ABX GROUP LIMITED
STATUTORY ANNUAL REPORT
2022

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CORPORATE DIRECTORY

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Auditor

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Bankers

Australia & New Zealand Banking Group Limited
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Level 14, 182 George St
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Telephone: +61 2 9236 2230

Directors

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

Company Secretary

Henry Kinstlinger

Share Registry

Computershare Investor Services Pty Limited
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Sydney NSW 2000, Australia
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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.

CHAIRMAN'S REVIEW

Dear shareholder,

I would like to thank you for your continued to 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 2012 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 an 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

REVIEW OF OPERATIONS

ABx Group is delivering materials for a cleaner future:

- Creating 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

2022 will be remembered as a noteworthy year for ABx due to the following:

Declaration of maiden resource estimate for ionic adsorption clay rare earth elements deposit

ABx is the first company to discover ionic adsorption clay rare earths in Tasmania, and has the highest reported extractions from any clay-hosted rare earths prospect in Australia. The maiden resource estimate of 3.94 Mt covers less than 10% of the rare earths extension area yet to be drilled.

Progress on pilot plant facility for Alcore, ABx's 83%-owned refining technology subsidiary

Alcore commenced construction of its pilot plant facility, and 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 were 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 used for a multitude of modern technologies, with demand growing rapidly. The prices of different rare earths vary significantly because some are in deficit and some are in surplus, and it is difficult to replace a high-cost rare earth with a lower-cost alternative. China dominates rare earth markets.

Permanent magnets are the most valuable rare earths application, 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 four most important rare earths for permanent magnets are neodymium, praseodymium, dysprosium and terbium. Furthermore, the demand for these 'supermagnet' rare earths is predicted to grow faster than for other rare earths. Prices for these rare earths have 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 ionic adsorption clay (IAC) deposits. Historically, these have only been mined 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 are relatively richer in the rare earths needed for permanent magnets, and they typically contain low concentrations of radioactive elements such as uranium and thorium.

ABx has explored for IAC rare earth deposits for the above reasons. During 2022, ABx announced two additional rare earth discoveries, at Portrush and Rubble Mound. This confirms that ABx has at least four rare earth discoveries in northern Tasmania.

ABx announced its maiden rare earths resource estimate of 3.94 million tonnes averaging 655 ppm TREO-CeO2 and 918 ppm TREO at a 200 ppm TREO-CeO2 cut-off grade, including 511,917 tonnes averaging 785 ppm TREO-CeO2 and 905 ppm TREO in the closely-drilled indicated resource category. Importantly, the maiden resource covers only approximately 7.5% of the local prospective targets within a large, widespread province of clay-hosted rare earth mineralisation. This has some exciting thick high grade rare earth channels.

Throughout 2022, ABx engaged ANSTO to conduct metallurgical testing to determine the proportion of rare earths that could be extracted from the ore. Results received post the end of the year indicated that ABx has the highest reported extractions of any clay-hosted REE prospect in Australia. This puts ABx at the forefront of efforts to diversify rare earths supply.

ABx will conduct exploration on several other target areas within its tenements that have the geological features that ABx considers to be prospective for 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, and so will be attractive to customers. Market discussions with several potential customers endorse this strategy.

Alcore: Aluminium fluoride for aluminium smelters

Hydrogen fluoride is an essential chemical for the production of fluorocarbons and aluminium fluoride. Aluminium fluoride is an essential chemical for aluminium production.

Hydrogen fluoride is mainly produced from fluorspar, which is obtained from the mineral fluorite. Fluorspar is relatively high cost and has been identified as a critical material by the USA, Europe, Japan and Canada.

Australia does not mine any fluorite, or produce any fluorspar, hydrogen fluoride or aluminium fluoride, and so must import all its requirements. The Australian demand for hydrogen fluoride is small, and it is imported at high cost. Conversely, Australia is a significant producer of aluminium and so its demand for aluminium fluoride is high.

Australia is the largest producer of primary aluminium metal without its own domestic aluminium fluoride production, so Australian aluminium smelters rely entirely on imported aluminium fluoride. This is typically more than 80% from China, but this proportion was only 40% in 2021 when China production was lower, illustrating the supply risks. Aluminium fluoride prices were US$1,300-1,900/t throughout 2022.

Most modern aluminium smelters produce excess bath, for which the only meaningful market is new smelters, which require bath to commence operations. Aluminium industry forecasts suggest that the global bath market will increasingly be in surplus, because far fewer new smelters are being constructed. All 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 developed a world-first process to recover hydrogen fluoride from aluminium smelter bath. This can be combined with aluminium hydroxide to produce aluminium fluoride. 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. Development work has been conducted at the Alcore Technology Centre in Berkeley Vale, NSW, and a pilot plant facility is being established at the same location.

Alcore intends to construct commercial hydrogen fluoride and aluminium fluoride plants in Bell Bay, Tasmania. The aluminium source for the initial aluminium fluoride production is likely to be aluminium hydroxide, as this is 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 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 2022. 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.

A section of the Alcore Technology Centre was upgraded to allow the operation of three new laboratory reactors. The main feature was the installation of hydrogen fluoride safety systems equivalent to those previously established in the laboratory.

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 designed, constructed and commissioned two reactors that can produce sufficient oleum for tests with bath.

A 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. 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 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.

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

Also during 2022, Alcore commenced assessing several potential site locations for the commercial hydrogen fluoride and aluminium fluoride plants at Bell Bay.

Bauxite Operations

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

Sunrise Project, 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% Al2O3 and 5% SiO2, 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 that the mine at Binjour will export 500,000 tonnes per year of metallurgical grade bauxite in its first year of production, then scale up to full operational capacity of 1.5 million tonnes per year. ABx 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.

Corporate

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.

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

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 x to x 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 September 2022
Ian Levy	Non-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 1 September 2022

INFORMATION ON DIRECTORS AND MANAGEMENT

Directors

Paul Anthony Lennon
Non-Executive Chairman - Appointed on 28 November 2014

Experience and expertise	Mr Lennon served as the 42nd Premier of Tasmania for 4 years (2004 - 2008) and Treasurer (2004-2006). His experience in the resources sector is considerable. He was the Minister for Infrastructure, Energy and Resources (1998-2002), and later Minister for Economic Development, Energy and Resources (2002-2004) while Mr Lennon was the Deputy Premier of Tasmania from (1998-2004). Aside from this prominent ministerial experience, Mr Lennon has previously held senior positions working for and representing trade organisations and workers throughout the 1980's. This experience allowed Mr Lennon to lead negotiations with European, UK, American and Chinese companies in commercial matters of state and national significance.
Other Current Directorships of Listed Companies	None
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	Chairman Member of the Remuneration and Audit Committee
Interests in Shares	3,984,869 shares – indirectly held 300,000 placement options and 300,000 share purchase plan options 150,000 Employee Share Option

Ian Levy, BSc (Hons), MSc (Dist) DIC FAusIMM FAIG
Non-Executive Director - Appointed on 23 September 2009

Experience and expertise	Ian Levy has more than forty years' experience in mine development from discovery to production, including at WMC, Pancontinental Mining, Gympie Gold and CEO of Allegiance Mining, with gold, bauxite, base metals, nickel and industrial minerals projects. He 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 Option

Ken Boundy, MBA, M.Agr.Sc, FAICD
Non-Executive Director - Appointed on 6 June 2012

Experience and expertise	Mr Boundy is an experienced Non Executive Director and Chairman having participated in 20 boards in 11 industry sectors over the last 20 years. At an Executive level he was CEO of Goodman Fielder Asia, a listed company based in Singapore and Tourism Australia. He led the successful penetration of the USA by James Hardie Industries as EGM International. Mr. Boundy brings all round non executive and governance capabilities and has particular interest in technology, sustainable business systems and marketing.
Other Current Directorships of Listed Companies	Non-Executive Director of Timberlink Australia.
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 Option

Dr Mark Cooksey, PhD BSC B. Engineering
Executive Director – Appointed 1 September 2022
Chief Executive Officer - Appointed on 1 February 2022

Experience and expertise	Dr. Mark Cooksey has an impressive history in research, engineering, and commercialisation of new developments in the aluminium and other metallurgical industries since 1997. Mark commenced his professional career as a Research Engineer in aluminium smelting with Comalco (now Rio Tinto Alcan) in 1997 and became senior research engineer in 2000 before achieving six sigma black belt within the group at Gladstone, Queensland in 2002. He joined the CSIRO in 2004 as Senior Research Engineer. He held roles including Senior Principal Research Leader, leading the technical and commercial development of a number of new process technologies in the minerals and metals industries. This included experience in bauxite processing and REE technologies. Mark holds a PhD (Chemicals & Materials Engineering), Bachelor of Engineering (Materials – First Class Honours) and Bachelor of Science (Information Technology and Applied Mathematics). His significant experience in commercialising new technologies and processes will be a solid base for ABx to expand into the next phase of development.
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

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.

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.

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 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 xx. 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 Non-Executive Director
- Ken Boundy Non-Executive Director
- Dr Mark Cooksey Executive Director and Chief Executive Officer Appointed 1 September 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 Operation Manager
- Henry Kinstlinger Company Secretary
- Rex Adams Director of Alcore Limited

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.

Directors and Other Key Management Personnel of ABX Group Limited

	Short Term Employee Benefits		Post Employment Benefits	Long Term Benefits		
	Salary & other fees	Non-Monetary Benefits	Super-annuation	Long Service Leave	Share Based Payments	Total
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

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 20.

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:

	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

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
30 March 2023

Ian Levy
Director

AUDITOR'S INDEPENDENCE DECLARATION

Level 1
251 Elizabeth Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

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 Australian Bauxite 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 Australian Bauxite Limited and the entities it controlled during the period.

KS Black & Co
Chartered Accountants

Phillip Jones
Partner

Dated in Sydney on this 30th day of March 2023

Liability limited by a scheme approved under Professional Standards Legislation

Phone 02 8839 3000 Fax 02 8839 3055
www.ksblack.com.au

CHARTERED ACCOUNTANTS

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 http://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 beaches 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 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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

		Consolidated Group	
		2022	2021
	Notes	**$'000**	$'000
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

		Consolidated Group	
	Notes	**2022**	2021
ASSETS		**$'000**	$'000
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	19	**(4,882)**	(2,816)
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	7	**2,057**	6,095

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
Financial Assets	**$'000**	$'000
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	Contractual Cash Flows	< 6 mths	6 - 12 mths	1 - 3 years	> 3 years
	$'000	$'000	$'000	$'000	$'000	$'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	Contractual Cash Flows	< 6 mths	6 - 12 mths	1 - 3 years	> 3 years
Consolidated Group	$'000	$'000	$'000	$'000	$'000	$'000
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.

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

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

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)
	(5,260)	(6,155)
Finance costs		
Depreciation	**(71)**	(261)
Provision for doubtful debt	**(39)**	(5)
Others	**(3)**	(3)
	(113)	(269)

6. INCOME TAX

a. Income tax

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

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	**(3,573)**	(5,868)
Income tax expense (benefit) calculated at 25% (2021:25%)	**(893)**	(1,467)
Permanent differences	**763**	368
Timing differences not brought to account	**125**	477
Tax losses not brought to account accrued during the year	**5**	622
Income tax expense at effective tax rate of 25% (2021:25%)	**-**	-

6. 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
	905	137

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

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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**
2022	**$'000**	**$'000**	**$'000**
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)
	-	-

13. TRADE AND OTHER PAYABLES

	Consolidated Group	
	2022	2021
	$'000	$'000
Current		
Trade payables	**174**	257
Other payables	**1,057**	850
	1,231	1,107

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	**223,590,814**	223,590,814	**32,736**	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	**223,590,814**	223,590,814	**32,736**	32,736

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	2021
	$'000	$'000
Statement of Financial Position		
Current assets	**2,265**	5,258
Non-current asset	**27,622**	25,209
Total assets	**29,887**	30,467
Current liabilities	**2,676**	2,736
Non-current liabilities	**190**	158
Total liabilities	**2,866**	2,894
Shareholder's equity		
Issued Capital	**32,736**	32,736
Reserves	**593**	593
Accumulated losses	**(6,308)**	(5,756)
	27,021	27,573
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 Operation 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		
	Salary & other fees	Non-Monetary Benefits	Super-annuation	Long Service Leave	Share Based Payments	Total
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	2021
	Number	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	**-**	-
Option expenses		
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	**-**	**-**
Vested and exercisable at end of year	**-**	**-**

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
Receivable	**$'000**	$'000
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

INDEPENDENT AUDITORS' REPORT

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DRUMMOYNE NSW 2047

K.S. Black & Co.

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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 terns 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.

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Key audit matter	How our audit addressed the key audit matter
Mining Tenements Refer to note 11 (Mining tenements) At 31 December 2022, the Group has capitalised mining tenement costs of $12.8mil. Market capitalisation for the company as at 22 March 2022 was $26.8mil. 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. 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.	Notwithstanding the key audit matters identified, we have determined that impairment is not appropriate having applied the following procedures: • 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.

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.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

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.

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.

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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

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CHARTERED ACCOUNTANTS