

ABx TO RAISE \$1.8 MILLION BY WAY OF A CONVERTIBLE NOTE

ABx Group Limited (ASX: ABX) ("ABx") is pleased to announce that it has received binding commitments for a placement (the "**Placement**") of Convertible Notes ("**Notes**") to be issued by the Company to professional and sophisticated investors, each with a face value of \$1.00. The Placement will raise \$1.8 million through the issuance of approx. 1.8 million Notes in two separate tranches. The raising was heavily supported by the Company's existing shareholders.

Highlights:

- The issue of the Notes will occur over two tranches with tranche two subject to shareholder approval.
- Directors will participate in the Placement for \$230,000.
- Funds raised will be used for the continued development of the Deep Leads Rare Earths Project, ALCORE pilot plant construction, working capital, and Placement costs.
- Subject to obtaining shareholder approval at an EGM to be held in early February 2025, each noteholder will receive 12 free attaching unlisted options ("**Options**") per Note held. The Options will have an exercise price of \$0.08 and an expiry date of 36 months from the date of issue.
- Sequoia Corporate Finance Pty Ltd and GBA Capital Pty Ltd are joint lead managers in respect to the Placement.

Non-Executive Chair, Joycelyn Morton, commented: "We are pleased to have secured firm commitments to raise approximately \$1.8 million through the Convertible Note Placement.

The funds raised will be strategically allocated to advance the continued development of the Deep Leads Project, our 100%-owned rare earth deposit in Northern Tasmania. Additionally, these funds will support the construction of a continuous pilot plant for our 83%-owned fluorine recycling subsidiary, ALCORE.

Placement

The Company has received firm commitments to raise approximately \$1.8 million through the issue of approximately 1.8 million Convertible Notes issued with a face value of A\$1.00 per Note to sophisticated and professional investors. The Notes will have a coupon rate of 12% per annum which will be settled in shares issued at a 10% discount to historical 5-day VWAP (subject to shareholder approval). A summary of the key terms is outlined in Annexure A.

Subject to obtaining shareholder approval at an EGM to be held in early February 2025, each noteholder will receive 12 free attaching unlisted options ("**Options**") per Note held. The Options will have an exercise price of \$0.08 per Option with an expiry date of 36 months from the date of issue.

The Placement will be conducted in two tranches:

- **Tranche 1:** The Company will issue 370,000 Notes (being \$370,000) without shareholder approval under its existing placement capacity pursuant to ASX Listing Rule 7.1.
- **Tranche 2:** The remaining approximately 1.43m Notes (being \$1.43 million) and all Options (outlined below) will be issued subject to shareholder approval at an Extraordinary General Meeting ("**EGM**") of the Company expected to be held in early February 2025.

The Directors will participate in the Placement for \$230,000, with Mr Levy and Ms Morton taking up \$100,000 each and Mr Cooksey \$30,000 which will be subject to shareholder approval.

The Placement is being led by joint lead managers ("**Lead Managers**") Sequoia Corporate Finance Pty Ltd and GBA Capital Pty Ltd. The Lead Managers will receive a fee of 6% (plus GST) of the Aggregate Consideration (excluding where funds raised come as a result of introductions from the Company, which will result the Lead Managers receiving the selling fee of 1% each). This comprises a 1.0% management fee payable to each of the JLMs, as well as a 4.0% selling fee, and up to 20,000,000 Broker Options (with the allocation to be determined between each JLM). The Broker Options will have the same terms as those issued to investors under the Placement, featuring an exercise price of \$0.08 (8.0 cents) with an expiry date of 36 months from the date of issue. The Broker Options will be subject to shareholder approval.

The capital raised by the issue of the Notes will be used for the continued development of the Deep Leads Project, our 100%-owned rare earth deposit in Northern Tasmania. Additionally, these funds will support the construction of a continuous pilot plant for our 83%-owned fluorine recycling subsidiary, and for general working capital.

This announcement is approved for release by the board of directors.

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About ABx Group Limited

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

The two areas of focus are:

- Creation of an ionic adsorption clay rare earth project in northern Tasmania
- Establishment of a plant to produce hydrogen fluoride and aluminium fluoride from recycled industrial waste, to replace imports (ALCORE)

There is also a niche business of mining and enhancing bauxite resources for cement, aluminium and fertiliser production.

ABx endorses best practices on agricultural land and strives to leave land and environment better than we find it. We only operate where welcomed.

Annexure A – Convertible Note Key Terms

Face Value	Face Value of \$1.00 per Note.
Maturity	31 December 2026.
Coupon	<p>The Notes will have a coupon rate of 12% per annum with the shares issued at a 10% discount to historical 5-day VWAP (subject to sufficient Placement Capacity or in the absence of sufficient Placement Capacity subject to shareholder approval).</p> <p>The coupon will be payable every six months.</p>
Conversion	<p>At the election of the noteholder by valid notice in accordance with the terms of the Note, at the lower of:</p> <ul style="list-style-type: none"> • A fixed price of A\$0.04 (Twenty-five ABX Shares per note). • A 15% discount to the 15-day VWAP immediately prior to conversion, subject to a floor price of A\$0.01.
Attaching Options	<p>Subject to obtaining shareholder approval at an EGM expected to be held in early February 2025, each noteholder will be entitled to receive 12 free attaching unlisted options ("Options") per Note held.</p> <p>The Options will have an exercise price of A\$0.08 and a maturity date of 36 months from the date of issue.</p>
Adjustment for Reconstruction	<p>If the Company undergoes a reconstruction of the issued capital including but not limited to a consolidation or share split), the terms of the Notes will be adjusted to ensure that the economic value of the Notes is preserved following such reconstruction.</p>
Event of Default	<p>The form of Note will have more comprehensive details but each of the following events or circumstances shall be an Event of Default:</p> <ol style="list-style-type: none"> a) (non-payment) the Company fails to pay any amount that is due and payable by it under the Note within 15 Business Days after its due date; b) (other obligations) the Company fails to comply with any of its obligations under the Note (other than a failure referred to elsewhere in this clause) and: <ol style="list-style-type: none"> (i) the failure cannot be remedied; or (ii) the failure can be remedied, and the failure is not remedied within 20 Business Days after the Noteholders (by the requisite majority) notify the Company of the failure and requires it to be remedied; c) (misrepresentation) any representation, warranty or statement made or repeated by the Company in the Note is untrue or misleading in any material respect when made or repeated and the circumstances giving rise to the breach are not remedied within 20 Business Days after (by the requisite majority) Noteholders notify the Company of the failure and requires it to be remedied; d) (Insolvency Event) an Insolvency Event occurs in respect of the Company; and e) (provisions void) all or any material provision of this document is or becomes void, voidable, illegal or unenforceable (other than because of equitable principles or laws affecting creditors' rights generally). <p>Such other events as customary for a transaction of this type as fully enumerated in the form of Note.</p>