

R&D Tax Rebate Received for Rare Earths Activities

R&D tax offset of over \$500,000 received for rare earths activities undertaken in 2022

Tax offset follows a >\$520,000 rebate received for activities undertaken by ALCORE

Offsets provide impetus for ABx to continue investing in R&D for its unique projects

ABx Group (ASX: ABX) ("ABx") is pleased to announce the Company has received a research and development (R&D) tax offset totalling \$503,855 from the Australian Tax Office (ATO) for activities undertaken during 2022. These involved developing techniques for exploring, drilling and processing ionic adsorption clay (IAC) REE deposits.

The R&D offset follows a similar offset of \$522,715.81 recently awarded to ABx Group's 83%-owned subsidiary ALCORE¹. The combined offsets total over \$1 million and underpin the Company's balance sheet, providing the impetus for further investment in R&D.

Commenting on the tax offsets, ABx Group Managing Director and CEO Mark Cooksey said:

"Once again, the team at ABx Group would like to express our appreciation for the Australian Government's R&D Tax Incentive program. R&D is an essential component to our various businesses and is particularly important for our rare earths opportunity, given that our rare earths are of the ionic adsorption clay type."

"Ionic adsorption clay rare earths are currently only extracted in southern China and so are relatively novel, globally. We have made a number of critical advancements in how to drill these clays, how to most efficiently process them and improved our understanding of the geological mechanisms that led to the formation of mineralisation."

"Ionic adsorption clay rare earths provide a number of critical advantages over other types of rare earth deposits, including potentially improved processing economics at pH 4, as well as a greater proportion of highly valuable heavy rare earths, such as dysprosium and terbium."

"There are clear benefits to better understanding this unique mineral resource and, with the assistance of this rebate, ABx will continue to advance its rare earths assets through R&D."

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

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¹ See ASX Announcement dated: 3 August 2023