

ASX: ADC

ACN 654 049 699

CAPITAL STRUCTURE

Share Price: A\$0.063
Cash: A\$4.9 M
Debt: Nil
Ordinary Shares: 72.3M
Market Cap: A\$4.6M
Enterprise Value: A\$-0.3M
Options: 45.7M
*as of 29 Jan 2024

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
Andrew Draffin

CONTACT

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Quarterly Activities Report 31 December 2023

Key Highlights

- **Substantial maiden JORC compliant Mineral Resource estimated at Goschen Central**
 - **122 million tonnes Indicated and Inferred @ 3.4%** Total Heavy Minerals (THM) and 1013 ppm Total Rare Earth Oxides (TREO).
 - **Very high value mineral suite:** 24% Zircon, 9% Rutile, 3.7% Monazite, 0.4% Xenotime (3.0% TREO) and 35% Ilmenite + Leucoxene.
- **The Goschen Central deposit remains open in multiple directions and ACDC Metals anticipates resource growth following extension drilling in 2024.**
- **Significant intercepts heavy mineral sand (HMS) assays from Goschen Central include:**
 - 19.5m @ 2.44% HM from 22.50m including 3.0m @ 7.18% HM from 31.50m in 23AC133
 - 25.5m @ 1.93% HM from 16.50m, including 1.5m @ 6.82% HM from 16.5m and 3.0m @ 3.29% HM from 31.5m in 23AC126
 - 21.0m @ 3.21% HM from 24.0m, including 9.0m @ 5.41% HM from 30.0m in 23AC129
 - 24.0m @ 1.73% HM from 16.5m including 1.5m @ 4.76% HM from 16.5m and 1.5m @ 7.18% HM from 31.5m in 23AC119
 - 27.0m @ 1.76% HM from 18.0m including 4.5m @ 5.68% HM from 27.0m in 23AC138
 - 27.0m @ 1.75% HM from 16.5m including 1.5m @ 5.23% HM from 16.5m and 3.0m @ 4.17% HM from 33.0m in 23AC141
 - 25.5m @ 1.71% HM from 16.5m including 4.5m @ 4.58% HM from 30.0m in 23AC140
 - 18.0m @ 2.35% HM from 24.0m including 4.5m @ 4.30% HM from 31.5m in 23AC125
 - 28.5m @ 1.48% HM from 19.5m including 4.5m @ 4.08% HM from 30.0m in 23AC121
- **Reporting of all assays from 142 holes at Goschen Central, the results have bolstered confidence in the project's viability and indicate a strong foundation for further development, marking significant project advancement.**
- **Shallow high-grade heavy mineral sands were intersected at the Douglas HMS project, with mineralisation interpreted to be of the same strandline style as the nearby Douglas HMS Mine.**
- **Funding: the Company remains well funded with \$4.9m cash**
- **Preparation for our Q1 CY2024 drill program completed, and scoping studies for Goschen central and Rare earth processing plant remain on track.**

ACDC Metals Limited (ASX: ADC) ("ACDC" or the "Company") announces the Quarterly Activities Report for the December 2023 Quarter. During the Quarter ACDC delivered a maiden JORC compliant Mineral Resource for the Goschen Central Project in western Victoria. The resource is the result of aircore drilling undertaken throughout 2022 and 2023. This is the first resource calculated across ACDC Metals' multi-project 2,536 km² Murray Basin land tenement package and sets the stage for resource growth and economic studies at Goschen Central.

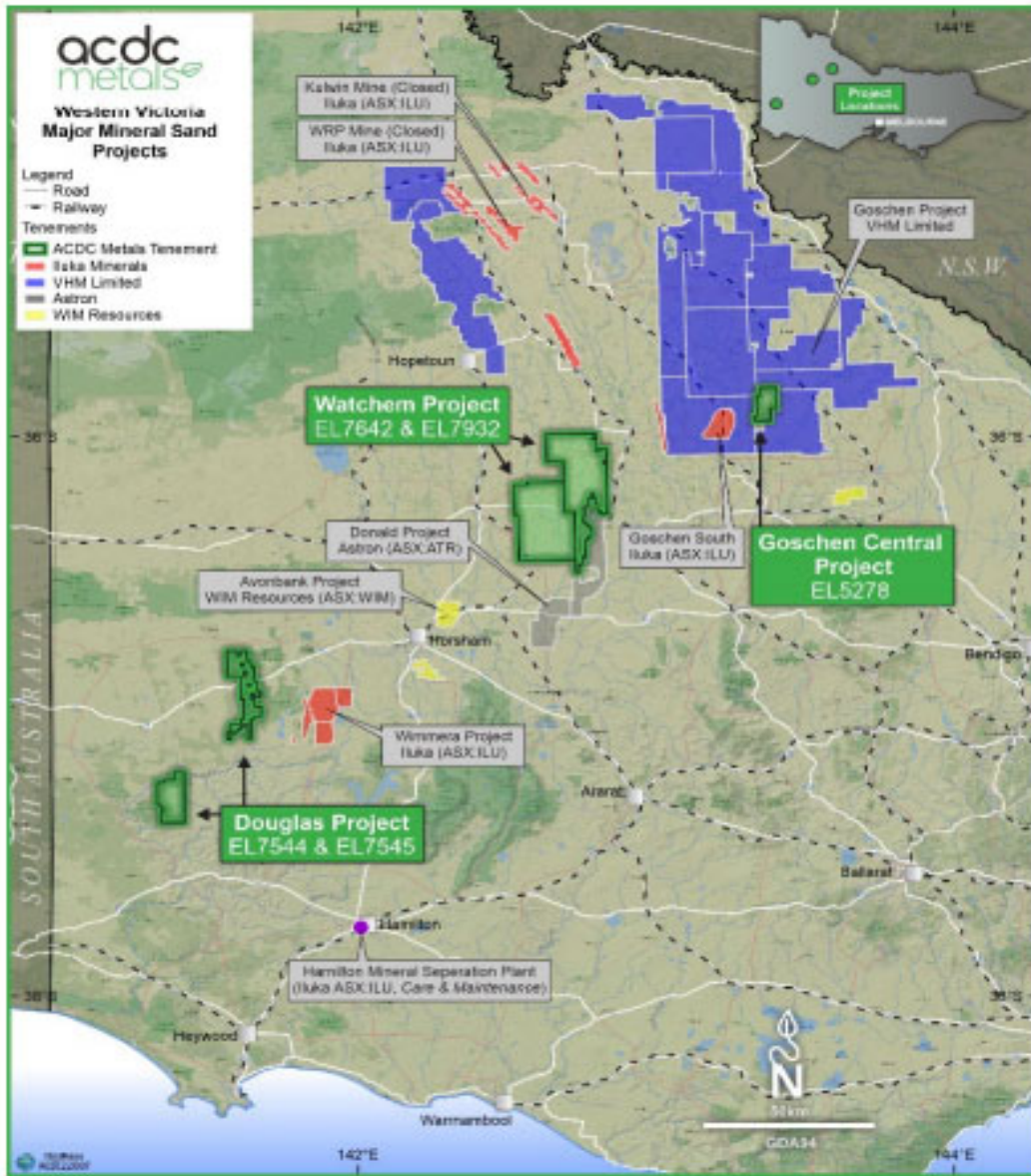


Figure 1. Overview of ACDC Metals tenements

ACDC Metals CEO Tom Davidson commented: “It has been tremendously satisfying to finish the year strongly, accomplishing a large schedule of project assessment, drilling, sampling, analysis and preparatory work that culminated in delivery of a significant maiden resource for the Company. Results from all drill and sampling programs exceeded the Company’s expectations for both grade and assemblage.

ACDC Metals, in its first operational year has met and exceeded all expectations from the Company IPO prospectus and is now well positioned to further exploit our rich portfolio of projects in 2024.”

Activities for the Quarter

OPERATIONS

Q4 CY2023 was a significant quarter for the Company, during which ACDC Metals continued to execute upon all work plans as per our Prospectus. Significantly ACDC Metals delivered a maiden Mineral Resource for the Goschen Central Project in November 2023, after completing a comprehensive drill program with final results delivered early October. Additionally, aircore drilling at ACDC's Douglas Heavy Mineral Sands and REE Project delivered highly encouraging results showing potential for high grade material similar to Iluka's Douglas Mine HMS deposit.

Goschen Central Project

The Goschen Central Project was the subject of extensive aircore drilling, revealing high-grade heavy mineral sand (HMS) assays across a significant 7.5 km² area. The completion of 142 holes marked a crucial step in understanding the extent and value of the mineralization, setting the stage for the anticipated and delivered maiden Mineral Resource Estimate.

These results underscore the project's robust potential for further development, with a focus on efficiently creating downstream value within Australia by extracting rare earth elements utilizing our Rare earth processing technology.

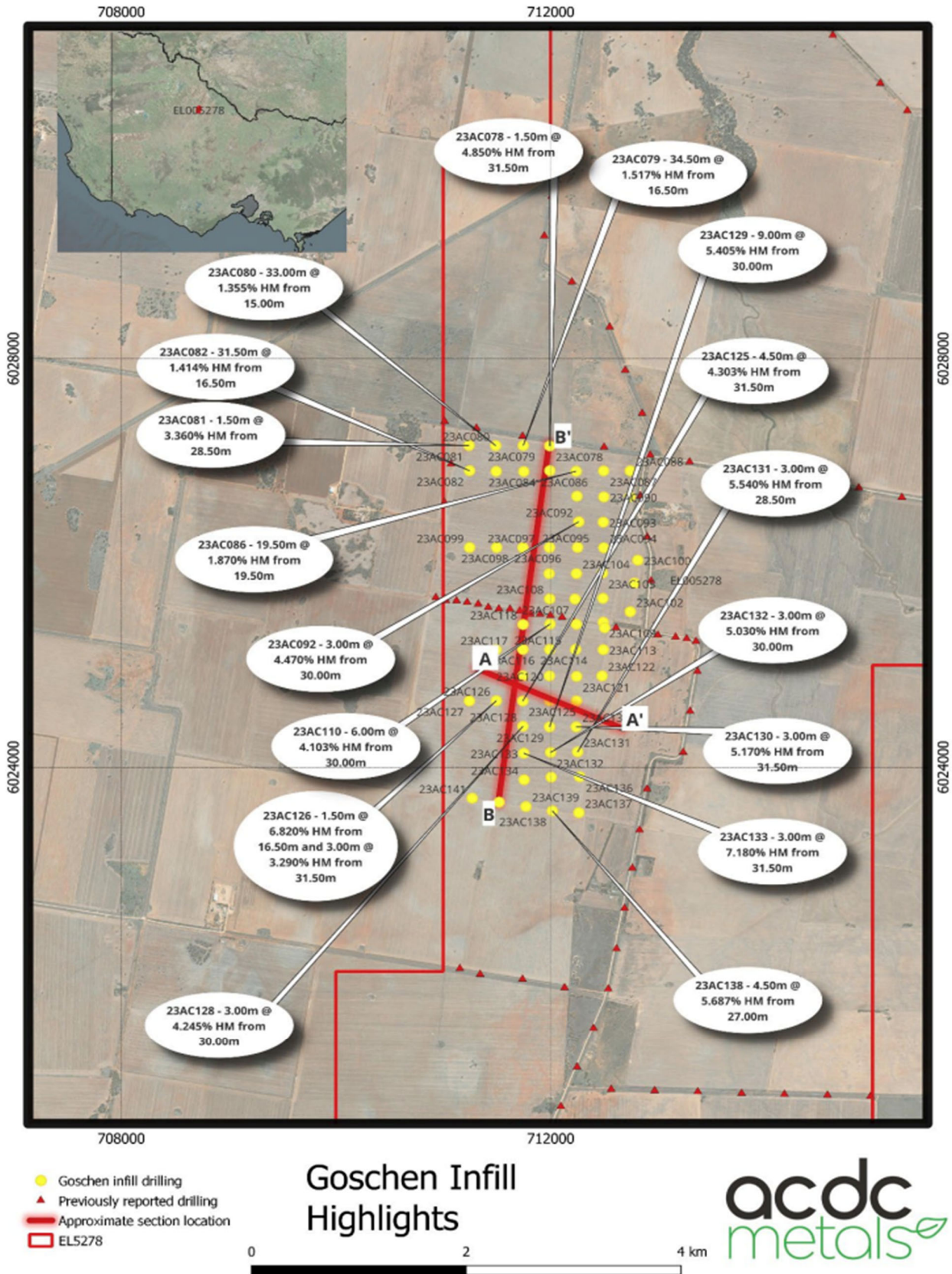


Figure 2. Selected highlights from Goschen infill drilling program

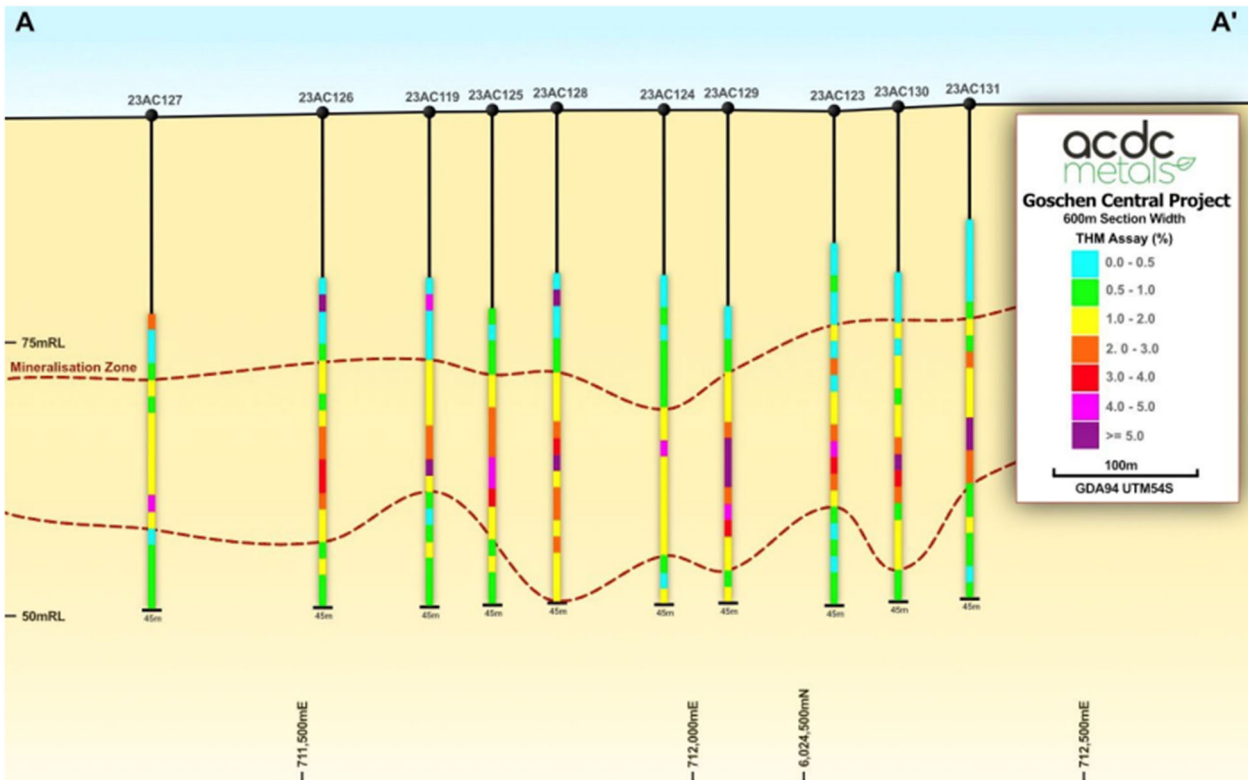


Figure 3. – 600m width NW-SE section through infill drilling, approximate section location shown (A-A') in Figure 3

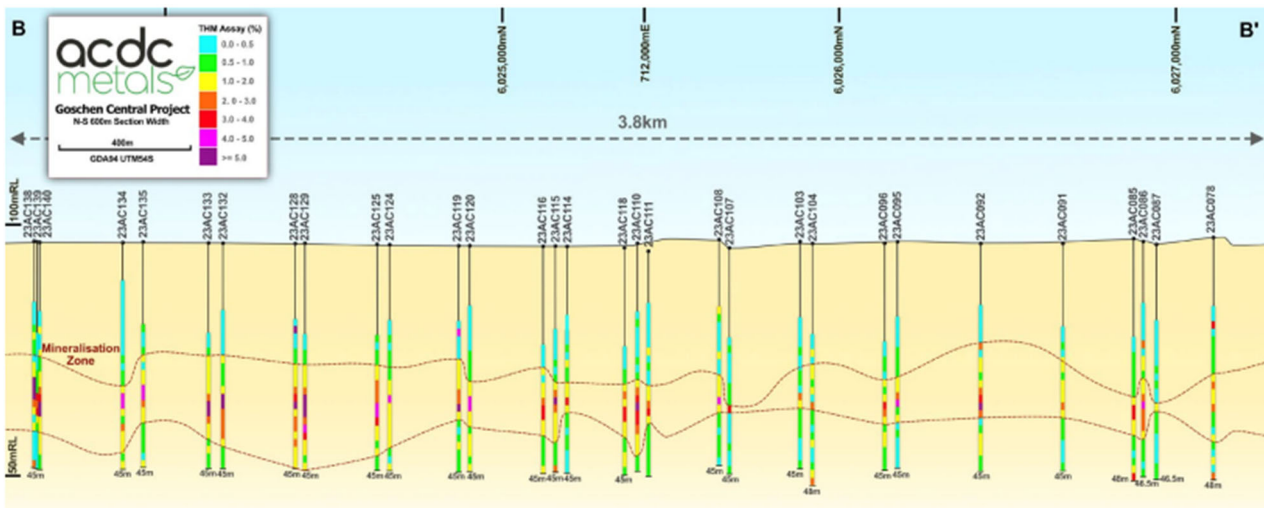


Figure 4. – NS section through infill drilling, Section location shown (B-B') in Figure 3

JORC Mineral Resource Declaration

A major milestone was achieved with the delivery of a maiden Indicated and Inferred JORC compliant Mineral Resource, encompassing 122 million tonnes at 3.4% total heavy mineral (THM) and 1013 ppm total rare earth oxide (TREO) at a 2% THM cut-off. This maiden resource, highlighting a high-value mineral suite, establishes Goschen Central as a substantial project for potential future development. The announcement detailed higher grade sections within the resource and the attractive rare earth element distribution, affirming the project's economic and strategic value. Progress was made towards additional drilling and scoping studies for both the

Goschen Central project and the rare earth element processing plant were set to further determine project opportunities.

The Goschen Central deposit remains open in multiple directions and ACDC Metals anticipates resource growth following extension drilling in 2024.

Table 1 – Goschen Central Project Mineral Resource at 2% cut-off

Classification	Tonnes	Total HM	Rutile	Leucoxene	Ilmenite	Zircon	Monazite	Xenotime
	Mt	%	%	%	%	%	%	%
Indicated	28	4.0	9.3	10	22	25	3.8	0.42
Inferred	94	3.1	8.8	12	24	24	3.6	0.43
Total	122	3.4	9.0	12	23	24	3.7	0.43

Rare Earth Element Assemblage

The Goschen Central Project contains 122,000 tonnes of TREO at an estimated grade of 1013 ppm, presenting a significant project for the future supply of critical raw materials. The key value driver for REE is the contribution of Magnetic Rare Earth Oxides (MREO) neodymium, praseodymium, dysprosium and terbium, as reported in Table 2, which together contribute over 21% by weight of the REE assemblage.

Table 2 - Goschen Central Project Magnet Rare Earth assemblage at 2% Cut-off.

JORC Category	Tonnes Mt	HM Grade %	TREO % of HM	In-Situ Grades – Magnetic Rare Earth Oxides								
				Pr ₂ O ₃		Nd ₂ O ₃		Tb ₂ O ₃		Dy ₂ O ₃		TREO
				ppm	% TREO	ppm	% TREO	ppm	% TREO	ppm	% TREO	ppm
Indicated	28	4.0	3.1	51	4.1%	179	14.5%	5	0.4%	31	2.5%	1233
Inferred	94	3.1	3.0	39	4.1%	138	14.6%	4	0.4%	24	2.5%	945
Total	122	3.4	3.0	42	4.1%	147	14.5%	4	0.4%	25	2.5%	1013

Table 3 details the Mineral Resource Estimate by total HM% cut-off grade.

Table 3 Goschen central project Mineral Resource estimate – by total HM% cut-off grade

Cut-off Grade	Tonnes (Mt)	Total HM %	Slimes %	Oversize %	% of total HM						
					Mineral Assemblage						
					Rutile	Leucoxene	Ilmenite	Zircon	Monazite	Xenotime	TREO
1%	628	1.9	20	4.1	8.7	12	23	24	3.6	0.44	3.0
2%	122	3.4	20	4.3	9.0	12	23	24	3.7	0.43	3.0
3%	59	4.5	21	5.0	9.1	10	23	25	3.7	0.39	3.0

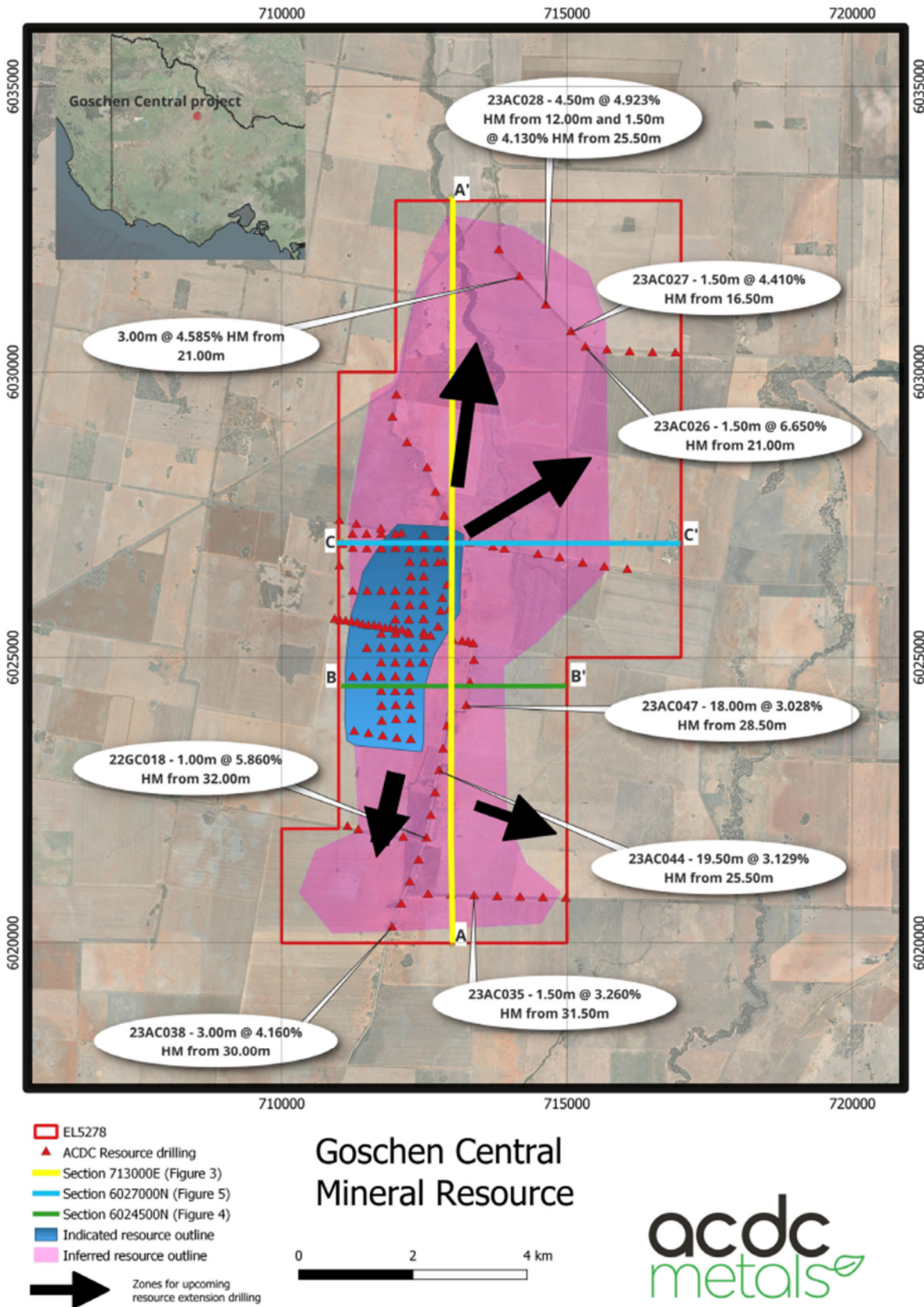


Figure 5. Resource outlines and zones of resource extension for upcoming resource extension drilling

Douglas Project

Aircore drilling at the Douglas project delivered exciting results with the intersection of a new zone of shallow high-grade HMS, suggesting valuable strandline-style mineralisation akin to the nearby Douglas HMS Mine (In operation from 2004 to 2012)¹. Initial assays from a total of 2,338 metres of drilling were received and analysed. This strategic discovery not only extends ACDC's mineral portfolio but also demonstrates the Company's effective exploration strategy and promising future in identifying and developing high-value mineral resources. The results laid the foundation for further exploration and the potential expansion of the strandline-style mineralisation, with an upcoming follow-up drill campaign planned for early Q1 2024.

¹ <https://iluka.com/community-engagement/douglas/>

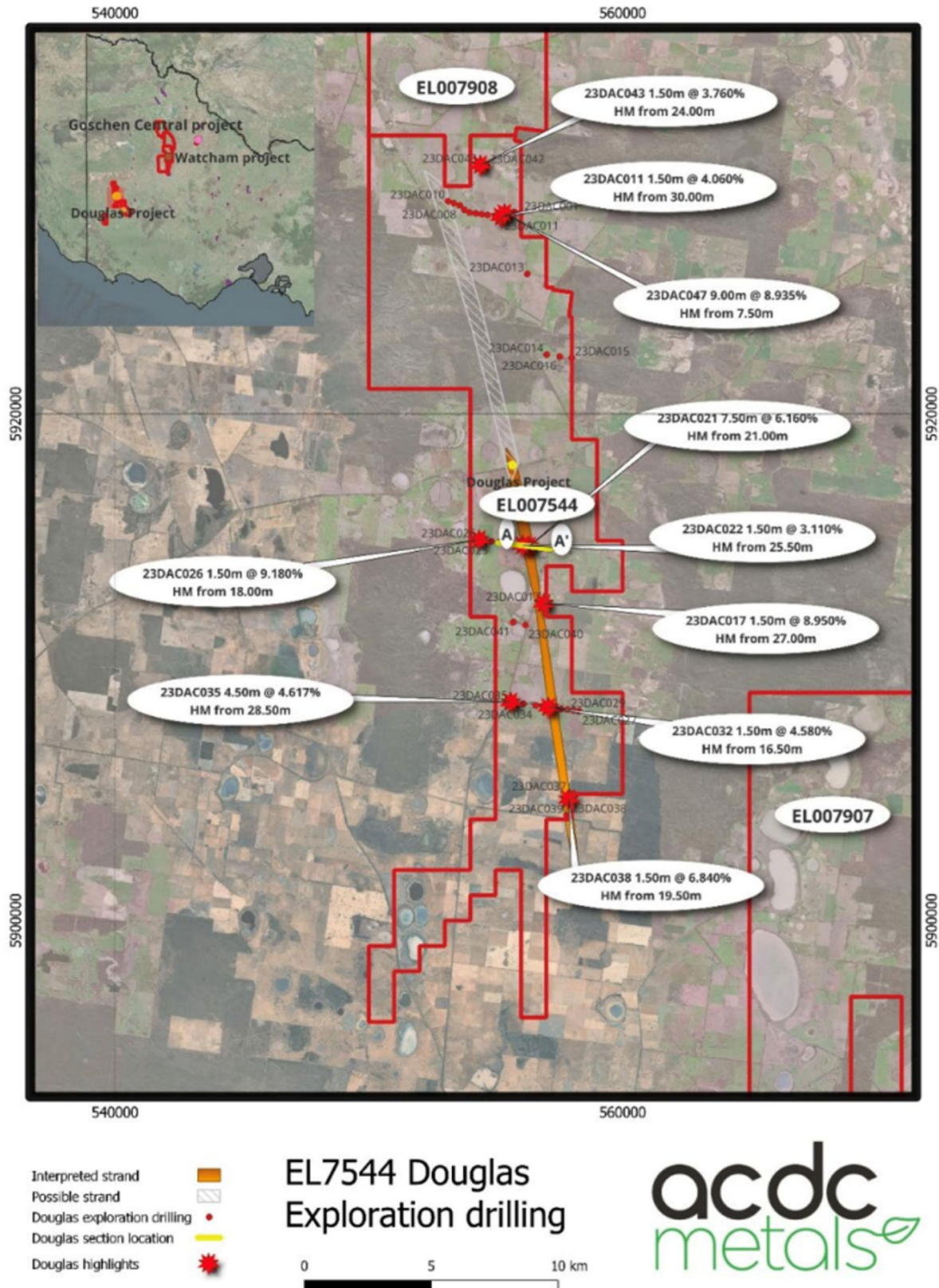
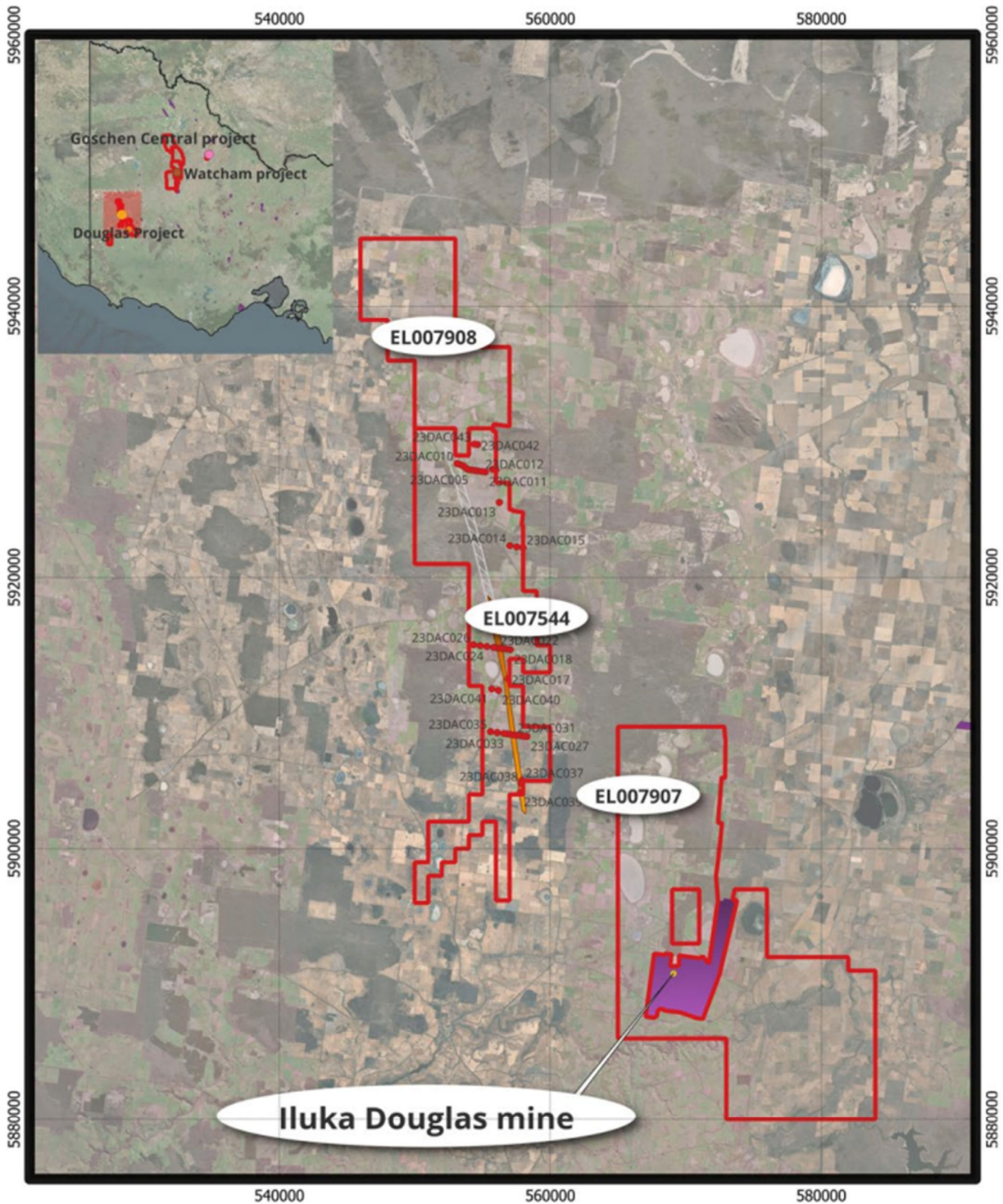


Figure 6. Douglas exploration drilling highlights



- Interpreted strand
- Possible strand
- Douglas exploration drilling
- Mining lease

Douglas project Overview

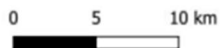


Figure 7. Overview of Douglas Projects

Future Outlook

As ACDC Metals commences CY2024 focus will be on the next round of drilling that will build upon the significant results obtained in 2023 across our portfolio. The completion of scoping studies will enable techno-economic evaluations of the asset portfolio, and allow the Company to place itself amongst its peers.

The further drilling at Goschen Central will build on the JORC compliant mineral resource quoted in 2023, where ACDC will increase confidence in our geological understanding and explore opportunities identified within the scoping study. The additional drilling is anticipated to enable an update to the 2023 resource estimate to be completed in 2024.

Exploration drilling at North Watchem and Douglas will look to build on the promising potential that was identified during the 2023 program.

Forward Looking Q1 2024 Program

- Completion of scoping study of mineral sand plant (MSP) at Goschen Central
- Completion of scoping study of rare earth processing plant (REPP)
- Drilling complete across Goschen Central, North Watchem and Douglas, and samples delivered to the assay laboratory.

Corporate Activity

In addition to advancing the core projects, the Company continues to evaluate new opportunities in-line with the objectives as outlined in the Prospectus.

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

Resource Connect Asia 2023

Upcoming events

RIU Resources – Fremantle WA - February 2024

Mineral Sands and Rare earth conference – March 2024

ACDC Corporate Presentation

Corporate Presentation: [Powering the Future with Innovative Mine-to-Market Solutions](#)

Annual General Meeting: [AGM – Chair’s Address and Executive Presentation](#)

Cash

The Company closed the quarter with \$4.9M 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.

Use of Funds	Estimate for the first 2 years after ASX admission	Actual use Q1, Q2, Q3 & Q4 2023 Quarter	Balance Remaining
Exploration at Goschen Central Project	1,605,000	781,222	823,778
Exploration at Douglas Project	1,355,000	402,257	952,743
Exploration at Watchem Project	1,185,000	517,072	667,928
Medallion Monazite testing	1,450,000	281,200	1,168,800
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	903,475	327,551
Total	8,000,000	3,752,397	4,247,603

*Part of the Expenses of the Offer that was declared as an estimate has been reallocated to Administration & Working Capital in the Actual Use column.

In accordance with Listing Rule 5.3.5, the Company confirms payments totalling \$119,000 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	Fish Hawk Resources Ltd*	100%	Watchem, VIC	Granted
EL7932	Fish Hawk Resources Ltd*	100%	Watchem, VIC	Granted
EL7544	ACDC Metals Operations Ltd Oro Plata Pty Ltd	80% 20%	Miga Lake, VIC	Granted
EL7545	ACDC Metals Operations Ltd Oro Plata Pty Ltd	80% 20%	Harrow, VIC	Granted
EL7685	Oro Plata Pty Ltd	100%	North Watchem, VIC	Transfer in progress**
EL7687	Oro Plata Pty Ltd	100%	North Watchem, VIC	Transfer in progress**
EL7907	Oro Plata Pty Ltd		Miga Lake, VIC	Yet to be granted***
EL7908	Oro Plata Pty Ltd		Harrow, VIC	Yet to be granted***

*Subsidiary 100% owned by ACDC Metals Ltd.

**A transfer has been lodged to Earth Resources Regulation (ERR) for an 80% Beneficial interest to ACDC Metals Operations Ltd.

***EL to be granted to Oro Plata Pty Ltd at 12 months, at which point the transfer process will commence with ACDC Metals Operations Ltd.

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

03-Oct-23	ACDC Goschen Central High Grade Results
04-Oct-23	ACDC Metals Resource Connect Asia Presentation
20-Oct-23	Notice of Release of Escrow Securities
20-Oct-23	AGM Notice of Meeting & Proxy form
27-Oct-23	Application for quotation of securities ADC
08-Nov-23	Goschen Central Project Maiden Minerals Resource
21-Nov-2023	AGM – Chair’s Address and Executive Presentation
21-Nov-2023	Results of 2023 Annual General Meeting
06-Dec-2023	High Grade at ACDC’s Minerals Sands Douglas Project

This Announcement has been authorised for release by the Board.

For Further Information

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Chief Executive Officer

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Peter Taylor

Media & Investor Relations

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About ACDC Metals Ltd

ACDC Metals is a heavy mineral sand and rare earth element explorer and developer focussed on projects in the Murray Basin of western Victoria, Australia. ACDC Metals is also developing its licenced downstream processing technology for its Rare Earth Processing plant (REPP) Project. The process extracts rare earth elements from monazite.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of Entity

ACDC METALS LIMITED

ABN

76 654 049 699

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(80)	(179)
(e) administration and corporate costs	(198)	(361)
1.3 Dividends received	-	-
1.4 Interest received	50	99
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from/(used in) operating activities	(228)	(441)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(481)	(680)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from/(used in) investing activities	(481)	(680)

	Current quarter \$A'000	Year to date (6 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities ¹	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from/(used in) financing activities	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase/(decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,588	6,000
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(228)	(441)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	(481)	(680)
4.4 Net cash from /(used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Effect on deconsolidation of subsidiary	-	-
4.7 Cash and cash equivalents at end of period	4,879	4,879

	Current quarter \$A'000	Previous Quarter \$A'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	4,879	5,588
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,879	5,588

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
119
-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing Facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities		

7.5 Unused financing facilities available at quarter end -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (item 1.9)	(228)
8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(481)
8.3 Total relevant outgoings (item 8.1 + Item 8.2)	(709)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,879
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,879
8.7 Estimated quarters of funding available (Item 8.6 dividend by Item 8.3)	7

8.8 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not ?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis ?

N/A

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Compliance Statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2024

Authorised by:

Notes:

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the {name of board committee - eg *Audit and Risk Committee*}". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration for its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system risk management and internal control which is operating effectively.