

ACDC METALS LIMITED AND CONSOLIDATED ENTITIES

ABN: 76 654 049 699

**Financial Report For The Half-Year Ended
31 December 2022**

ACDC METALS LIMITED AND CONTROLLED ENTITIES

ABN: 76 654 049 699

Financial Report For The Half-Year Ended 31 December 2022

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ACDC METALS LIMITED AND CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors of ACDC Metals Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of ACDC Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

General Information

Directors

The following persons were directors of ACDC Metal Limited during or since the end of the half-year up to the date of this report:

Mr Mark Saxon

Mr Andrew Shearer

Mr Richard Boyce (appointed 15 August 2022)

Mr Ivan Fairhall (appointed 15 August 2022)

Mr Thomas Burrowes (resigned 15 August 2022)

Mr Michael Hudson (resigned 15 August 2022)

DIRECTORS' REPORT

In accordance with continuous disclosure requirements, it is recommended that this half-year report be read in conjunction with any public announcements lodged with the Australian Securities Exchange since listing, being 17 January 2023.

Review of Operations

ACDC is a mineral exploration company incorporated with the aim of undertaking mineral exploration and resource development, focusing on heavy mineral sands projects located in Victoria, Australia, with the ultimate goal of producing heavy mineral sands ("HMS") products and rare earth elements ("REE").

ACDC acquired interests in the Goschen Central Project, the Douglas Project and the Watchem Project (together, the "Projects"). The Projects are located on the eastern edge of the Murray Basin, Victoria, Australia and are considered highly prospective for HMS, REE and other materials based on past exploration results.

In addition, the Company has entered into a licensing agreement with Canadian public company Medallion Resources Limited (TSXV: MDL) to utilise its proprietary monazite processing technology, the Medallion Monazite Process (**MMP Technology**) to extract REE from monazite.

The Company listed on the Australian Securities Exchange ("ASX") on 17 January 2023. The Company is undertaking a dual strategy approach by undertaking systematic exploration of the Projects in conjunction with further developing and advancing the MMP technology.

The Projects were discovered through past drilling, which began in the 1980's. However, they have not been the subject of significant recent investment. The mineralisation style most prevalent across the Projects is mineral sand, which contains a suite of valuable heavy minerals including zircon, rutile, leucoxene, ilmenite and monazite (which contains REE).

In seeking to achieve a higher degree of resource efficiency, ACDC intends to further develop the MMP Technology to extract mixed REE compounds from monazite.

Auditor's Independence Declaration

The lead auditor's independence declaration is included on page 2 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Andrew Shearer
Non-Executive Director & Chair
Dated: 9 March 2023



Mark Saxon
Executive Director
Dated: 9 March 2023

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of ACDC Metals Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 9th day of March 2023

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

| | | Group | |
|-----------------------------------|------|-------------------------|--|
| | | 31 December 2022 | From 28 September to 31 December 2021 |
| | Note | \$ | \$ |
| Continuing operations | | | |
| Revenue | | - | - |
| Employee benefits expense | | (41,667) | - |
| IPO Costs | | (14,341) | - |
| Audit fees | | (10,741) | (4,500) |
| Listing and filing fees | | (77,880) | (7,169) |
| Professional fees | | (105,747) | (37,121) |
| Finance cost | | (1,133) | - |
| Administration and other expenses | | (37,301) | (13) |
| Loss before income tax | | <u>(288,810)</u> | <u>(48,803)</u> |
| Tax expense | | - | - |
| Net loss for the period | | <u><u>(288,810)</u></u> | <u><u>(48,803)</u></u> |
| Earnings per share | | | |
| Basic earnings per share (cents) | 3 | (1.36) | (0.18) |

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER 2022

| | | Group | |
|-------------------------------------|-------------|--------------------|---------------------|
| | | 31 December | 30 June 2022 |
| | Note | 2022 | |
| | | \$ | \$ |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 263,007 | 486,602 |
| Trade and other receivables | 4 | 38,915 | 9,795 |
| Other assets | 5 | 19,706 | - |
| Total Current Assets | | <u>321,628</u> | <u>496,397</u> |
| Non-Current Assets | | | |
| Capitalised exploration expenditure | 7 | 31,006 | - |
| Total Non-Current Assets | | <u>31,006</u> | <u>-</u> |
| Total Assets | | <u>352,634</u> | <u>496,397</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 327,611 | 73,460 |
| Total Current Liabilities | | <u>327,611</u> | <u>73,460</u> |
| Total Liabilities | | <u>327,611</u> | <u>73,460</u> |
| Net Assets | | <u>25,023</u> | <u>422,937</u> |
| Equity | | | |
| Issued capital | 9 | 530,323 | 635,800 |
| Reserves | | - | 3,627 |
| Retained earnings | | (505,300) | (216,490) |
| TOTAL EQUITY | | <u>25,023</u> | <u>422,937</u> |

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

| | Note | Issued Capital \$ | Accumulated Losses \$ | Convertible Note Reserve \$ | Total \$ |
|---|------|-------------------------|-----------------------------|-----------------------------------|-------------|
| Consolidated Group | | | | | |
| Balance at 28 September 2021 | | - | - | - | - |
| Comprehensive income | | | | | |
| Loss for the period | | - | (48,803) | - | (48,803) |
| Total comprehensive income for the period | | - | (48,803) | - | (48,803) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | |
| Shares issued during the period | | 635,800 | - | - | 635,800 |
| Total transactions with owners and other transfers | | 635,800 | - | - | 635,800 |
| Balance at 31 December 2021 | | 635,800 | (48,803) | - | 586,997 |
| Balance at 1 July 2022 | | 635,800 | (216,490) | 3,627 | 422,937 |
| Comprehensive income | | | | | |
| Loss for the period | | - | (288,810) | - | (288,810) |
| Total comprehensive income for the period | | - | (288,810) | - | (288,810) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | |
| Shares issued during the year | | 135,827 | - | (3,627) | 132,200 |
| Transaction costs net of tax | | (241,304) | - | - | (241,304) |
| Total transactions with owners and other transfers | | (105,477) | - | (3,627) | (109,104) |
| Balance at 31 December 2022 | | 530,323 | (505,300) | - | 25,023 |

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

| | Group | |
|--|-----------------------|--|
| | 31 December 2022 | From 28 September to 31 December 2021 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Payments to suppliers and employees | (297,021) | (47,415) |
| Net cash (used in) operating activities | <u>(297,021)</u> | <u>(47,415)</u> |
| Cash flows from investing activities | | |
| Payment for exploration expenditure | (19,363) | - |
| Net cash (used in) investing activities | <u>(19,363)</u> | <u>-</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 92,200 | 635,800 |
| Payments for capital raising costs | 589 | - |
| Proceeds from borrowings | - | 40,000 |
| Net cash provided by (used in) financing activities | <u>92,789</u> | <u>675,800</u> |
| Net increase in cash held | (223,595) | 628,385 |
| Cash and cash equivalents at beginning of financial year | 486,602 | - |
| Cash and cash equivalents at end of financial year | <u><u>263,007</u></u> | <u><u>628,385</u></u> |

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

The condensed consolidated financial statements of ACDC Metals Limited for the six months ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 9 March 2023 and covers the consolidated entity consisting of ACDC Metals Limited and its controlled entities ("the Group") as required by Corporations Act 2001.

The financial statements were authorised for issue on 9 March 2023 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2022 and any public announcements made by the Company since 30 June 2022 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements at 30 June 2022, unless otherwise stated.

(a) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred is capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(b) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

(i) Impairment of deferred exploration costs

The Group's accounting policy for exploration expenditure results in some items being capitalised for an area of interest where it is considered likely to be recoverable in the future where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management is required to make certain estimates and assumptions as to future events and circumstances, which may change as new information becomes available. If a judgement is made that recovery of a capitalised expenditure is unlikely, the relevant amount will be written off to the income statement.

Key Judgements

(i) Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 1: Summary of Significant Accounting Policies (continued)

(c) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the period of \$288,810 (31 December 2021: loss of \$48,803 and net cash outflows from operating activities of \$297,021 (31 December 2021: net cash outflows of \$47,415).

Subsequent to reporting period, the Company listed on the Australian Securities Exchange, successfully raising \$8 million before capital raising costs on the 17 January 2023.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Note 2 Dividends

No dividends have been paid, declared or recommended for payment during the reporting period.

Note 3 Earnings per Share

| | Group | |
|--|---------------------------------|---------------------------------|
| | 31 December 2022 | 31 December 2021 |
| | \$ | \$ |
| (a) Reconciliation of earnings to profit or loss | | |
| Losses | (288,810) | (48,803) |
| Losses used to calculate basic EPS | <u>(288,810)</u> | <u>(48,803)</u> |
| | No. | No. |
| (b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 21,245,380 | 26,592,174 |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | <u>21,245,380</u> | <u>26,592,174</u> |
| Basic loss per share (cents) | <u>(1.36)</u> | <u>(0.18)</u> |

Note 4 Trade and Other Receivables

| | Group | |
|---|---------------------------------|-------------------------|
| | 31 December 2022 | 30 June 2022 |
| | \$ | \$ |
| Current | | |
| GST receivables | 38,915 | 9,795 |
| Total current trade and other receivables | <u>38,915</u> | <u>9,795</u> |

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 5 Other Assets

| | Group | |
|---------------|------------------------|-----------------|
| | 31 December 2022 | 30 June 2022 |
| | \$ | \$ |
| Current | | |
| Deposits paid | 3,686 | - |
| Prepayments | 16,020 | - |
| | 19,706 | - |
| | 19,706 | - |

Note 6 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

| Name of subsidiary | Principal place of business | Ownership interest held by the Group | | Proportion of non-controlling interests | |
|--------------------------------|-----------------------------|--------------------------------------|-----------------|---|-----------------|
| | | 31 December 2022 | 30 June 2022 | 31 December 2022 | 30 June 2022 |
| ACDC Metals Operations Pty Ltd | Australia | 100% | 100% | - | - |
| ACDC Metals Technology Pty Ltd | Australia | 100% | 100% | - | - |

Note 7 Capitalised Exploration Expenditure

| | \$ |
|--------------------------------------|--------|
| Balance at 1 July 2022 | - |
| Current year expenditure capitalised | 31,006 |
| Balance at end of year | 31,006 |

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The recovery of deferred exploration and evaluation costs is dependent upon the success of pre-feasibility studies, exploration and evaluation or sale or farm-out of the exploration interest. Broadly, the Company has two cost centres, Corporate and Exploration. Where identifiable, costs associated with Exploration cost centres are capitalised. These costs are annually reviewed for impairment and a charge is made direct to the Statement of profit or loss and other comprehensive income of the Company where an impairment is identified.

No impairment (31 December 2021: \$Nil) was brought to account for the financial period. The Company still intends to exploit for economical gain the remaining tenements under its control.

The Group has reviewed all of its tenements and has only carried forward the expenses on the tenements that give rise to a potential economic benefit to the Company through development or exploration.

The Group has considered the impairment indicators below and confirms no such indicators are applicable at 31 December 2021. As such, the Group does not consider that a full impairment test is necessary.

Impairment indicators

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- Evidence is available of obsolescence or physical damage of an asset.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 8 Trade and Other Payables

| | Group | |
|--------------------------------------|------------------------------|-----------------------|
| | 31 December 2022 \$ | 30 June 2022 \$ |
| Current | | |
| Loans ¹ | - | 38,867 |
| Trade payables | 285,379 | - |
| Sundry payables and accrued expenses | 42,232 | 34,593 |
| | <u>327,611</u> | <u>73,460</u> |

¹ On 16 September 2022, the loan of \$40,000 was converted, resulting in 400,000 fully paid ordinary shares being issued.

Note 9 Issued Capital

| | Group | |
|---|------------------------------|-----------------------|
| | 31 December 2022 \$ | 30 June 2022 \$ |
| 17,050,000 fully paid ordinary shares (30 June 2022: 31,900,000 fully paid ordinary shares) | 530,323 | 635,800 |
| | <u>530,323</u> | <u>635,800</u> |

The Group has authorised share capital amounting to 17,050,000 ordinary shares.

| (a) Ordinary Shares | Group | | | |
|--|-------------------|----------------|-------------------|----------------|
| | 31 December 2022 | | 30 June 2022 | |
| | No. | \$ | No. | \$ |
| At the beginning of the reporting period | 31,900,000 | 635,800 | - | - |
| Shares issued during the reporting period | 1,500,000 | 151,827 | 31,900,000 | 635,800 |
| Shares bought back during the reporting period | (16,000,000) | (16,000) | - | - |
| Shares cancelled during the reporting period | (350,000) | - | - | - |
| Less: capital raising costs | - | (241,304) | - | - |
| At the end of the reporting period | <u>17,050,000</u> | <u>530,323</u> | <u>31,900,000</u> | <u>635,800</u> |

On 22 August 2022, 1,000,000 fully paid ordinary shares were issued, raising a \$100,000, net of capital raising costs.

On 23 August 2022, 16,000,000 fully paid ordinary shares were bought back for a total value of \$16,000. Shares were cancelled on the same day.

On 23 August 2022, 350,000 fully paid ordinary shares were cancelled at nil cost.

On 16 September 2022, 400,000 fully paid ordinary shares were issued to repay the Company's loan of \$40,000. (refer to Note 8: Trade and Other Payables)

On 27 October 2022, 100,000 fully paid ordinary shares were issued, raising a total of \$8,200, net of capital raising costs.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 10 Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision makers in assessing performance and determining the allocation of resources.

Operating segments are determined on the basis of financial information reported to the Board.

Types of segments

- (a) Exploration and project development

This operating segment presents costs involved in all exploration and project development in Victoria.

- (b) Development of MMP Process

This operating segment represents costs involved in the development of the MMP process as per the exclusive license for Eastern Australia (SA, Vic, NSW and NT).

- (b) Corporate costs

The Group's corporate costs segment represents costs incurred by the Group not allocated to the operating segments.

Segment information

- (i) **Segment performance**

| | Exploration and Project Development | Development of MMP Process | Corporate Costs | Total |
|---|---|----------------------------------|--------------------|------------------|
| Six months ending 31 December 2022 | \$ | \$ | \$ | \$ |
| Total segment revenue | - | - | - | - |
| <i>Reconciliation of segment revenue to group revenue</i> | | | | |
| Total segment revenue | - | - | - | - |
| Segment net loss from continuing operations before tax | - | - | (288,810) | (288,810) |
| <i>Reconciliation of segment result to group net profit/(loss) before tax</i> | | | | |
| Net loss before tax from continuing operations | | | | <u>(288,810)</u> |
| Six months ending 31 December 2021 | \$ | \$ | \$ | \$ |
| Total segment revenue | - | - | - | - |
| <i>Reconciliation of segment revenue to group revenue</i> | | | | |
| Total segment revenue | - | - | - | - |
| Segment net loss from continuing operations before tax | - | - | (48,803) | (48,803) |
| <i>Reconciliation of segment result to group net profit/(loss) before tax</i> | | | | |
| Net loss before tax from continuing operations | | | | <u>(48,803)</u> |

- (ii) **Segment assets**

| | Exploration and Project Development | Development of MMP Process | Corporate Costs | Total |
|--|---|----------------------------------|--------------------|----------------|
| 31 December 2022 | \$ | \$ | \$ | \$ |
| Segment assets | 31,461 | - | 321,173 | 352,634 |
| Segment assets include: | | | | |
| - Additions to non-current assets (other than financial assets and deferred tax) | 31,006 | - | - | 31,006 |
| <i>Reconciliation of segment assets to group assets</i> | | | | |
| Total group assets | | | | <u>352,634</u> |

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 10: Operating Segments (continued)

| | Exploration and Project Development | Development of MMP Process | Corporate Costs | Total |
|--|---|----------------------------------|--------------------|-----------------------|
| 30 June 2022 | \$ | \$ | \$ | \$ |
| Segment assets | - | - | 496,397 | 496,397 |
| Segment assets include: | | | | |
| - Additions to non-current assets (other than financial assets and deferred tax) | - | - | - | - |
| <i>Reconciliation of segment assets to group assets</i> | | | | |
| Total group assets | | | | <u><u>496,397</u></u> |
| (iii) Segment liabilities | | | | |
| | Exploration and Project Development | Development of MMP Process | Corporate Costs | Total |
| 31 December 2022 | \$ | \$ | \$ | \$ |
| Segment liabilities | 11,643 | - | 315,968 | 327,611 |
| <i>Reconciliation of segment liabilities to group liabilities</i> | | | | |
| Total group liabilities | | | | <u><u>327,611</u></u> |
| | Exploration and Project Development | Development of MMP Process | Corporate Costs | Total |
| 30 June 2022 | \$ | \$ | \$ | \$ |
| Segment liabilities | - | - | 73,460 | 73,460 |
| <i>Reconciliation of segment liabilities to group liabilities</i> | | | | |
| Total group liabilities | | | | <u><u>73,460</u></u> |

Note 11 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 9 January 2023, 40,000,000 fully paid ordinary shares were issued raising a total of \$8,000,000 before capital raising costs.

On 9 January 2023, 6,168,139 Shares and 1,500,000 Class A Performance Rights were issued to Oro Plata Pty Ltd pursuant to the Douglas Tenement Sale Agreement dated 1 August 2022 in relation to the acquisition by the Company of an initial 80% legal and beneficial interest in EL 7544 and EL 7545.

On 9 January 2023, 6,586,991 Shares and 1,500,000 Class B Performance Rights were issued to Providence Gold and Minerals Pty Ltd pursuant to the Goschen Tenement Sale Agreement dated 20 September 2022 in relation to the acquisition by the Company of an initial 80% legal and beneficial interest in EL 5278.

On 9 January 2023, 2,500,000 Shares were issued to the vendors of Fish Hawk Resources Pty Ltd pursuant to the Fish Hawk Share Sale Agreement dated 14 September 2022 in relation to the acquisition by the Company of 100% of the issued share capital in Fish Hawk, which holds 100% legal and beneficial interest in ELA7642 and ELA7932.

On 9 January 2023, 4,500,000 unlisted options exercisable at \$0.30 expiring on 9 January 2026 to the Directors, the Chief Executive Officer and Company Secretary of the Company as an incentive-based component of their remuneration.

On 9 January 2023, 5,000,000 unlisted options exercisable at \$0.30 expiring on 9 January 2026 to Pac Partners Pty Ltd (and/or its nominee) in consideration for services provided as lead manager with regard to the IPO.

On 9 January 2023, 2,500,000 Class C Performance Rights and 750,000 Class D Performance Rights to Medallion Resources Limited under the Medallion Licensing Agreement between Medallion, Medallion Research USA, Inc, ADC and ACDC Metals Technology Pty Ltd dated 2 October 2022.

On 17 January 2023, the Company was officially admitted onto the Australian Securities Exchange. Its ticker code is ADC.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of ACDC Metals Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 12, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with AASB 134: Interim Financial Reporting; 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 consolidated group;
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; and



Director **Andrew Shearer**
 Non-Executive Director & Chair

Dated this 9 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ACDC METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of ACDC Metals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ACDC Metals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 9th day of March 2023