**ASX Announcement:**
**15 August 2023**

**ASX: ADC**

**ACN** 654 049 699

**CAPITAL STRUCTURE**

Share Price: A$0.073*
Cash: A$5.9 M*
Debt: Nil
Ordinary Shares: 72.3M
Market Cap: A$5.3M*
Enterprise Value: A$-0.5M*
Options: 47.7M
***as of 11 Aug 2023**



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# ACDC Hits High Grade Intervals at Watchem Project

## Key Highlights

- **Best high-grade intervals of >8% Total Heavy Minerals (THM) reported from across 78 drill holes at the Watchem Project.**
- **A new JV adds additional land holding along trend from the high-grade results at the Watchem Project.**
- **Additional results to come with assays from 66 holes at Goschen Central and 43 from Douglas Projects pending.**
- **Mineralogical studies underway to validate exceptional mineral assemblage observed at Goschen Central, and the first assemblage reported at Watchem.**
- **Goschen Central maiden mineral resource estimate due in Q3.**

ACDC Metals Limited (**ASX: ADC**) ("**ACDC Metals"** or the "**Company"**) is pleased to announce the first results from aircore drilling at the Watchem heavy mineral sand (HMS) and rare earth element (REE) project in the Murray Basin of western Victoria, Australia. On the basis of these results, the Company announces tenement acquisitions to secure along strike potential.

Significant intercepts include:

- **45m @ 2.01% THM** from 0m, including **4.5m @ 4.69%** from 13.5m in 23WAC046.
- **42m@ 1.77% THM** from 4.5m including **3m @ 4.2%** from 39m in 23WAC017.
- **16.5M @ 3.38% THM** from 30m including **4.5m @ 6.91%** from 36m in 23WAC014.
- **19.5m @ 2.79% THM** from 31.5m including **1.5m @ 8.05%** from 33m in 23WAC006.
- **19.5m @ 2.58% THM** from 31.5m including **7.5m @ 3.58%** from 36m in 23WAC005.
- **19.5m @ 2.39% THM** from 28.5m including **9m @ 3.20%** from 31.5m in 23WAC004.

Results summarised above and provided in full in Appendix 1 are from the 78 roadside aircore drill holes completed at Watchem in March and April 2023. The program was designed to validate and expand the target.

**ACDC Metals CEO Tom Davidson commented:**

*"We are very pleased to report strong and widespread mineralisation from the first holes drilled by ACDC on the Watchem Project. The additional tenure acquired covers an extensive and prospective shore-line, along strike from high grades reported here. These results place ACDC Metals in a strong position to deliver a significant mineral resource.*

*Mineralogy assessment to classify the valuable heavy mineral distribution (zircon, rutile, ilmenite, monazite) is well progressed, and will be reported shortly. The Watchem Project lies immediately north of Astron Corporation Limited's bankable feasibility stage Donald Project, which provides ACDC Metals with a high degree of knowledge and confidence on exploration potential.*

Mineralogy determination has been delayed due to laboratory constraints but is well progressed. Independent consultants are undertaking both grain counting and QEMSCAN, which enables accurate reporting of full heavy mineral assemblage.

The pending assay results from Goschen central project are from the infill program undertaken in April 2023 and will support the maiden JORC resource estimate.

The pending assay results from Douglas project are from the exploration program undertaken in May 2023 across the tenement and will support expansion on the new tenements.

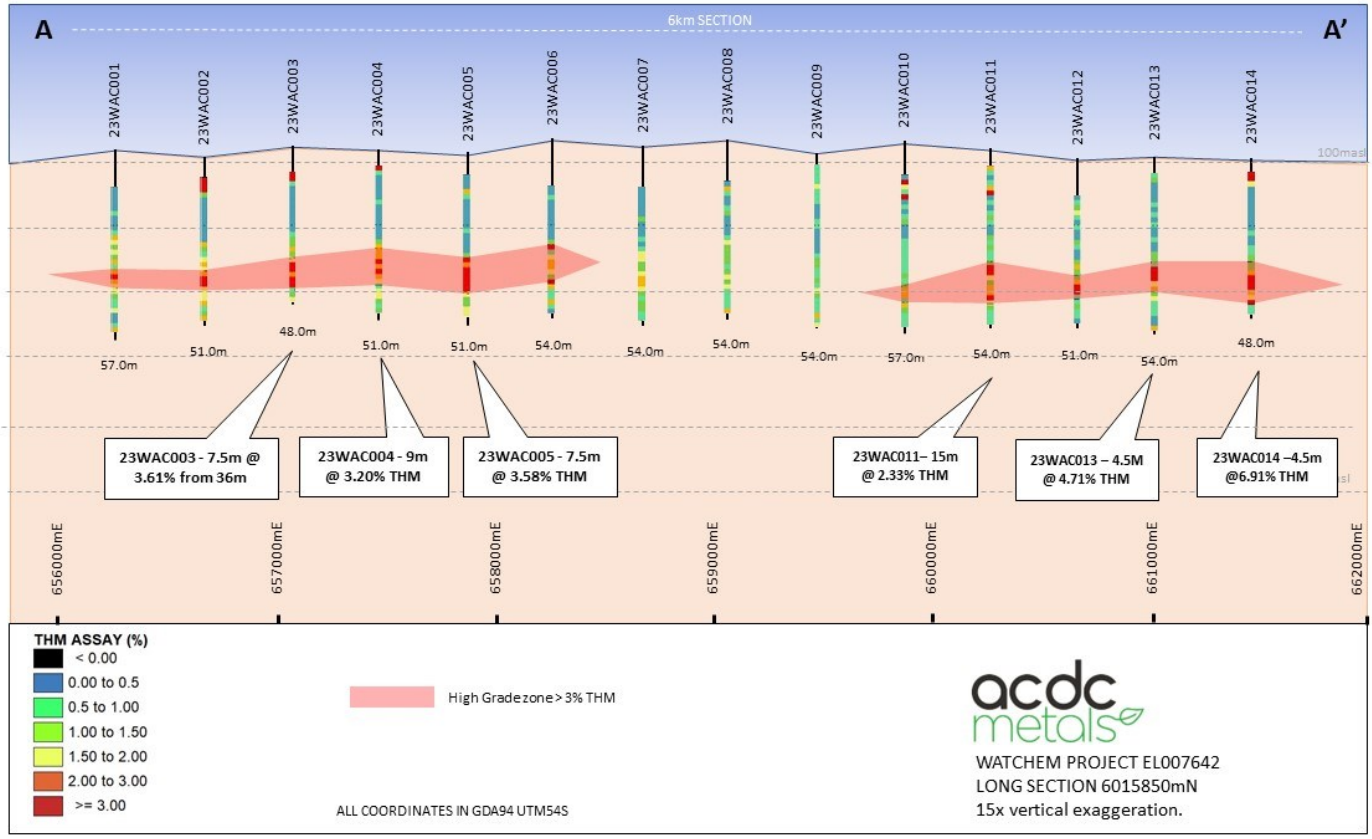


*Figure 1 - Long section A-A' (~6015850mN, Section 1) running E-W through the Watchem Project, refer to Figure 2. The high grade zone reflects ancient shorelines that ACDC believes extend over.*

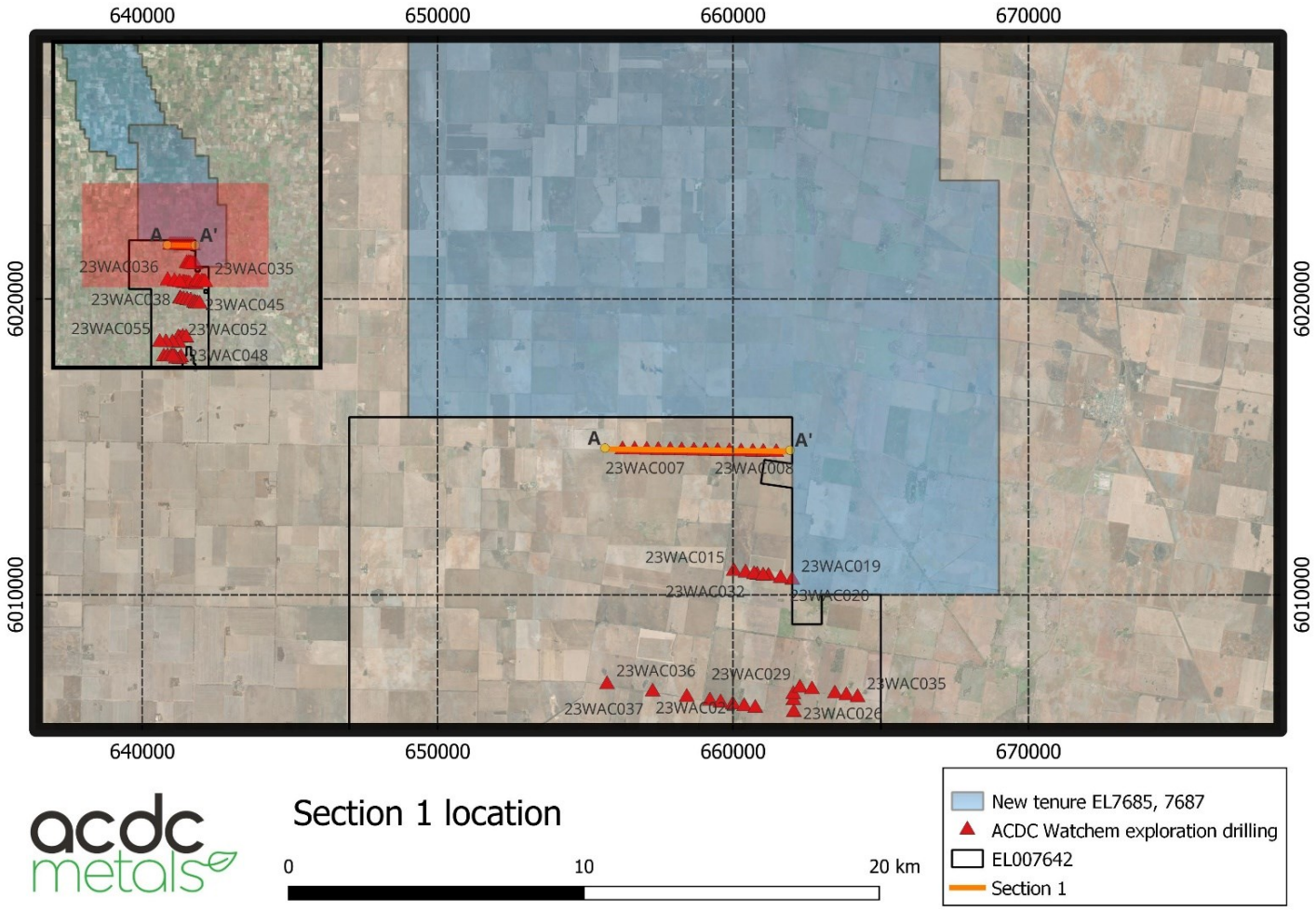


*Figure 2 - Zoom of resource drilling and Figure 1 section location*

**Acquisition of new tenements.**

ACDC Metals Operations Ltd has entered into a Joint-Venture with Vendor, where it has been agreed that a total of $111,140.46 in cash payments will be made over a four-year period at agreed milestones.

Tenements included; EL007987 and EL007985, which adjoin EL007642 (Watchem Project) to the north, along with exploration licence applications EL007907 and EL007908 which surround the ACDC Metals Douglas project (EL007544).

Previous exploration drilling has discovered heavy mineral sand mineralisation on all of the newly acquired tenements. Locations of the new tenures are shown in Figures 3 and 4.

Heavy minerals form along ancient shorelines (see ASX release 23/06/23) the new tenure north of EL007642 gives ACDC an additional 70km of strike length of ancient Murray Basin shoreline that ACDC believes may contains concentrations of heavy minerals and rare earth elements.

The total tenement holding controlled by ACDC in the Murray Basin is now 2697 square km. ACDC believes it is well placed to uncover high grade, long life heavy mineral deposits.

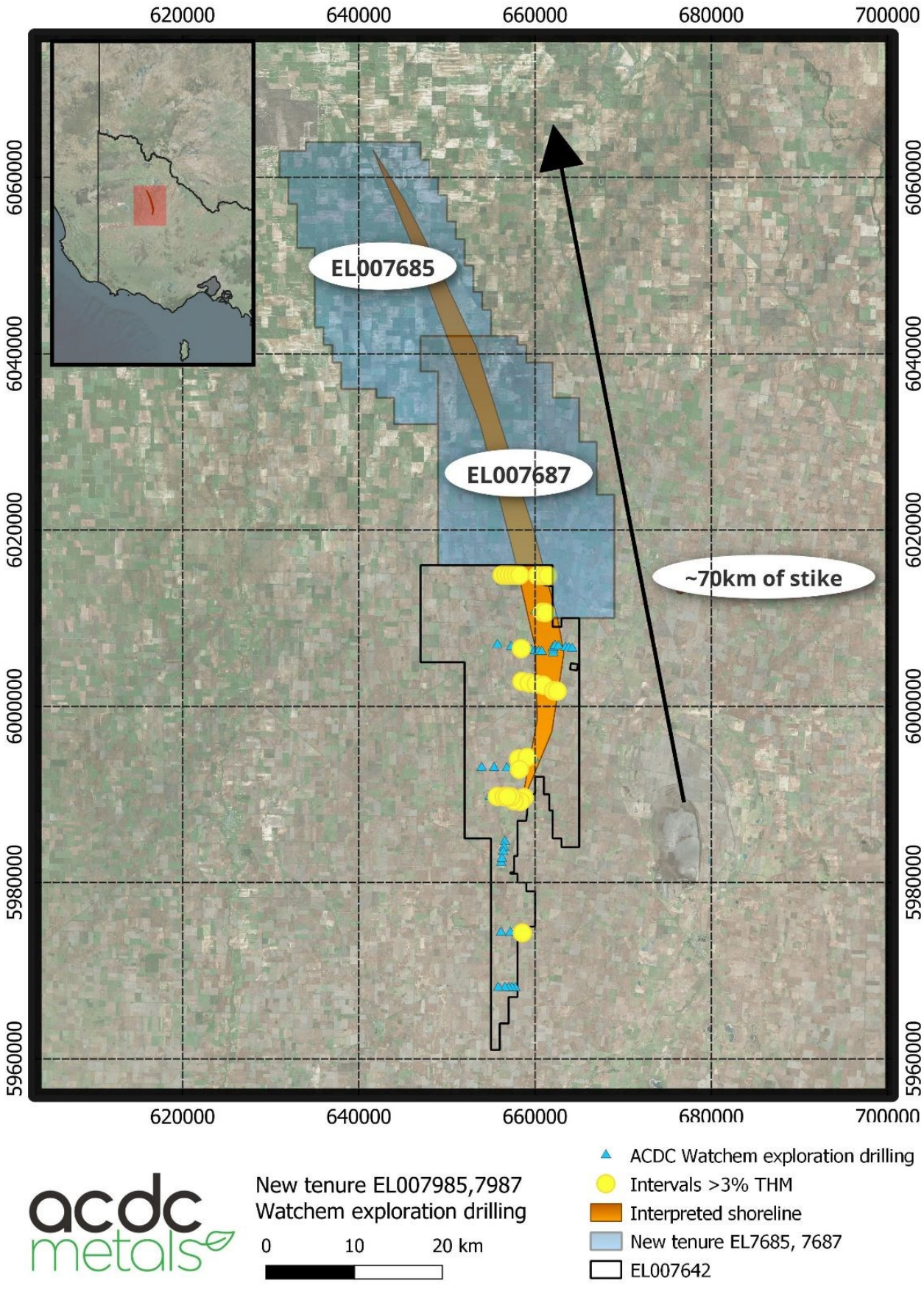


*Figure 3 - ACDC Watchem exploration drilling with newly acquired EL007985 and 7987. This tenure adds 50km of prospective strike length for ACDC just at the Watchem project.*

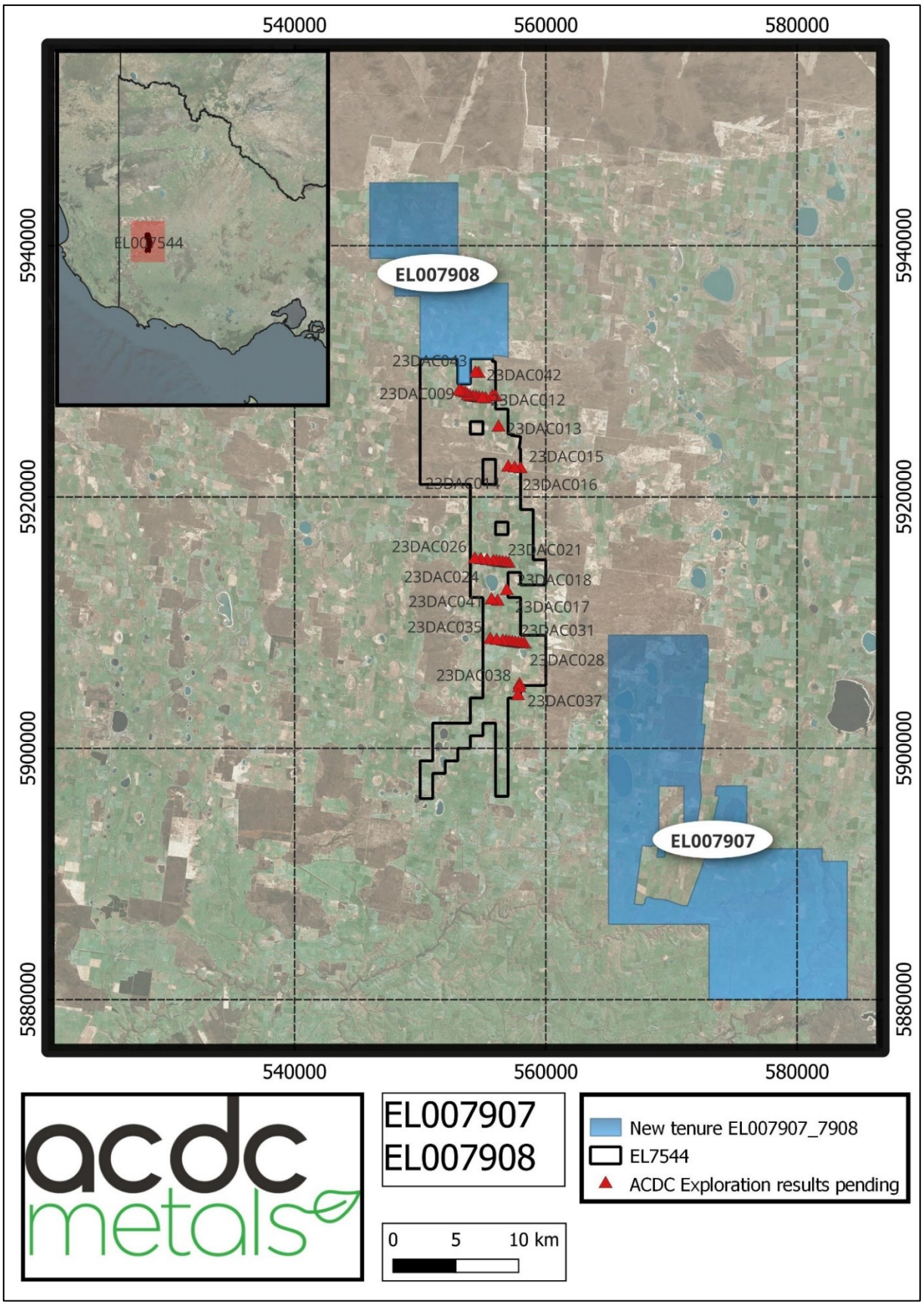


*Figure 4 - ACDC Douglas exploration drilling with newly acquired EL007907 and 7908*

*We refer shareholders and interested parties to the website www.acdcmetals.com.au where they can access the most recent corporate presentation, video interviews and other information.*

*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 Australian Institute of Geoscientists (AIG, member no 8652)

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.

## Appendix 1

*Table 1 - All total heavy mineral assays over 1% over > 3m*

| HOLEID | FROM | TO | Interval (m) | THM(%) | Grade x thickness | INC | FROM | TO | Interval (m) | THM(%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 23WAC001 | 27 | 46.5 | 19.5 | 2.05% | 39.98% | | 39 | 40.5 | 1.5 | 3.62% |
| 23WAC002 | 27 | 46.5 | 19.5 | 2.29% | 44.66% | | 37.5 | 40.5 | 3 | 4.33% |
| 23WAC003 | 28.5 | 48 | 19.5 | 2.42% | 47.19% | | 36 | 43.5 | 7.5 | 3.61% |
| 23WAC004 | 28.5 | 48 | 19.5 | 2.39% | 46.61% | | 31.5 | 40.5 | 9 | 3.20% |
| 23WAC005 | 31.5 | 51 | 19.5 | 2.58% | 50.31% | | 36 | 43.5 | 7.5 | 3.78% |
| 23WAC006 | 31.5 | 51 | 19.5 | 2.79% | 54.41% | | 33 | 34.5 | 1.5 | 8.05% |
| 23WAC007 | 33 | 51 | 18 | 1.52% | 27.36% | | | | 0 | |
| 23WAC008 | 31.5 | 46.5 | 15 | 1.41% | 21.15% | | | | 0 | |
| 23WAC011 | 34.5 | 49.5 | 15 | 2.33% | 34.95% | | 36 | 39 | 3 | 3.49% |
| 23WAC012 | 31.5 | 42 | 10.5 | 2.44% | 25.62% | | | | 0 | |
| 23WAC013 | 30 | 49.5 | 19.5 | 2.07% | 40.37% | | 34.5 | 39 | 4.5 | 4.71% |
| 23WAC014 | 30 | 46.5 | 16.5 | 3.38% | 55.77% | | 36 | 40.5 | 4.5 | 6.91% |
| 23WAC015 | 25.5 | 48 | 22.5 | 1.42% | 31.95% | | | | 0 | |
| 23WAC016 | 4.5 | 15 | 10.5 | 1.81% | 19.01% | | | | 0 | |
| and | 31.5 | 43.5 | 12 | 1.47% | 17.64% | | | | 0 | |
| 23WAC017 | 4.5 | 46.5 | 42 | 1.77% | 74.34% | | 40.5 | 43.5 | 3 | 4.20% |
| 23WAC018 | 34.5 | 48 | 13.5 | 2.13% | 28.76% | | 39 | 42 | 3 | 4.34% |
| 23WAC019 | 28.5 | 40.5 | 12 | 2.35% | 28.20% | | | | 0 | |
| and | 46.5 | 48 | 1.5 | 14.17% | 21.26% | | | | 0 | |
| 23WAC020 | 34.5 | 46.5 | 12 | 2.19% | 26.28% | | | | 0 | |
| 23WAC021 | 28.5 | 51 | 22.5 | 2.40% | 54.00% | | | | 0 | |
| 23WAC022 | 28.5 | 42 | 13.5 | 2.25% | 30.38% | | | | 0 | |
| 23WAC023 | 33 | 39 | 6 | 2.19% | 13.14% | | | | 0 | |
| 23WAC024 | | | 0 | | 0.00% | | | | 0 | |
| 23WAC025 | 37.5 | 45 | 7.5 | 1.50% | 11.25% | | | | 0 | |
| 23WAC026 | 36 | 37.5 | 1.5 | 4.09% | 6.14% | | | | 0 | |
| 23WAC027 | 40.5 | 43.5 | 3 | 1.48% | 4.44% | | | | 0 | |
| 23WAC028 | 31.5 | 42 | 10.5 | 1.82% | 19.11% | | | | 0 | |
| 23WAC029 | 34.5 | 42 | 7.5 | 1.40% | 10.50% | | | | 0 | |
| 23WAC030 | 30 | 45 | 15 | 1.36% | 20.40% | | | | 0 | |
| 23WAC031 | | | 0 | | 0.00% | | | | 0 | |
| 23WAC032 | 34.5 | 48 | 13.5 | 1.52% | 20.52% | | | | 0 | |
| 23WAC033 | 34.5 | 48 | 13.5 | 1.88% | 25.38% | | | | 0 | |
| 23WAC034 | 25.5 | 45 | 19.5 | 1.86% | 36.27% | | | | 0 | |
| 23WAC035 | 18 | 45 | 27 | 1.64% | 44.28% | | | | 0 | |
| 23WAC036 | 21 | 48 | 27 | 1.90% | 51.30% | | | | 0 | |
| 23WAC037 | 27 | 48 | 21 | 1.90% | 39.90% | | | | 0 | |
| 23WAC038 | 25.5 | 45 | 19.5 | 1.78% | 34.71% | | 33 | 34.5 | 1.5 | 4.04% |
| 23WAC039 | 21 | 42 | 21 | 1.96% | 41.16% | | 28.5 | 31.5 | 3 | 5.23% |
| 23WAC040 | 24 | 45 | 21 | 1.85% | 38.85% | | | | 0 | |
| 23WAC041 | 25.5 | 45 | 19.5 | 1.99% | 38.81% | | 31.5 | 36 | 4.5 | 3.58% |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 23WAC042 | 24 | 45 | 21 | 2.67% | 56.07% | | 37.5 | 43.5 | 6 | 4.22% |
| 23WAC043 | 27 | 43.5 | 16.5 | 1.92% | 31.68% | | 37.5 | 39 | 1.5 | 5.20% |
| 23WAC044 | 24 | 45 | 21 | 1.53% | 32.13% | | | | 0 | |
| 23WAC045 | 19.5 | 45 | 25.5 | 1.77% | 45.14% | | 33 | 34.5 | 1.5 | 6.56% |
| 23WAC046 | 0 | 45 | 45 | 2.01% | 90.45% | | 13.5 | 18 | 4.5 | 4.69% |
| 23WAC047 | 30 | 45 | 15 | 1.23% | 18.45% | | | | 0 | |
| 23WAC048 | 24 | 45 | 21 | 3.00% | 63.00% | | | | 0 | |
| 23WAC049 | 18 | 45 | 27 | 2.12% | 57.24% | | 30 | 34.5 | 4.5 | 3.95% |
| 23WAC050 | 24 | 42 | 18 | 3.06% | 55.08% | | 28.5 | 34.5 | 6 | 4.72% |
| 23WAC051 | 24 | 42 | 18 | 3.30% | 59.40% | | 28.5 | 34.5 | 6 | |
| 23WAC052 | 21 | 42 | 21 | 3.31% | 69.51% | | 31.5 | 37.5 | 6 | 5.54% |
| 23WAC053 | 22.5 | 42 | 19.5 | 3.12% | 60.84% | | | | 0 | |
| 23WAC054 | 25.5 | 42 | 16.5 | 1.33% | 21.95% | | | | 0 | |
| 23WAC055 | 30 | 42 | 12 | 2.56% | 30.72% | | | | 0 | |
| 23WAC056 | 25.5 | 42 | 16.5 | 1.65% | 27.23% | | | | 0 | |
| 23WAC057 | 27 | 42 | 15 | 2.65% | 39.75% | | 34.5 | 37.5 | 3 | 3.70% |
| 23WAC058 | 31.5 | 45 | 13.5 | 3.58% | 48.33% | | 34.5 | 43.5 | 9 | 4.69% |
| 23WAC059 | 24 | 42 | 18 | 3.10% | 55.80% | | 37.5 | 39 | 1.5 | 7.56% |
| 23WAC060 | 21 | 40 | 19 | 3.11% | 59.09% | | 27 | 36 | 9 | 4.21% |
| 23WAC061 | 24 | 42 | 18 | 2.89% | 52.02% | | 30 | 34.5 | 4.5 | 4.61% |
| 23WAC062 | 24 | 42 | 18 | 2.69% | 48.42% | | 31.5 | 34.5 | 3 | 4.00% |
| 23WAC063 | 28.5 | 45 | 16.5 | 3.23% | 53.30% | | 31.5 | 33 | 1.5 | 7.96% |
| 23WAC064 | 25.5 | 39 | 13.5 | 4.42% | 59.67% | | | | 0 | |
| 23WAC065 | 25.5 | 42 | 16.5 | 5.23% | 86.30% | | | | 0 | |
| 23WAC066 | 25.5 | 36 | 10.5 | 2.69% | 28.25% | | | | 0 | |
| 23WAC067 | 30 | 42 | 12 | 1.81% | 21.72% | | | | 0 | |
| 23WAC068 | 28.5 | 39 | 10.5 | 2.14% | 22.47% | | | | 0 | |
| 23WAC069 | 18 | 30 | 12 | 2.12% | 25.44% | | | | 0 | |
| 23WAC070 | 18 | 30 | 12 | 2.93% | 35.16% | | 19.5 | 25.5 | 6 | 4.41% |
| 23WAC071 | | | 0 | | 0.00% | | | | | |
| 23WAC072 | 19.5 | 30 | 10.5 | 1.31% | 13.76% | | | | | |
| 23WAC073 | 22.5 | 30 | 7.5 | 3.59% | 26.93% | | | | | |

**Appendix 2**

*Table 2 - Collar details for all Watchem exploration drilling*

| HOLE_ID | UTM_EAST | UTM_NORTH | RL | TD |
|---|---|---|---|---|
| 23WAC001 | 656255 | 6014902 | 104 | 57 |
| 23WAC002 | 656666 | 6014898 | 102 | 51 |
| 23WAC003 | 657074 | 6014891 | 105 | 48 |
| 23WAC004 | 657466 | 6014883 | 113 | 51 |
| 23WAC005 | 657871 | 6014879 | 103 | 51 |
| 23WAC006 | 658259 | 6014874 | 107 | 54 |
| 23WAC007 | 658672 | 6014864 | 105 | 54 |
| 23WAC008 | 659066 | 6014857 | 107 | 54 |
| 23WAC009 | 659476 | 6014849 | 103 | 54 |
| 23WAC010 | 659874 | 6014841 | 106 | 57 |
| 23WAC011 | 660269 | 6014835 | 104 | 54 |
| 23WAC012 | 660666 | 6014826 | 101 | 51 |
| 23WAC013 | 661022 | 6014820 | 102 | 54 |
| 23WAC014 | 661462 | 6014811 | 101 | 48 |
| 23WAC015 | 660021 | 6010797 | 108 | 51 |
| 23WAC016 | 660420 | 6010737 | 106 | 51 |
| 23WAC017 | 660815 | 6010668 | 111 | 54 |
| 23WAC018 | 661196 | 6010627 | 114 | 51 |
| 23WAC019 | 662000 | 6010501 | 112 | 51 |
| 23WAC020 | 661613 | 6010557 | 114 | 51 |
| 23WAC021 | 659216 | 6006413 | 116 | 51 |
| 23WAC022 | 659576 | 6006350 | 113 | 51 |
| 23WAC023 | 659990 | 6006285 | 110 | 51 |
| 23WAC024 | 660376 | 6006223 | 116 | 51 |
| 23WAC025 | 660750 | 6006166 | 114 | 51 |
| 23WAC026 | 662056 | 6006026 | 108 | 51 |
| 23WAC027 | 662042 | 6006429 | 111 | 51 |
| 23WAC028 | 662038 | 6006630 | 114 | 51 |
| 23WAC029 | 662262 | 6006850 | 111 | 51 |
| 23WAC030 | 662672 | 6006792 | 109 | 45 |
| 23WAC031 | 663445 | 6006652 | 113 | 48 |
| 23WAC032 | 660709 | 6010686 | 110 | 51 |
| 23WAC033 | 661018 | 6010643 | 109 | 51 |
| 23WAC034 | 663834 | 6006591 | 108 | 45 |
| 23WAC035 | 664215 | 6006529 | 108 | 45 |
| 23WAC036 | 655731 | 6006965 | 106 | 48 |
| 23WAC037 | 657275 | 6006720 | 108 | 48 |
| 23WAC038 | 658431 | 6006534 | 109 | 45 |
| 23WAC039 | 658501 | 6002814 | 108 | 45 |
| 23WAC040 | 658677 | 6002780 | 103 | 45 |
| 23WAC041 | 659312 | 6002645 | 108 | 45 |
| 23WAC042 | 660125 | 6002514 | 112 | 45 |

| | | | | |
|---|---|---|---|---|
| 23WAC043 | 660922 | 6002380 | 114 | 44 |
| 23WAC044 | 661718 | 6001934 | 119 | 45 |
| 23WAC045 | 662097 | 6001771 | 116 | 45 |
| 23WAC046 | 662521 | 6001706 | 116 | 45 |
| 23WAC047 | 662972 | 6001646 | 126 | 45 |
| 23WAC048 | 658473 | 5993944 | 114 | 45 |
| 23WAC049 | 658113 | 5994011 | 107 | 45 |
| 23WAC050 | 659110 | 5994201 | 111 | 42 |
| 23WAC051 | 659917 | 5994057 | 114 | 42 |
| 23WAC052 | 658231 | 5992833 | 111 | 42 |
| 23WAC053 | 656808 | 5992963 | 110 | 42 |
| 23WAC054 | 655341 | 5992990 | 116 | 42 |
| 23WAC055 | 653936 | 5993014 | 116 | 42 |
| 23WAC056 | 654871 | 5989765 | 123 | 42 |
| 23WAC057 | 655698 | 5989766 | 117 | 42 |
| 23WAC058 | 656477 | 5989742 | 121 | 45 |
| 23WAC059 | 658755 | 5989641 | 114 | 42 |
| 23WAC060 | 658353 | 5989179 | 115 | 40 |
| 23WAC061 | 657624 | 5989293 | 117 | 42 |
| 23WAC062 | 657276 | 5989702 | 111 | 42 |
| 23WAC063 | 656860 | 5989735 | 117 | 45 |
| 23WAC064 | 656568 | 5984624 | 120 | 42 |
| 23WAC065 | 656465 | 5983986 | 117 | 42 |
| 23WAC066 | 656377 | 5983488 | 118 | 42 |
| 23WAC067 | 656165 | 5982219 | 115 | 42 |
| 23WAC068 | 656240 | 5982718 | 120 | 42 |
| 23WAC069 | 658921 | 5974274 | 121 | 30 |
| 23WAC070 | 658563 | 5974280 | 123 | 30 |
| 23WAC071 | 657878 | 5974288 | 125 | 30 |
| 23WAC072 | 657182 | 5974303 | 123 | 30 |
| 23WAC073 | 656125 | 5974325 | 125 | 30 |
| 23WAC074 | 657756 | 5968026 | 128 | 30 |
| 23WAC075 | 657370 | 5968035 | 131 | 33 |
| 23WAC076 | 656985 | 5968040 | 131 | 30 |
| 23WAC077 | 656568 | 5968049 | 127 | 30 |
| 23WAC078 | 655816 | 5968064 | 127 | 30 |

# 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.<br>The following information covers the sampling process:<br>• each 1.5m sample was homogenized within the bag by manually rotating the sample bag;<br>• 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. Estimates are also made of induration hardness, induration type, grain size, sorting and heavy mineral assemblage.<br>• the standard sized sample is to ensure calibration is maintained for consistency in visual estimation;<br>• a sample ledger is kept at the drill rig for recording sample intervals;<br>• A rotary splitter is used to take a 25% split of the drill sample of each 1.5m interval.<br>• 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<br>• Aircore drilling with inner tubes for sample return was used.<br>• 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.<br>• Aircore drill rods used were 3 m long.<br>• NQ diameter (76 mm) drill bits and rods were used.<br>• All drill holes were vertical.<br>• 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.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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'.<br>• 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.<br>• The initial 0 m to 1.5 m sample interval is drilled very slowly in order to achieve optimum sample recovery.<br>• 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.<br>• 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.<br>• The twin-tube aircore drilling technique is known to provide high quality samples from the face of the drill hole (in ideal conditions).<br>• 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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *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.<br>• 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.<br>• Every drill hole was logged in full.<br>• 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.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.* | • The 1.5 m sample interval is rotary split at the drill rig, collected and stored at the ACDC metals storage facility.<br>• The water table depth was noted in all geological logs if intersected whereby sample condition was specified as 'wet poor'.<br>• Hole twinning, lab standards and duplicates are used to ensure samples are representative. |

| | | |
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| | • *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.*<br>• *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.*<br>• *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.<br>• Standards are inserted in the laboratory every 40 samples.<br>• Duplicate assays are conducted every 25 samples to ensure sample homogeneity.<br>• 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.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *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<br>• 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 program. 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.<br>• Twin holes are drilled periodically to test variation in terms of sample collection and assay.<br>• 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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Drill hole collar locations are collected using a Garmin hand held GPS with an accuracy of +-3m.<br>• 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.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Drill holes were spaced at between 100 and 800 meters for the initial drill program.<br>• This data spacing is considered appropriate for possible later inclusion in a Mineral resource or Ore reserve estimate.<br>• Sample compositing has not been applied. |

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| ***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.*<br>• *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 mineralization defined by previous drill data information.<br>• The strike of the mineralization is approximately north-south.<br>• All drill holes were vertical, and the orientation of the mineralization is horizontal.<br>• The orientation of the drilling is considered appropriate for testing the lateral and vertical extent of mineralization without any bias. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Air core samples were stored at the ACDC Bendigo Warehouse facility.<br>• The samples were then dispatched by freight agent to Diamantina laboratories Perth facility for assay and reporting.<br>• Metallurgical samples were utilized from previous drilling completed by previous vendor:<br>  ○ Samples were stored by previous vendor Providence & Gold Minerals.<br>  ○ Samples were collected and dispatched to Mineral Technologies Queensland facility, using freight agents from Bendigo and delivered to the Mineral Technologies laboratory.<br>  ○ The laboratory inspected the packages and did not report tampering of the samples.<br>  ○ 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 |
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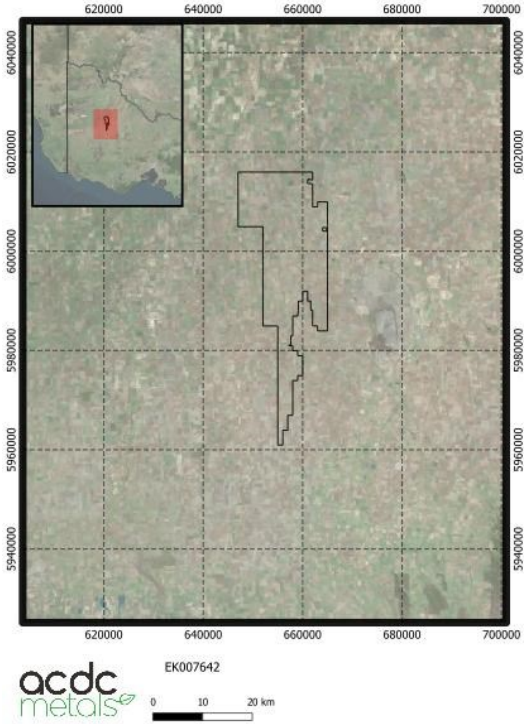
| ***Mineral tenement and land tenure status*** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>*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 EL007642 that is 100% owned by ACDC Metals Ltd.<br>• All work was conducted with relevant approval from local and state authorities.<br>• The tenure is secure with no impediments to obtaining a licence to operate in the area. Replace with map of Watchem.<br>  |

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| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | • Historic exploration work was completed by CRAE from 1982.–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. 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.* | • All received assays > 1% THM have been reported in appendix 1. |
| ***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.* | • Drill hole assays have been averaged over their high grade (>3%THM) and lower grade (>1%THM) widths. Where the drill hole does not include a higher grade zone, just the lower grade zone has been stated. Zones logged as high iron that sit outside the reported mineralization zone has been excluded from the data. |
| ***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:<br>• Reported widths are the true widths due to the horizontal nature of the deposit. |

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| ***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. All plans and sections are clearly labelled and are shown in GDA94/UTMZ54 coordinates. |
| ***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.* | • Both low and high grade intervals have been reported. Al intervals of > 1% THM are shown in Appendix 1. |
| ***Other substantive exploration data*** | *Other exploration data, if meaningful and material, should be reported including*<br>*(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).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Mineralogical analysis is ongoing. |