

ASX: ADC

ACN 654 049 699

CAPITAL STRUCTURE

Share Price: A\$0.085
Cash: A\$6 M
Debt: Nil
Ordinary Shares: 72.3M
Market Cap: A\$6.2M
Enterprise Value: A\$0.2M
Options: 45.7M
*as of 25 Jul 2023

BOARD OF DIRECTORS AND MANAGEMENT

Andrew Shearer
Non-Executive Chair

Mark Saxon
Executive Director

Richard Boyce
Non-Executive Director

Ivan Fairhall
Non-Executive Director

Tom Davidson
Chief Executive Officer

COMPANY SECRETARY
Tamara Barr

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Quarterly Activities Report and Appendix 5B 30 June 2023

Key Highlights

- ACDC completed over 12,600m drilling across Goschen Central, Watchem and Douglas Projects.
- Assays returned high grade intervals of >10% Total Heavy Minerals (THM) from the initial 75 drill holes at the Goschen Central Project.
- 29% of all holes returned intervals >5% THM at 1% cut-off.
- Mineralisation extends over a strike length of >10km and mineralisation thickness up to 19m (true width).
- Significant intercepts from Goschen Central include:
 - **4.0m @ 10.91% THM** from 33.0m within 14.0m @ 4.48% THM from 26.0m (22GC0017)
 - **4.5m @ 10.37% THM** from 31.5m within 12.0m @ 5.52% THM from 24.0m (23AC043)
 - **4.5m @ 8.47% THM** from 25.5m within 15.0m @ 4.72% THM from 19.5m (23AC044)
 - **6.0m @ 8.44% THM** from 28.5m within 19.5m @ 3.02% THM from 19.5m (23AC047)
- High value mineral assemblage places Goschen Central potentially in the top tier of global mineral sands projects.
 - 93% of heavy minerals in the sample are valuable heavy minerals.
 - Assemblage includes 9% monazite, 36% zircon, 6% rutile.
 - Very high monazite grades indicate potential for significant rare earth element (REE) source.
- Results from another 66 holes at Goschen Central, 43 from Douglas and 78 from Watchem are pending.
- Maiden mineral resource estimate due in Q3 CY2023, followed by a scoping study in Q4.

ACDC Metals Limited (ASX: ADC) (“ACDC” or the “Company”) announces the Quarterly Activities Report for the June 2023 Quarter. During the Quarter ACDC completed over 12,600m of air core (AC) drilling across all three of the Company’s rare earth element (“REE”) and heavy mineral sand (“HMS”) projects in western Victoria; Goschen Central, Watchem and Douglas. The completed aircore drilling program consisted of both discovery and in-fill drilling and has delivered over 12,600 metres across all three projects, fulfilling the objectives outlined in the Company’s prospectus. The Company is highly encouraged by the results of the returned assays confirming both very high-grade mineral sands as well as exceptionally high value heavy mineral sands assemblages from its Goschen Central project. The successful air core drilling program enables the Company to validate extensive historical data, furthering analysis supporting the delivery of a maiden JORC Resource, anticipated for delivery Q3 2023.

ACDC Metals CEO Tom Davidson commented: *“The June quarter saw rapid post-IPO progress and exciting results.*

Assay results confirm that ACDC Metals' projects are high quality, containing high grades of the valuable heavy minerals assemblages required for potential development.

Of particular importance is the very high grades of monazite observed, supporting our strategy for rare earths element extraction by our licensed Medallion Monazite Process for which the Company has commenced studying for an Australian setting."

We look forward to sharing developments with shareholders over the coming months, including a maiden JORC resource and study activities on both our HMS production and REE value capture strategies.

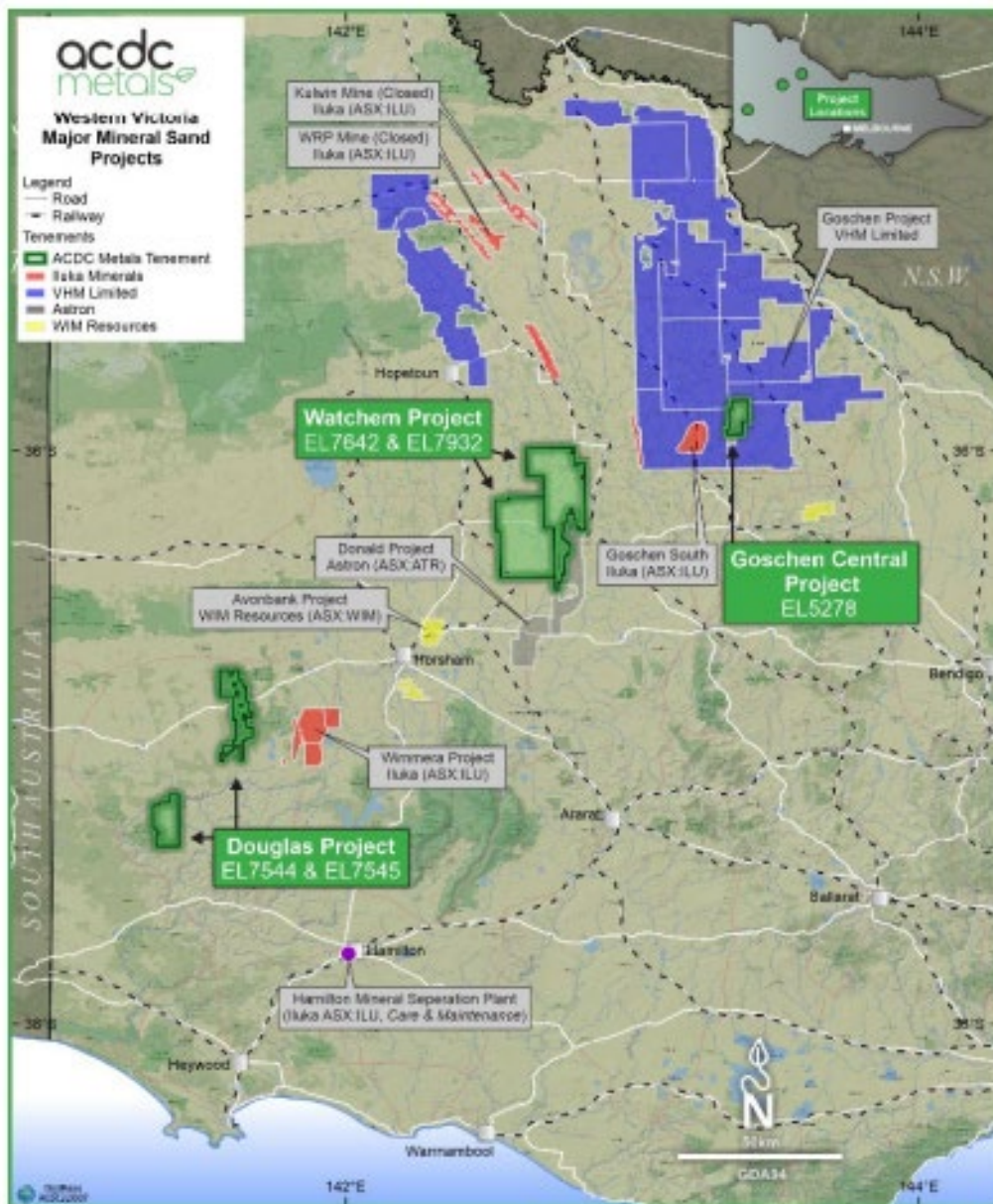


Figure 1. Overview of ACDC Metals tenements

Activities for the Quarter

OPERATIONS

In Q2 CY2023 ACDC completed the planned aircore drill program with all material delivered to Diamantina Laboratories in Perth by June. The drill program was executed on budget and achieved the intent of enabling the exploration team to evaluate the mineral sand potential of the tenements. The summary of the drilling completed in table 1.

Table A Summary of Drilling

Project	Tenement Number	Holes completed	Metres completed
Goschen Central	EL5278	141	6,965
Watchem	EL7642	78	3,530
Douglas	EL7544	43	2,116
TOTAL		262	12,611

Goschen Central Project Drilling

The initial phase of drilling at Goschen Central focused on follow up of historical CRAE drilling completed in the 1980's and 1990's. The discovery drilling covered the entire tenement and identified key areas of interest where a targeted drilling campaign was completed in April.

Assay results and grain count mineralogy of the discovery program were received from the laboratory in June and released to the market. The initial mineralogy results were very positive and are expanded upon below. Additional composited samples were assembled and sent to Bureau Veritas in Adelaide in June for further mineralogical analysis and provide full assemblage and report total rare earth oxides.

A maiden resource at Goschen Central is targeted for Q3 2023.



Figure 2. Goschen Central Project exploration drilling plan

Mineralogical Study Highlights Goschen Central as Exceptional Mineral Sands Project

During the June quarter results from the first mineralogy study (ASX 13 June 2023) were reported for aircore drill samples from the Goschen Central project. These initial results indicated a very high value mineral assemblage including exceptional grades of the rare earth element mineral, monazite.

Goschen Central Shapes Up as Exceptional Mineral Sands Project

The results (see Figure 5 and Table 1) indicate a very high value mineral assemblage including exceptional grades of the rare earth element (REE) mineral monazite. The results provide strong support for ACDC Metal’s business strategy of pairing mineral sand mining with downstream extraction of REE from monazite within Australia.

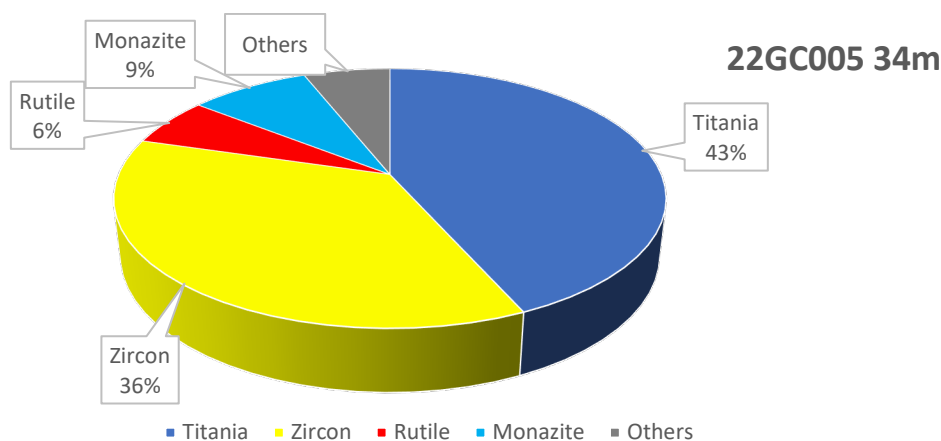


Figure 5 - Component mineralogy of sample 22GC005 34-34m. note numbers have been rounded for ease of display – see appendix one for complete mineralogical analysis. This is not a full characterisation of the Goschen Central project, further analysis is ongoing.

Table 1 - Summary mineralogy of selected samples. The full mineralogical analysis was published in ASX announcement on 13 June 2023

Sample	Hole ID	Interval	HM Grade	Zircon	Monazite	Rutile	Titania	Other
22GC005-34	22GC005	33-34m	2.65%	35.98%	8.32%	6.64%	43.31%	5.75%
22GC005-36	22GC005	35-36m	1.97%	37.35%	9.65%	6.91%	39.29%	6.80%

ACDC Metals CEO Tom Davidson commented on the mineralogy results: **“The initial mineralogical results are exceptional and indicate that Goschen Central may sit amongst the top tier of global heavy mineral projects by value of its heavy mineral sand assemblage. Most abundant heavy minerals are the high value monazite, zircon and rutile which should be very positive for the future economics of the project.”**

To date mineralogical analyses have been reported for an initial two samples, 22GC005-34 and 22GC005-36 from hole 22GC005 at intervals 33-34m and 35-36m respectively. These samples contain 2.65% and 1.97% total heavy minerals as reported on the 5th of June. The samples were selected from a central position in the mineralised zone. Whilst not intended to characterise the entire mineralised system, due to the nature of mineral sands deposits the Company

believes it provides a good guide on deposit mineralogy. Further mineralogical studies are being completed to accurately characterise mineralogy across the project area.

Samples were analysed by specialist mineralogists at Diamantina Laboratories in Perth, Australia. The long lead time to receive results was due to completion of confirmatory secondary analyses, following the extremely high values observed in the primary analysis.

Heavy Mineral Sands basket price

The quality of a Heavy Mineral (HM) deposit is a function of the total heavy mineral (THM) content and the percentage of valuable heavy minerals (VHM) within the THM fraction. The two Goschen Central samples show almost all heavy minerals (average 92%) are 'valuable', and that the valuable products are rich in the higher value zircon, rutile and monazite. The results compare favourably (Figure 2) to other ASX listed heavy mineral sand companies, refer to table 2.

Table 2. Benchmarking mineral assemblage

Deposit	Company	Definition	THM (%)	Zircon (%)	Rutile (%)	Titania (%)	Monazite (%)
Goschen ¹	VHM Ltd	Resource	2.92	20.2	9.6	32.3	3.3
Donald ²	Astron Corporation Ltd	Resource	4.6	18	8.0	49	2.0
Eucla Basin ³	Iluka Resources	Resource	4.8	25	3.0	56	-
Murray Basin ⁴	Iluka Resources	Resource	17.2	11	13	54	-
Goschen Central	ACDC Metals Ltd	Sample	1.97	37.35	6.91	39.29	9.65

Headland deposit model – further discussion on the Goschen Central project

The Goschen Central project was selected by ACDC Metals for its potential to host a high value heavy mineral sand assemblage due to its proximity to source granitic rocks that are high in zircon and monazite. Early in the exploration program at Goschen Central, ACDC Metals geologists observed that higher grades exhibited in field drill logging occur proximal to a complex basement area, interpreted to be a headland feature (Figure 6). The Company interprets the subtle feature to reflect basement topography that has controlled mineral sand deposition and reworking. During mineral sand deposition, additional wave action may have concentrated heavy minerals directly against a granite headland resulting in the high grades that are now being observed by ACDC Metals.

¹ Refer to ASX release, VHM Limited, Goschen Project DFS Refresh deliver NPV of approximately A\$1.5 billion and 44% IRR, AppD: Area 1 and 3 – JORC Table, Mineral Resources as at 30 June 2021, 28 March 2023

² Refer to ASX release, Astron Corporation Limited, Donald Rare Earth and Minerals Sands Project Phase 1 Definitive Feasibility Study, 25 April 2023

³ source: -<https://iluka.com/media/m2cbzm3w/2020-ore-reserve.pdf>

⁴ source: -<https://iluka.com/media/m2cbzm3w/2020-ore-reserve.pdf>

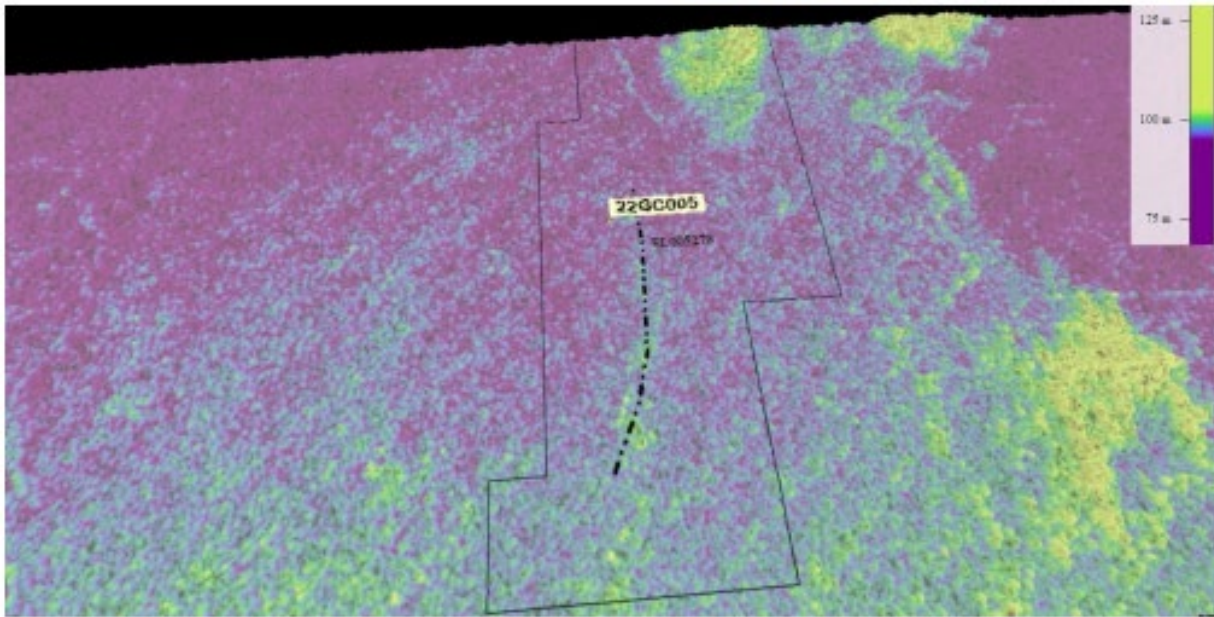


Figure 6. 3D view of the interpreted basement feature in the Digital Elevation Model from NASA. Colour stretch range is 96-103m RL.

Watchem Project Drilling

Watchem drilling targeted strandline style HMS mineralisation identified by past drilling. Mineralisation was identified in line with historical reports. Assaying and mineralogical analyses are currently underway and will be released to the ASX when received.

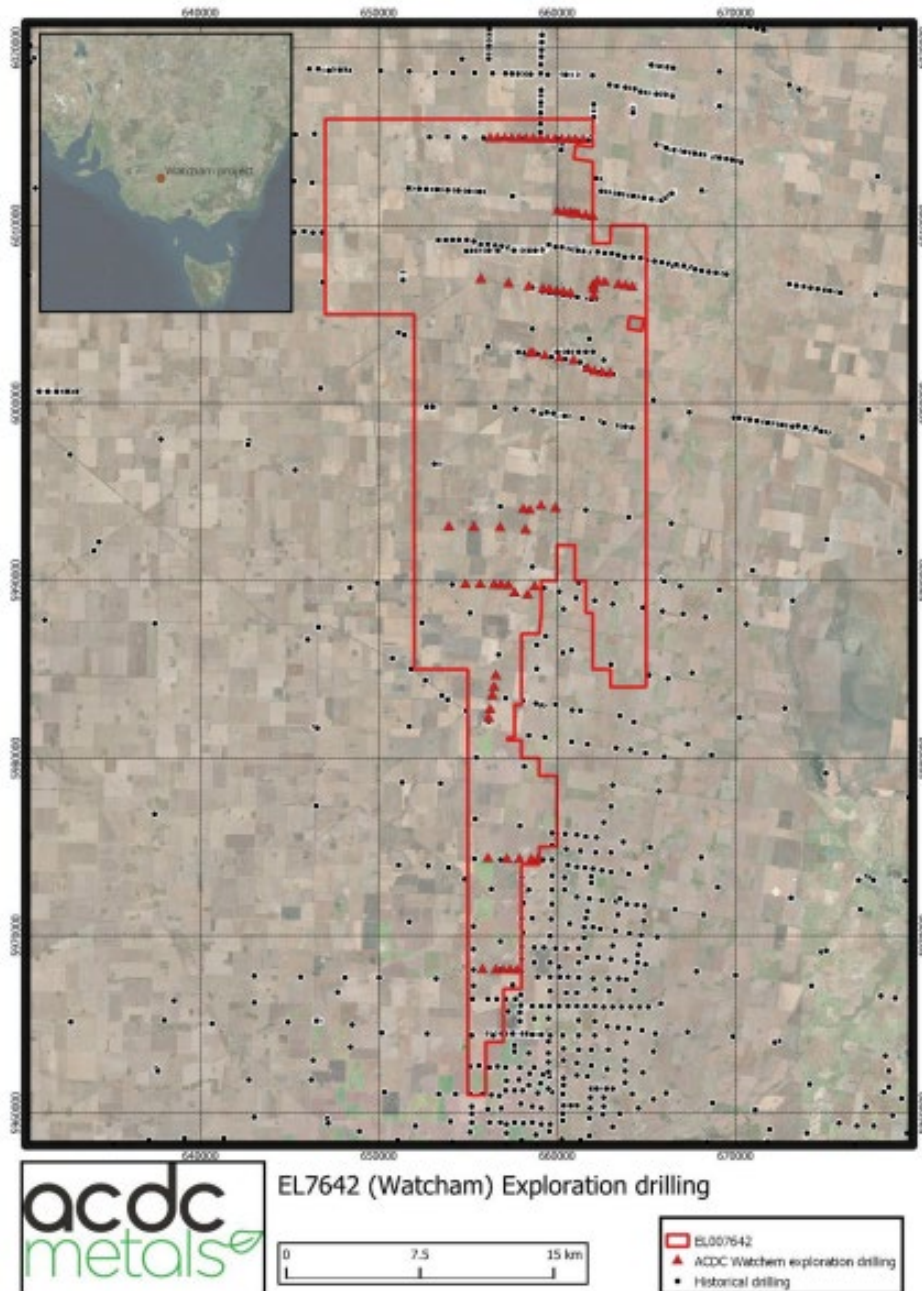


Figure 3. Watchem exploration drilling plan

Douglas Project Drilling

Douglas drilling was conducted in April and May 2023 and targeted historical results that suggested the presence of a heavy mineral strandline. Assaying and mineralogy are underway and will be released to the ASX in due course.

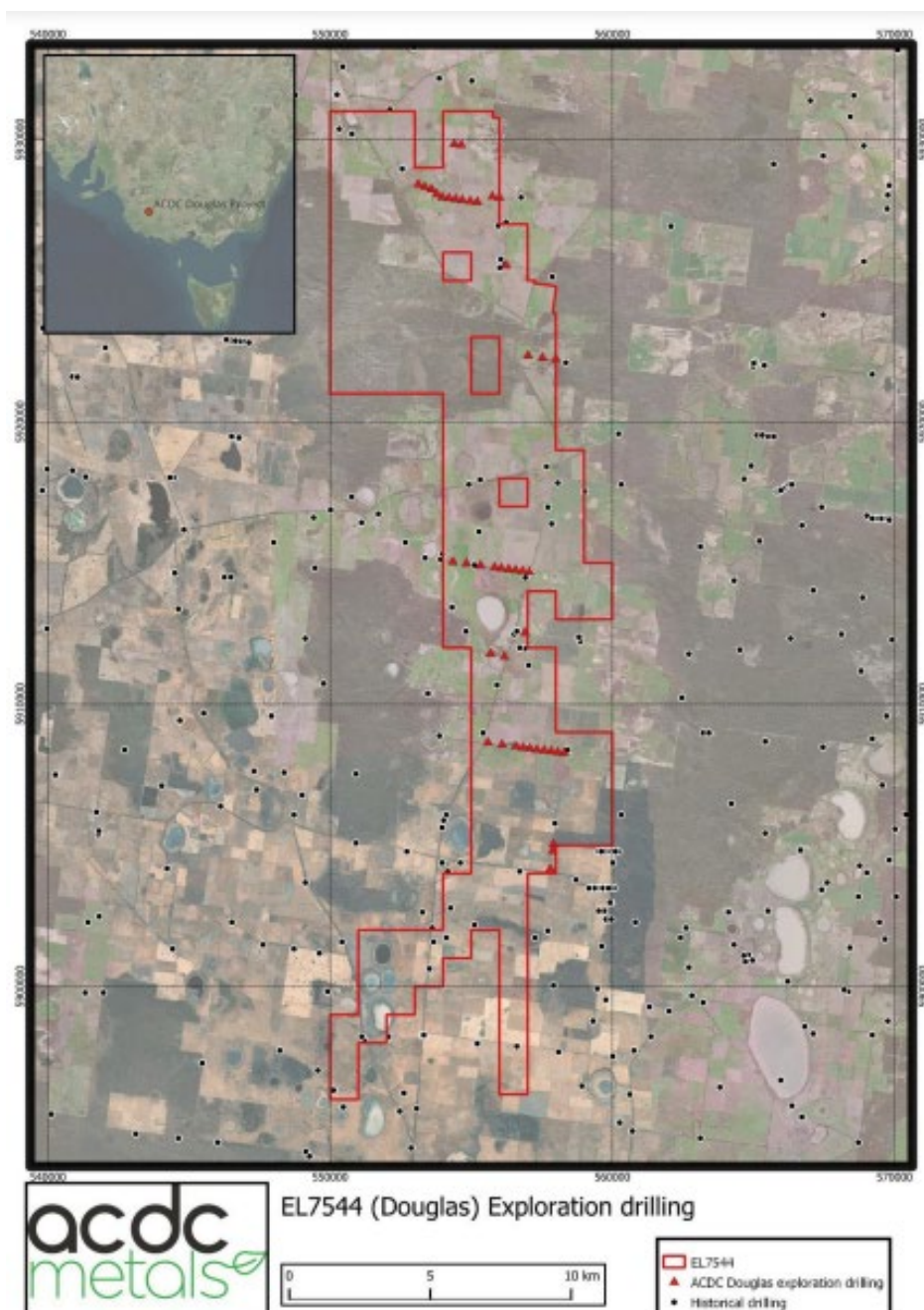


Figure 4. Douglas exploration drilling plan

ACDC Metals Next Quarter Outlook

The June quarter activities undertaken and completed by ACDC Metals met the aspirations and plans laid out in the Company's prospectus and the resulting assay results and assemblage results have been exceptional and beaten expectations very pleasingly. Ahead of a maiden JORC compliant mineral resource estimate (MRE), anticipated for Q3 2023, further results from all three projects remain pending. Should the results report similarly to the initial results from both assay and mineralogy, ACDC Metals will be on track to deliver a very promising MRE both high in grade as well as assemblage of the important and valuable heavy minerals (HM) that are essential for the EV transition and for which global demand and price is healthy. The Board looks forward to delivering ACDC's maiden Mineral Resource Estimate for Goschen Central as a globally attractive resource on a comparative basis.

In the next quarter ACDC Metals will deliver final assay results from Diamantina Laboratories. The delivery of the JORC resource will follow with the commencement of a scoping study for the mineral sands plant.

The rare earths processing plant (REPP) project will also commence, with a localisation study being undertaken to identify a suitable location in eastern Australia along with the base case for product suite.

Forward Looking Program

- Delivery of JORC Resource at Goschen Central Project (EL5278)
- Commence scoping study of Mineral sand plant (MSP) at Goschen central
- Commence scoping study of Rare earth processing plant (REPP)
- Planning of next phase of drilling

Corporate Activity

During the quarter ACDC Metals attended several conference and presentation events including:

- Sydney Battery Metals forum on May 8th
- Showcased at the Melbourne Mining Club Cutting Edge on May 9th
- Adelaide Critical Minerals conference on May 22nd
- Gold Coast Investment Showcase on June 20th
- Ballarat technical Conference on June 22nd

During the quarter the company was presented with numerous new business development opportunities which remain under review and consideration.

ACDC Metals Technical Presentation

The Company presented this most recent Technical Presentation: **A Genetic Model for the Goschen Central Project**
<https://wcsecure.weblink.com.au/pdf/ADC/02679176.pdf>

ACDC Corporate Presentation

Corporate Presentation: **Powering the Future with Innovative Mine-to-Market Solutions**

<https://wcsecure.weblink.com.au/pdf/ADC/02676736.pdf>

Cash

The Company closed the quarter with \$6.0M in cash, details are provided in the Appendix 5B report.

ASX Compliance

In accordance with ASX Listing Rule 5.3.1, details of the Company's exploration activities for the quarter, including any material developments or material changes in those activities and a summary of the expenditure incurred on those activities is detailed in the preceding sections and in Table A below.

With respect to Listing Rule 5.3.2, the Company confirms that there was no mine production or mine development activities for the quarter.

In accordance with Listing Rule 5.3.3, the Company provides the following information in relation to its mining tenements in Table B. No mining tenements were acquired or disposed of during the quarter.

Table A – Comparison of Actual Expenditure Versus Estimated Expenditure

For the purposes of Listing rule 5.3.4, the Company provides that following comparison in Table A of actual expenditure during the quarter against the use of funds following the issue of securities pursuant to the Prospectus, together with an explanation of any material variances.

Table A - Use of Funds

Use of Funds	Estimate for 2 years after ASX admission	Actual use Q1&Q2 2023 Quarter	Balance Remaining
Exploration at Goschen Central Project	1,605,000	593,004	1,011,996
Exploration at Douglas Project	1,355,000	238,526	1,116,474
Exploration at Watchem Project	1,185,000	325,772	859,228
Medallion Monazite testing	1,450,000	133,795	1,316,205
Project Consideration (Goschen Central Project)	32,602	32,602	0
Project Consideration (Douglas Project)	16,372	16,372	0
Acquisition Costs (Watchem Project)	50,000	50,000	0
Expenses of the Offer	1,075,000	768,197	306,803
Administration & Working Capital	1,231,026	581,646	649,380
Total	8,000,000	2,739,914	5,260,086

In accordance with Listing Rule 5.3.5, the Company confirms payments totalling \$65,000 were made to Directors for employment costs as well as to associates and related parties of the Company, for services rendered up to 31 March 2023.

Deferred Consideration Shares

In relation to the acquisition of the Watchem tenements which was completed on 15 September 2022:

1. The number of Deferred Consideration Shares pending issue (on issue) is 600,000.
2. The terms of and conditions for the issue of Deferred Consideration Shares are summarised below:
 - The announcement of a JORC compliant Inferred Mineral Resource on the Watchem Tenements of at least 60Mt at 4% HM within 5 years from the date of settlement of the acquisition.
3. During the quarter no Deferred Consideration shares were issued or cancelled.
4. There were no further milestones met during the quarter.

Table B - Tenements

Tenement	Registered Holder	Beneficial Interest	Location	Status
EL5278	ACDC Metals Operations Ltd Providence Gold & Minerals Pty Ltd	80% 20%	South Towaninny, VIC	Granted
EL7642	ACDC Metals Operations Ltd	100%	Watchem, VIC	Granted
EL7932	ACDC Metals Operations Ltd	100%	Watchem, VIC	Granted
EL7544	Oro Plata Pty Ltd	100%*	Miga Lake, VIC	Transfer in progress
EL7545	Oro Plata Pty Ltd	100%*	Harrow, VIC	Transfer in progress

*A transfer has been lodged to Earth Resources Regulation (ERR) for an 80% Beneficial interest to ACDC Metals Operations Ltd as outlined in the prospectus inline the terms of agreement.

During the March 2023 Quarter the following ASX Announcements were made:

14-Apr-23	In-Fill Drilling Commences at Goschen Central Project
14-Apr-23	Loyalty Options Offer - Closes Fully Subscribed
14-Apr-23	Application for quotation of securities - ADC
14-Apr-23	Application for quotation of securities - ADC
14-Apr-23	Top 20 Holders - Loyalty Options Offers
20-Apr-2023	Change of Director's Interest Notice - ANS
20-Apr-2023	Change of Director's Interest Notice - IGF
20-Apr-2023	Change of Director's Interest Notice - MSS
28-Apr-2023	Quarterly Appendix 5B Cash Flow Report
28-Apr-2023	Quarterly Activities Report
4-May-2023	ACDC Metals Commences Drilling at Douglas Project
8-May-2023	ADC Investor Presentation - May 2023
25-May-2023	ACDC Completes Drill Program of its Projects in Victoria
6-Jun-2023	ACDC Metals Hits High Grade HMS at GC Project
13-Jun-2023	Change of Director's Interest Notice - MSS
13-Jun-2023	Exceptional Mineralogy at Goschen Central Project
16-Jun-2023	ACDC Metals Corporate Presentation
21-Jun-2023	Change of Director's Interest Notice - RAB
23-Jun-2023	ACDC Metals Technical Presentation

This Announcement has been authorised for release by the Board.

For Further Information

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About ACDC Metals Ltd

ACDC is an integrated mineral exploration and rare earth technology 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). In addition, the Company has entered into a licensing agreement with Canadian public company Medallion Resources Ltd (TSXV:MDL) (Medallion) to utilise its proprietary monazite processing technology, the Medallion Monazite Process (MMP Technology) to extract REE from monazite in a defined jurisdiction.