBERG	1,374,669	0.61
Totals: Top 20 holders of Issued Capital (Total)		63,262,603	28.29
Total Remaining Holders Balance		160,328,211	71.71

E. Unquoted Securities

(other than options issued under an Employee Share Option Plan)

Class	Exercise Price	Expiry Date	No. of Securities	No. of Holders	Name where holder holds 20% or more	Percentage held
N/A	\$0.20	31 May 2023	78,820,500	537	N/A	N/A

F. Voting Rights

There are no restrictions on voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Option holders have no voting rights until the options are exercised.

G. List of Escrowed Securities

There are no escrowed securities as at 31 March 2023.



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