ASX Announcement: 14 April 2023

ASX: ADC

ACN 654 049 699

CAPITAL STRUCTURE

Share Price: A$0.105*
Cash: A$6.7 M*
Debt: Nil
Ordinary Shares: 72.3M
Market Cap: A$11.2M*
Enterprise Value: A$1.0M*
Options: 47.7M
***as of 12 April 2023**

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ACDC Metals to Commence In-Fill Drilling at Goschen Central Heavy Mineral Sand and Rare Earth Element Project, Victoria

Key Highlights

- **Following positive visual estimates from roadside drilling, 70 holes now underway and permitted for in paddock drilling at Goschen Central Project.**
- **Potential high-grade zone at Goschen Central indicated from new drill data and geological interpretation.**
- **First assay results from Goschen central remain on schedule and due in 1 month**
- **Drilling at Watchem Project completed, 78 holes for 3,531 metres. Samples have been prepared and sent for assay.**
- **Meetings held with key South Australian Government departments discussing ACDC Metal's rare earth element value-add process technology and development opportunities.**

ACDC Metals Limited (**ASX: ADC**) (**ACDC Metals** or the **Company**) is pleased to announce that its aircore drilling program across the Company's heavy mineral sand (**HMS**) and rare earth element (**REE**) projects in western Victoria, Australia is well progressed, with first pass roadside drilling at both Watchem and Goschen Central complete. Closer spaced in-fill drilling at Goschen Central has now commenced.

ACDC Metals CEO Tom Davidson commented:

"Thanks to our team and local stakeholders, our aircore drill program is on track, delivering encouraging visual results at both our Goschen Central and Watchem projects. With material now at the laboratory in Perth, we look forward to providing results to shareholders as they come to hand.

The success of our first pass drilling at Goschen Central enabled us to prioritise a return for a targeted in-fill program based on both the historical and recent drilling. We aim to define a JORC-compliant resource that will accelerate ACDCs progress in the HMS and REE sectors.

Furthermore, our management team's recent visit to South Australia generated a great level of engagement across various levels of government, as we commence the process and site optioneering studies for our REE value-add processing".

Watchem Project Drilling

At the Watchem Project, Wallis Drilling Pty Ltd completed 78 aircore holes (3,531 metres) in March 2023. The program is designed to confirm and infill prior historic drilling.

Drilling was undertaken on roadside verges at nominally 800m spacing. When high grades were visually logged a tighter spacing was implemented at 100m. See Figure 1 for drill plan.

Approximately nine (9) tonnes of sample has been prepared and delivered to Diamantina Laboratories Pty Ltd in Perth, with assay results expected in 4-6 weeks. The completed program provides representative coverage across the exploration licence and will validate drilling of a min completed by previous explorers.

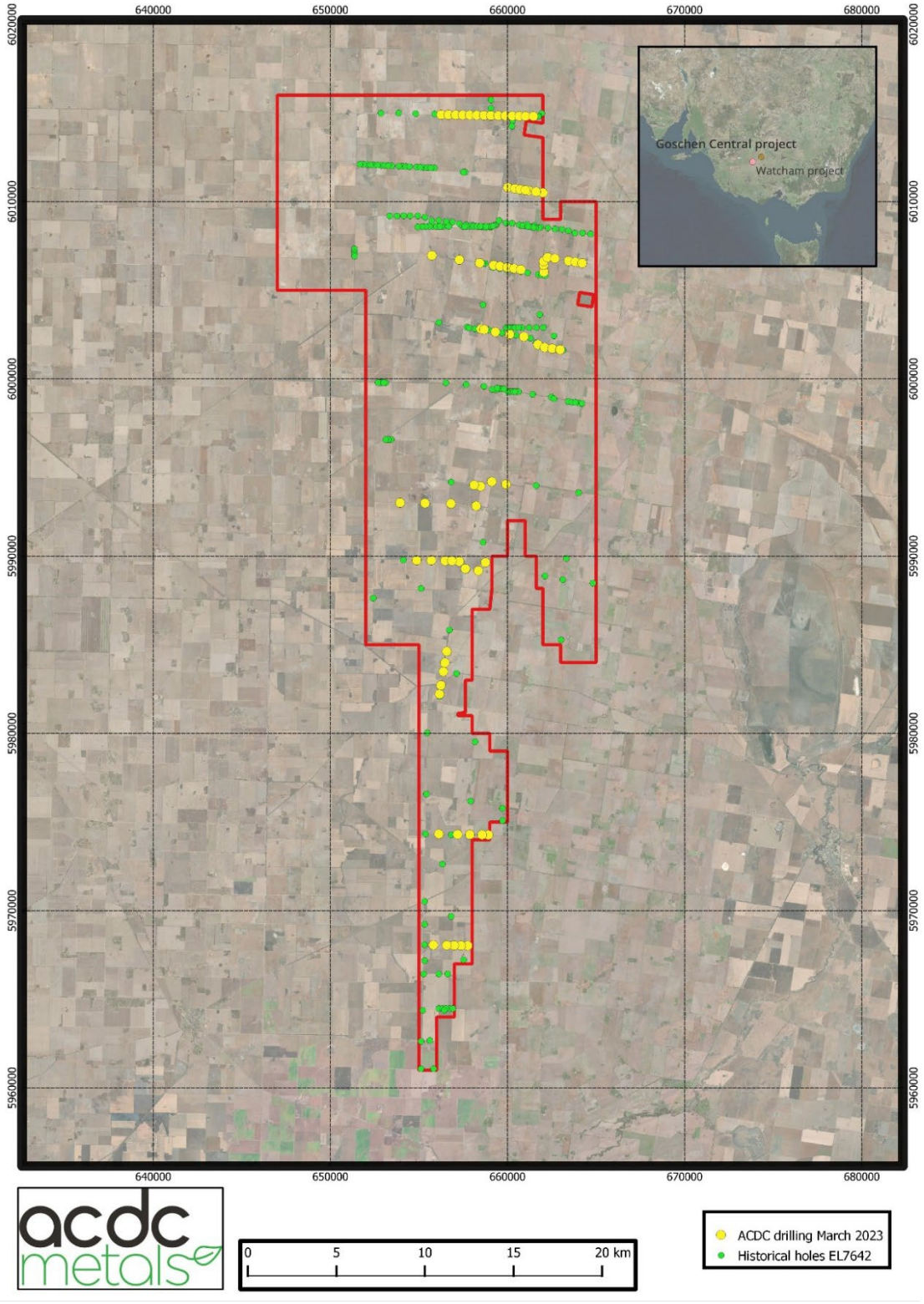

Figure 1 EL7642 Drill plan

Figure 2 – ACDC Hosted brokers during Watchem drilling in mid-March 2023.

Goschen Central Drilling

Following the success of roadside drilling, an in-fill drilling program has commenced in paddocks, where ACDC Metals has executed compensation agreements with the landowners. The program has commenced and is scheduled to be complete by the 26 April 2023.

The intent of the program is to provide greater geological confidence for resource estimation and facilitate the collection of samples for expanded metallurgical testwork, to be undertaken by Mineral Technologies Ltd in Queensland. Material collected will be processed in Mineral Technologies pilot plant to produce a monazite concentrate which will then be used for REE process development utilising ACDC's proprietary Medallion Monazite Process.

A high degree of visual correlation from recent drilling with historical assays available on Goschen Central has helped in designing the current infill drill program shown in Figure 3. Historical drilling consisted of widely spaced drilling conducted by CRAE (now Rio Tinto) in the 1980's and 1990's.

Summary of historical assays highlighted in Figure 3

LL345	4m @ 8.82% HM	**LL417**	3m @ 4.08% HM
LL346	5m @ 7.09% HM	**LL422**	6m @ 5.54% HM
LL349	4m @ 7.36% HM	**LL423**	4m @ 7.72% HM
LL416	7m @ 5.76% HM	**LL426**	5m @ 7.09% HM

Figure 3 - Goschen Central targeted program

Forward Looking Program

Our program continues to progress on schedule, with roadside drilling complete at both Goschen central and Watchem. All samples now at the laboratory for assaying, with full assays expected in approximately 1 month. The exploration team are now at Goschen central to complete in-paddock infill drilling. On completion, the rig and team will continue roadside drilling at Douglas Project.

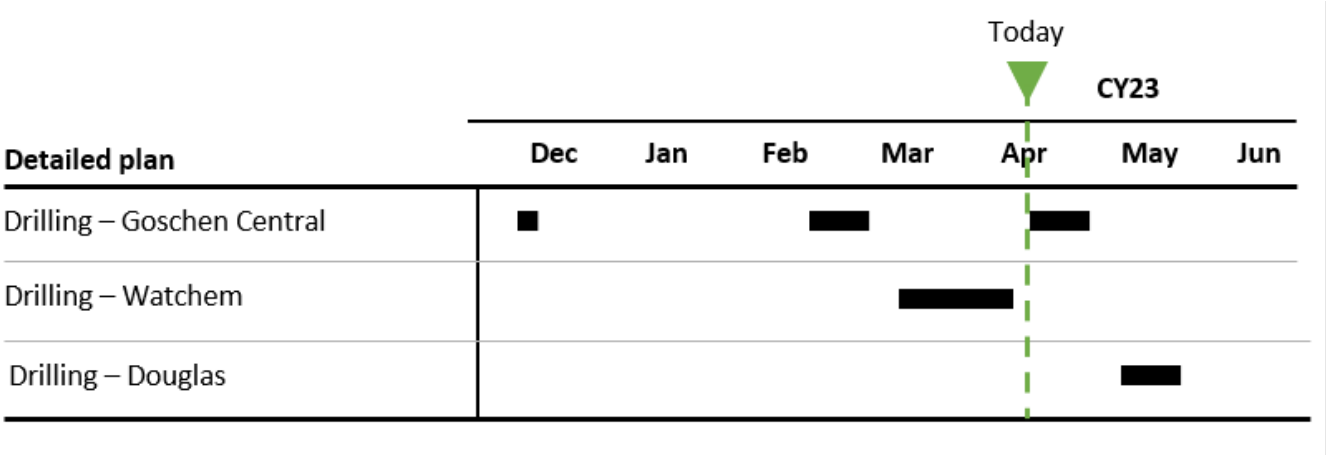

Figure 4 - High Level Schedule

South Australia visit

ACDC Metals Management completed a visit to South Australia week beginning 3rd of April, to align and further progress the company's and its business strategy including REE production via the Medallion Monazite Process with key stakeholders. Meetings were held with the relevant government departments and various consultants to assist in the potential development. Feedback was positive, with all parties keen to support the opportunity to produce a value added rare earth element product in South Australia. It is the intent of ACDC Metals to purse the best site for a monazite processing plant, either in South Australia or Victoria.

Announcement has been authorised for release by the Board.

For Further Information

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Competent Persons Statement

The information in this document that relates to exploration results is based on information reviewed by Mr Kent Balas, a Competent Person who is a member of the Society of Exploration Geologists (SEG, member no 913551)

Mr Balas is an employee of Langdon Warner Pty Ltd and provides consulting services to ACDC Metals.

Mr Balas has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Mr Balas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Aircore drilling was used to obtain samples at 1.5m intervals. The following information covers the sampling process: • each 1.5m sample was homogenized within the bag by manually rotating the sample bag; • a sample of sand, approx. 20 g, is scooped from the sample bag for visual THM% and SLIMES% estimation and logging. The same sample mass is used for every pan sample for visual THM% and SLIMES% estimation; • the standard sized sample is to ensure calibration is maintained for consistency in visual estimation; • a sample ledger is kept at the drill rig for recording sample intervals; • A rotary splitter is used to take a 25% split of the drill sample of each 1.5m interval. • ACDC cannot confirm the sampling techniques of previous explorers.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Wallis Drilling was the contractor used for the drilling program • Aircore drilling with inner tubes for sample return was used. • Aircore is considered a standard industry technique for heavy mineral sand exploration. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube. • Aircore drill rods used were 3 m long. • NQ diameter (76 mm) drill bits and rods were used. • All drill holes were vertical.

		• ACDC cannot confirm the drilling techniques of previous explorers.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill sample recovery is monitored by recording sample condition from 'dry good' to 'wet poor'. • While initially collaring the hole, limited sample recovery can occur in the initial 0 m to 1.5 m sample interval owing to sample and air loss into the surrounding loose soil. • The initial 0 m to 1.5 m sample interval is drilled very slowly in order to achieve optimum sample recovery. • Samples are collected at 1.5m intervals into a standard numbered calico sample bags via a rotary splitter taking a 25% split of the total 1.5m interval. • At the end of each drill rod, the drill string is cleaned by blowing down with air to remove any clay and silt potentially built up in the sample tubes. • The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole (in ideal conditions). • ACDC cannot confirm sample recovery of previous explorers.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The 1.5 m aircore samples were each qualitatively logged via digital entry into a Microsoft Excel spreadsheet, and later uploaded to the Micromine database. • The aircore samples were logged for lithology, colour, grainsize, sorting, hardness, sample condition, washability, estimated THM%, estimated SLIMES% and any relevant comments such as slope, vegetation, or cultural activity. • Every drill hole was logged in full. • Logging is undertaken with reference to a Drilling Guideline with codes prescribed and guidance on description to ensure consistent and systematic data collection.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• The 1.5 m sample interval is rotary split at the drill rig, collected and stored at the ACDC metals storage facility. • The water table depth was noted in all geological logs if intersected whereby sample condition was specified as 'wet poor'. • Hole twinning, lab standards and duplicates are used to ensure samples are representative.

	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	The wet panning at the drill site provides an estimate of the THM% which is sufficient for the purpose of determining approximate concentrations of THM in the first instance. • Standards are inserted in the laboratory every 40 samples. • Duplicate assays are conducted every 25 samples to ensure sample homogeneity. • Sample separation meshes are ultrasonically cleaned twice a day to ensure there is no sample contamination.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All results are checked by the rig geologist and the Exploration Manager, in addition to the independent consulting Resource Geologist • Standard Reference Material sample results are checked from each sample batch to ensure they are within tolerance (<2SD) and that there is no bias. The field and laboratory data has been updated into a master spreadsheet which is appropriate for this stage in the programme. Data validation criteria are included to check for overlapping sample intervals, end of hole match between 'Lithology', 'Sample', 'Survey' files, duplicate sample numbers and other common errors. • Twin holes are drilled periodically to test variation in terms of sample collection and assay. • Assay data has not been reported.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collar locations are collected using a Garmin hand held GPS with an accuracy of +-3m. • The datum used is GDA 94 and coordinates are projected as MGA zone 54.

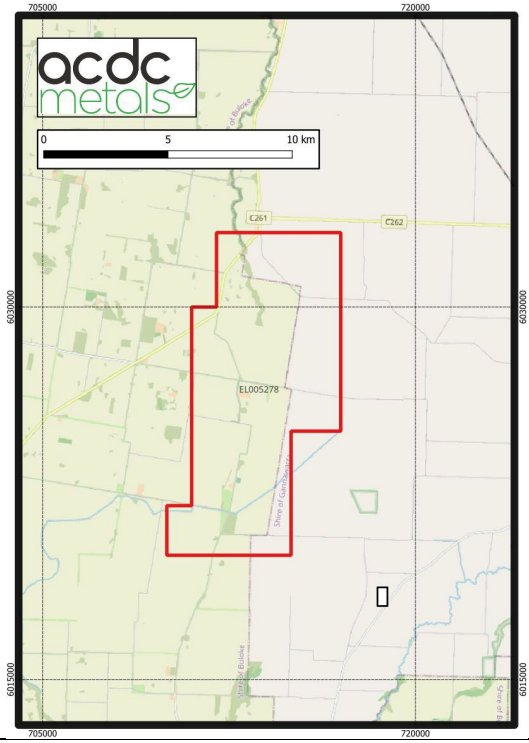
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes were spaced at between 100 and 800 meters for the initial drill program. • This data spacing is considered appropriate for possible later inclusion in a Mineral resource or Ore reserve estimate. • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The aircore drilling traverse was oriented perpendicular to the strike of mineralisation defined by previous drill data information. • The strike of the mineralisation is approximately north-south. • All drill holes were vertical, and the orientation of the mineralisation is relatively horizontal. • The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralisation without any bias.

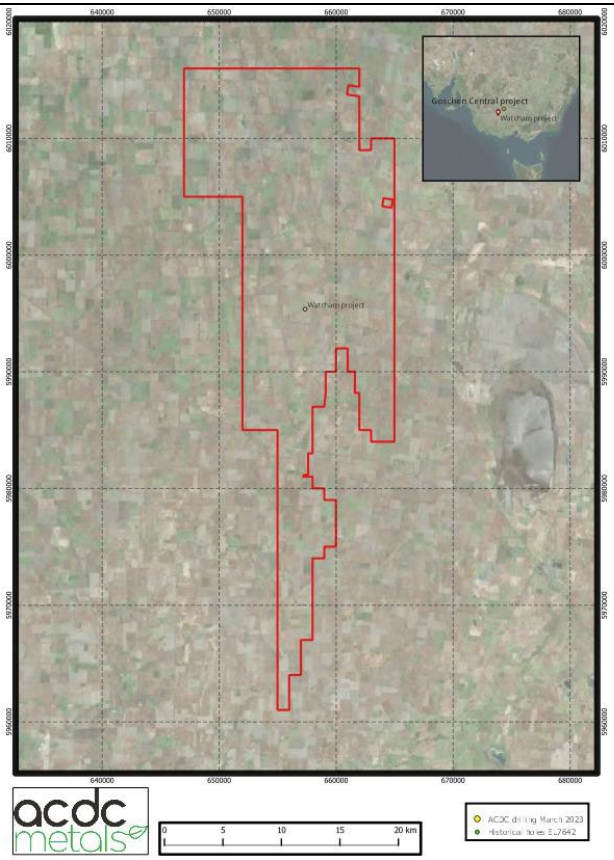
Sample security	• *The measures taken to ensure sample security.*	• Air core samples were stored at the ACDC Bendigo Warehouse facility.
		• The samples were then dispatched by freight agent to Diamantina laboratories Perth facility for assay and reporting.
		• Metallurgical samples were utilized from previous drilling completed by previous vendor:
		  ○ Samples were stored by previous vendor Providence & Gold Minerals.
		  ○ Samples were collected and dispatched to Mineral Technologies Queensland facility, using freight agents from Bendigo and delivered to the Mineral Technologies laboratory.
		  ○ The laboratory inspected the packages and did not report tampering of the samples.
		  ○ Mineral Technologies metallurgical manager inspected the packages and prepared a sample inventory which will be reconciled with the sample dispatch information and sample database.

Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal reviews were undertaken during the geological interpretation and throughout the modelling process.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The exploration work was completed on EL005278 that is 80% owned by ACDC Metals Ltd, and 20% Providence & Gold Minerals. • EL007642 is 100% owned by ACDC metals. • All work was conducted with relevant approval from local and state authorities. • The tenure is secure with no impediments to obtaining a licence to operate in the area. 



Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	• Historic exploration work was completed by CRAE from 1982. The project was also explored by Iluka Resources. ACDC cannot confirm the validity of work completed by previous explorers.

Geology	*Deposit type, geological setting and style of mineralisation.*	• Murray Basin style 'WIM' deposits, higher grade Murray Basin strand deposits. EL005278 and EL007642 are located within the Murray Basin which is a significant Mineral Sands producing region globally
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No material data is being reported.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No results are being reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	The nature of the mineralisation is broadly horizontal, thus vertical aircore holes are thought to represent close to true thicknesses of the mineralisation: • No widths are reported in this release

Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figures and plans are displayed in the main text of the Release
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.*	• No results have been reported.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including* *(but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No information is being reported.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Additional infill Aircore drilling is planned (100m) and further extend zones of mineralization at the EL005278 and EL007642 tenement: • Further bulk sampling will be conducted for more advanced metallurgical testwork during Q2. • Mineralogical analysis is ongoing.