



ACDC METALS LIMITED AND CONTROLLED ENTITIES

ABN: 76 654 049 699

**Financial Report For The Half-Year Ended
31 December 2024**

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Financial Report For The Half-Year Ended 31 December 2024

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**ACDC METALS LIMITED
CORPORATE DIRECTORS**

Directors

Andrew Shearer	Non-Executive Chair
Mark Saxon	Executive Director
Ivan Gerard Fairhall	Non-Executive Director
Richard Allan Boyce	Non-Executive Director

Company Secretary

Adrien Wing

Registered Office

Level 6
111 Collins Street
Melbourne Vic 3000

Principal place of business

Level 6
111 Collins Street
Melbourne Vic 3000

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Legal Advisers

Steinepreis Paganin
Level 6
99 William Street
Melbourne Vic 3000

Share registry

Automic Group
Suite 501
477 Collins Street
Melbourne Vic 3000

Securities Exchange

Australian Securities Exchange Limited
525 Collins Street
Melbourne Vic 3000

ASX Code: **ADC**



Dear Shareholder,

On behalf of the board of ACDC Metals (“ACDC of the Company”), it is with a solid sense of achievement that I present this Half-yearly Report. The ending 31st December 2024 delivered on our business strategy in the development of our heavy mineral sand and rare earth element assets.

In the past six months we have continued to deliver strong exploration results. The results have enabled us to evaluate our portfolio and ensure our focus and strategy will deliver for shareholders. Work on refinement of the Scoping Study at the Goschen Central Project and the Rare Earth processing plant is continuing.

The review of operations, included herein, provides the detail of achievements and activities completed during the first half of 2025 financial year in support of our plan. We are pleased to report that ACDC Metals has achieved all the milestones laid out in the IPO Prospectus and delivered better than expected results to date. The significant milestones include:

- Update of JORC compliant mineral resource estimate at Goschen Central; 620Mt @ 2.2% THM.
- Scoping studies well advanced for the Goschen Central Project and the Rare Earth processing plant project.
- Metallurgical program on Goschen Central bulk sample well advanced and will support resource update, further development of the project and product specifications for customers.
- New discoveries of significant high-grade strandlines at Watchem North and Douglas Projects.

In FY25 we aim to firmly build on the achievements of FY24, with a strong cash position and clear plan to execute on the Company vision. Scoping studies will be completed for both the Goschen Central Project and the Rare Earth Processing Plant. Further field work is planned at Goschen Central and Douglas Projects, to further our geological understanding and confidence in project potentials.

We are also excited to see the progressive development activity occurring in the Central Western Victoria region and ACDC will play a part in the future mining district, that will be globally significant.

In addition, we continue to evaluate new business opportunities that have the potential to enhance shareholder value. A considerable number of projects have been reviewed in the precious metals and critical minerals sectors. The Board is focused on delivering shareholder value from our current projects and potential new opportunities.

The Board and Management team looks forward to reporting to you as we move forward with the delivery of our strategy to efficiently deliver shareholder value, and on behalf of the Company team, we would like to extend our thanks for your continuing support.

Kind regards

A handwritten signature in blue ink, appearing to read 'Tom Davidson', positioned above a horizontal line.

Tom Davidson
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Andrew Shearer', positioned above a horizontal line.

Andrew Shearer
Non-Executive Director & Chair

COMPANY OVERVIEW

ACDC Metals Ltd (“ACDC”) is an exploration and development stage company with a focus on heavy mineral sands and rare earths in Victoria, Australia. ACDC is also developing downstream processing technology that will enable the upgrading of the monazite mineral to produce a mixed rare earth oxide.

ACDC hold exploration rights for the following projects, totalling 3,222 km²:

- Goschen Central Project (EL5278) – 80% ownership
- Watchem Project (EL7642) – 100% ownership
- Watchem Project (EL7932) – 100% ownership
- Watchem North Project (EL7685) – 80% ownership
- Watchem North Project (EL7687) – 80% ownership
- Douglas Project (EL7544) – 80% ownership
- Douglas Project (EL7545) – 80% ownership
- Douglas Project (EL7908) – 80% ownership

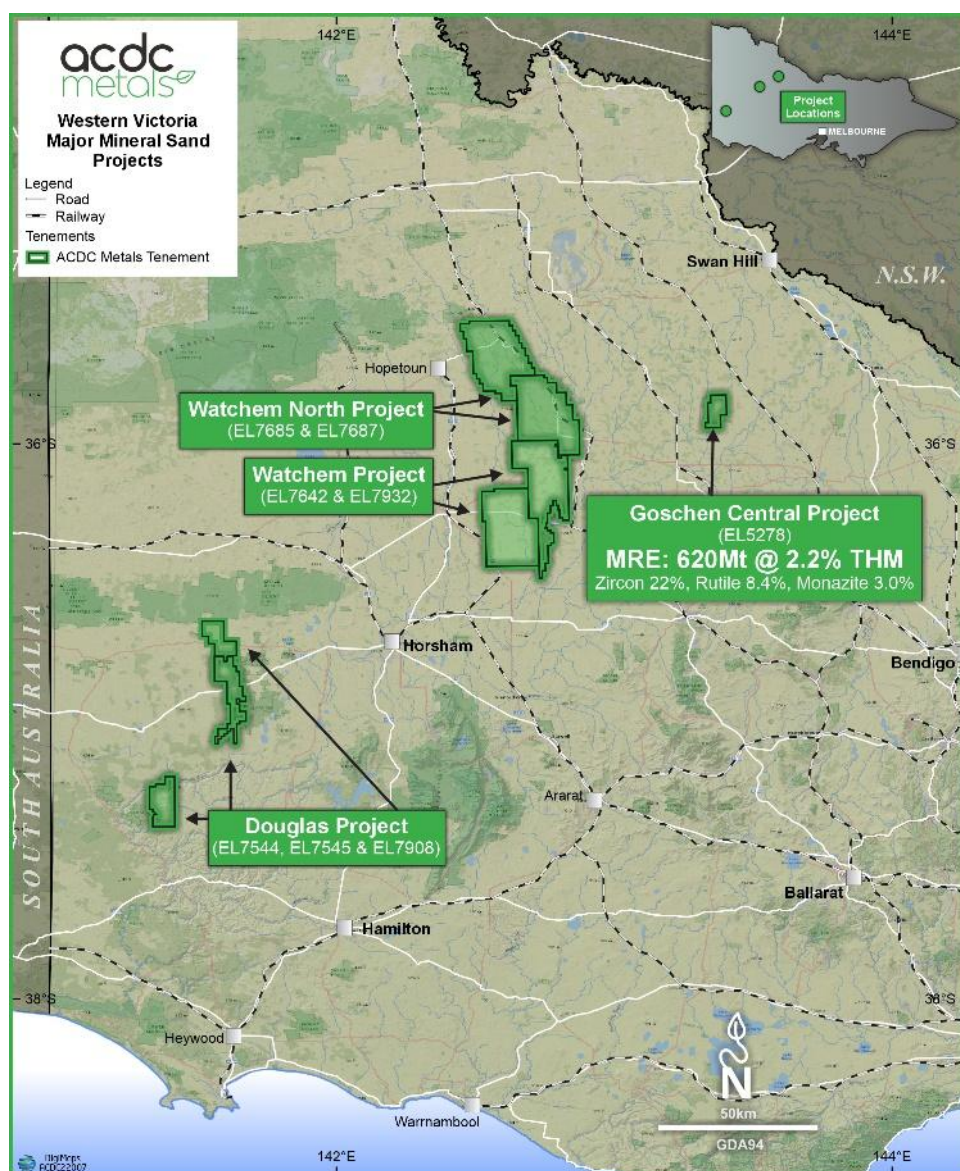


Figure 1 - Overview of ACDC Metals Tenements



During H1 FY25 Goschen Central was the focus project where the FY24 drilling would lead to the mineral resource estimate (MRE) update in Q4 2024. The update saw key increases in geological confidence and heavy mineral grade, and showed that the high grade zone remains open. Additionally, to support the resource development, metallurgical understanding and to understand product quality a two (2) tonne bulk sample that was collected in FY23 was processed, producing a final product suite to enable quality assessment and marketing studies.

The drilling conducted in FY24 at both the Douglas and North Watchem projects built on previous campaigns and led to significant discoveries of Strandline style mineralisation's. These discoveries show a potential of significant projects and encourage the company to further develop our understanding of these projects.

REVIEW OF OPERATIONS

ACDC's first half of FY25 has delivered a mineral resource update for the Goschen Central project, and will be key to completing a robust scoping study. The piloting and marketing work have continued and will also feed into the scoping study analysis and demonstrate the value of the project. Key developments have also been made with further discoveries at both the Douglas and North Watchem Projects, and provide exciting follow up targets.

Goschen Central Project

1. JORC Mineral Resource Declaration

The updated Mineral Resource Estimate incorporated further mineralogy, and the results of aircore drilling undertaken in CY2024. This is ACDC Metals' second Mineral Resource Estimate since listing in January 2023 that sets the stage for additional resource growth and economic studies at Goschen Central.

The Goschen Central deposit remains open in multiple directions, indicating the potential for further resource growth following additional drilling planned for 2025. The Mineral Resource details are outlined in Table 1.

Table 1 - Goschen Central Project Mineral Resource at 1% cut-off, for full results refer to ASX Announcement.

Classification	Tonnes	Total HM	Rutile	Leucoxene	Ilmenite	Zircon	Monazite	Xenotime
	Mt	%	%	%	%	%	%	%
Indicated	210	2.3	9.1	10	22	24	3.4	0.45
Inferred	410	2.1	8.1	12	20	21	2.8	0.45
Total	620	2.2	8.4	11	21	22	3.0	0.45

Minerals Resource Update

The CY2024 drilling campaign completed over 2,880 metres and tested locations identified for grade increase and resource expansion. Figures 2 and 3 highlight key increases to grade (total heavy mineral percentage) over the prior estimate, importantly emphasising importantly the significant increases seen within the indicated category. Grade increases have lifted the total in-situ valuable heavy mineral (VHM) tonnes to 13.6Mt, marking a 13% increase as presented in figure 4.

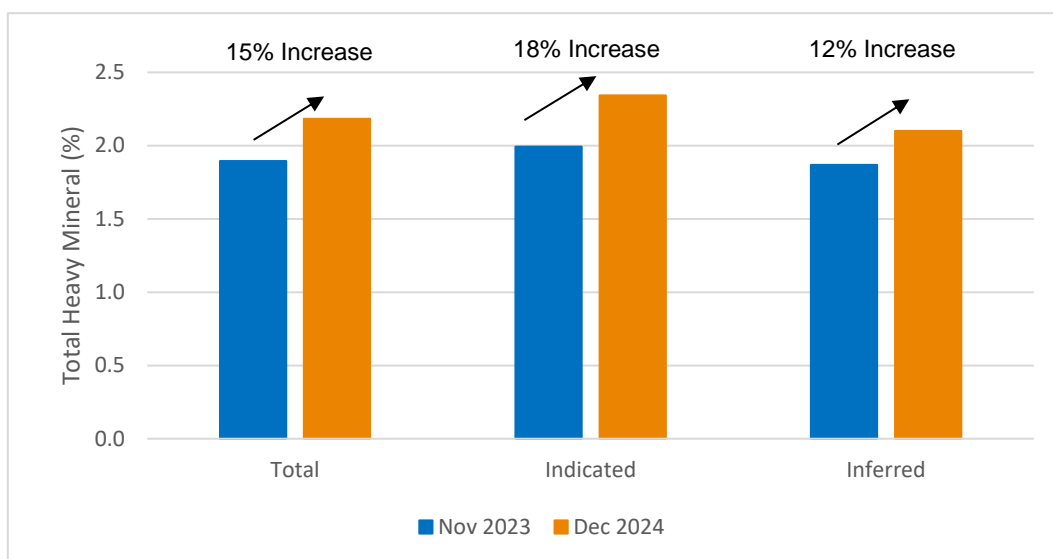


Figure 2 - Comparison of Total Heavy Minerals %; by category and total from Maiden MRE.

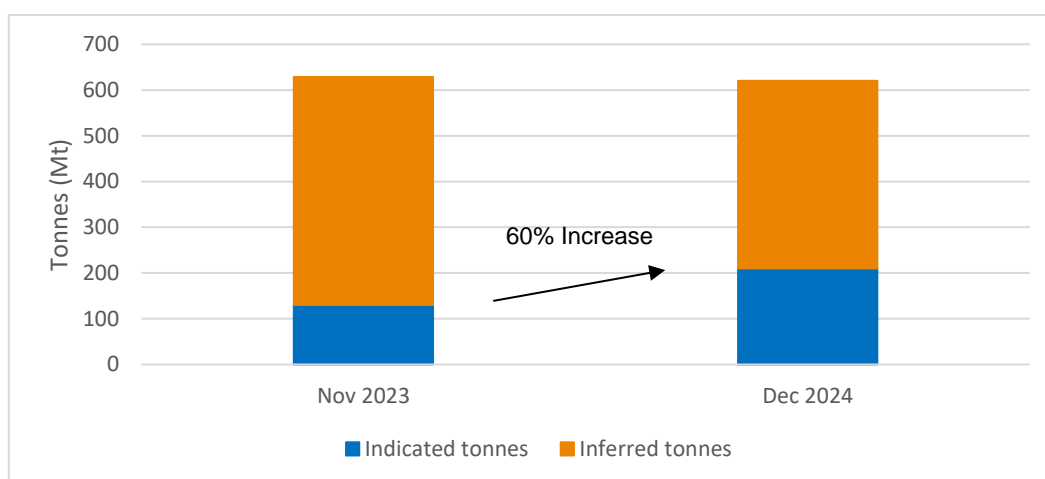


Figure 3 - Comparison of deposit classification from Maiden MRE

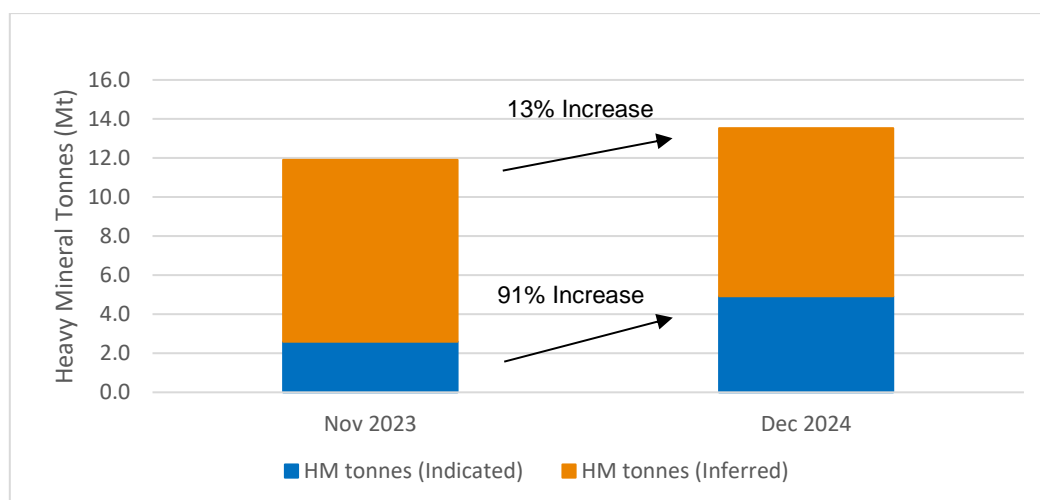


Figure 4 - Comparison of Valuable Heavy Mineral content



Rare Earth Element Assemblage

The Goschen Central project contains over 360,000 tonnes of TREO at an estimated grade of 584 ppm, presenting a very significant opportunity for the future supply of rare earth elements. The key value driver for rare earth elements are 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 total rare earth oxide assemblage.

Table 2 - Goschen Central Project Magnet Rare Earth assemblage at 1% Cut-off; for full results refer to ASX Announcement.

JORC	Tonnes	HM Grade	TREO	In-Situ Grades – Magnetic Rare Earth Oxides								
				Pr ₆ O ₁₁		Nd ₂ O ₃		Tb ₄ O ₇		Dy ₂ O ₃		TREO
				ppm	% TREO	ppm	% TREO	ppm	% TREO	ppm	% TREO	ppm
Category	Mt	%	% of HM									
Indicated	210	2.3	2.9	29	4.2%	98	14.4%	3	0.4%	17	2.5%	684
Inferred	410	2.1	2.5	22	4.2%	76	14.3%	2	0.4%	13	2.5%	532
Total	620	2.2	2.7	25	4.2%	84	14.3%	2	0.4%	14	2.5%	584

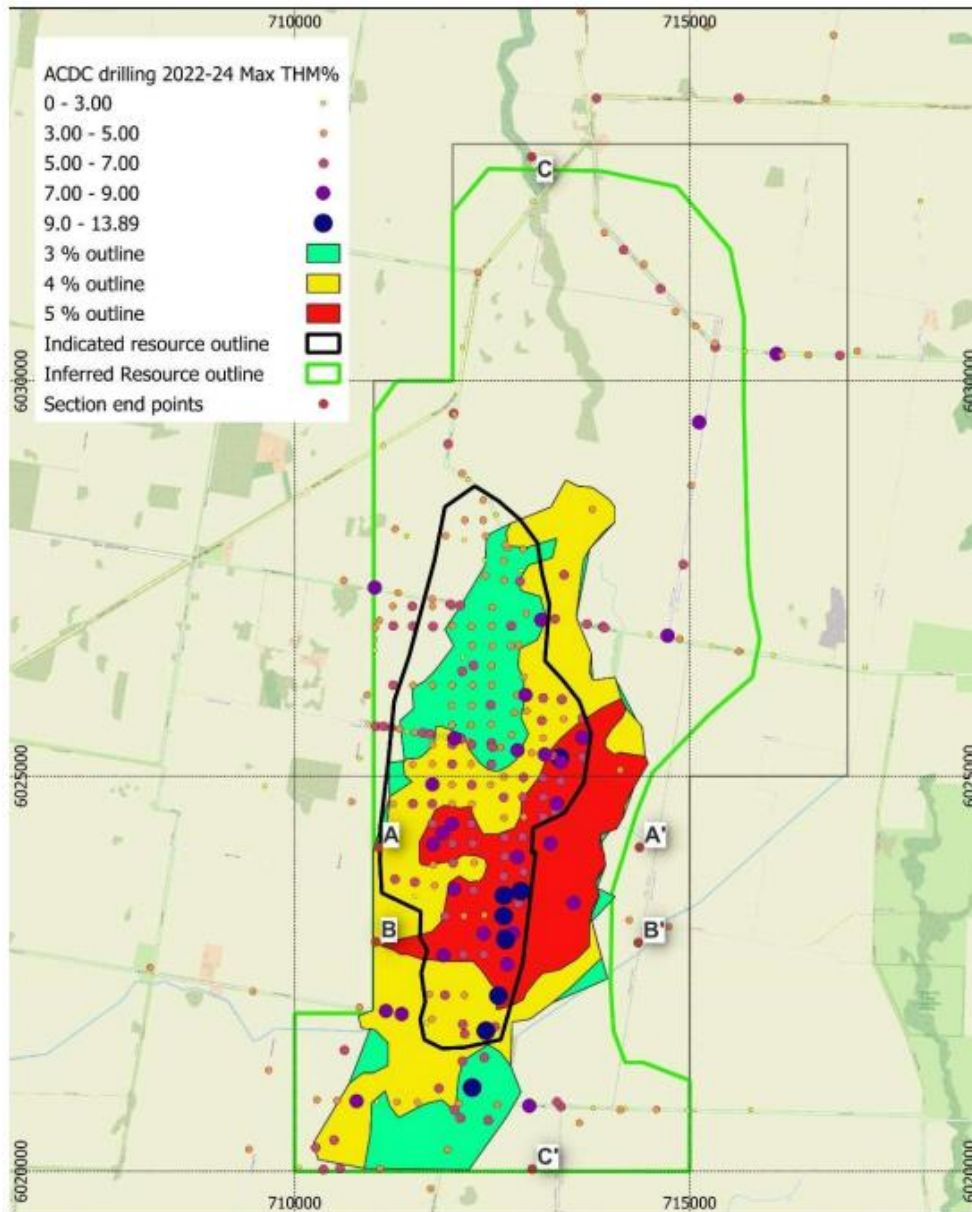
ASX Listing Rule 5.8.1 Summary

As per ASX report guidelines Section 5.8.1, information material to the reporting of the Goschen Central deposit Mineral Resource estimate update is summarised below.

Table 3 details the Mineral Resource Estimate by total HM% cut-off grade. Figure 3 shows the drilling, THM% envelopes and zones of potential resource extension, Figure 4 shows the distribution of grade over the tenement. Figures 5, 6 & 7 are typical long and cross-sections.

Table 3 - Goschen Central deposit 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%	620	2.2	21	4.2	8.4	11	21	22	3.0	0.45	2.7
2%	190	3.4	21	4.0	8.3	11	20	22	2.9	0.43	2.6



acdc metals **Goschen Central Resource**



Figure 5 - Resource classification and select grade outlines for the Goschen Central Project. Note that 0.5%, 1% and 2% outlines not shown for clarity

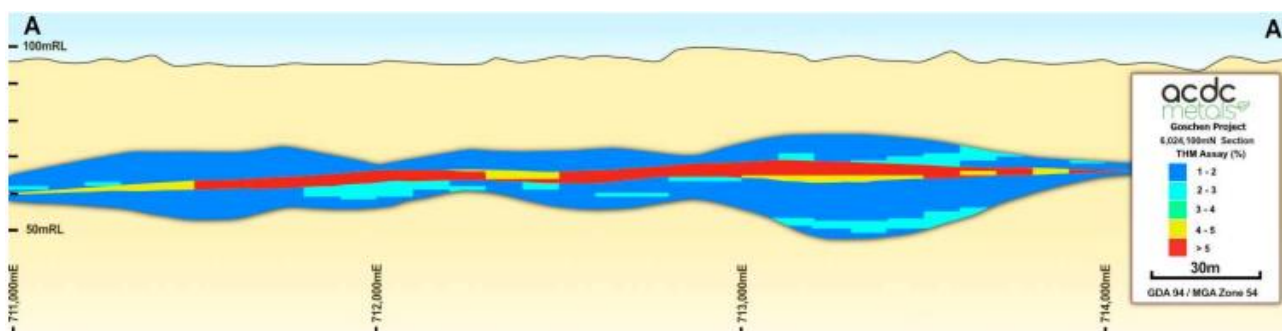


Figure 6 - - Cross section A view 6024100 mN, see Figure 5.

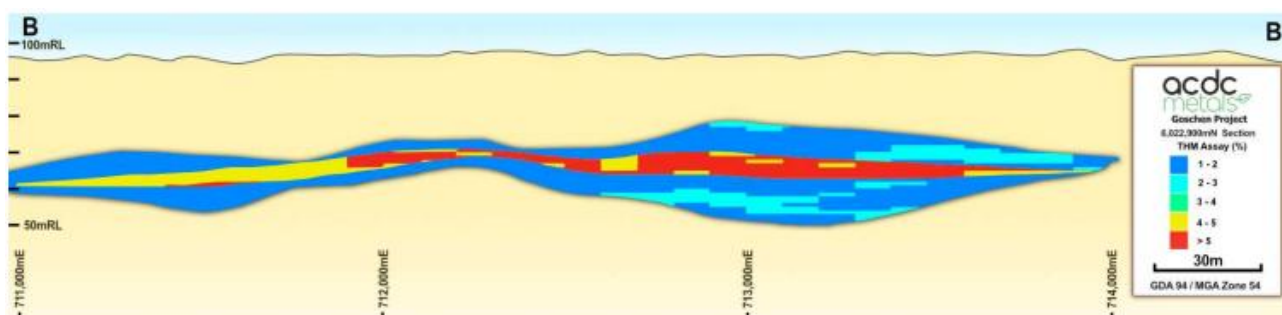


Figure 7 - Cross section B view 6022900 mN, see figure 5.

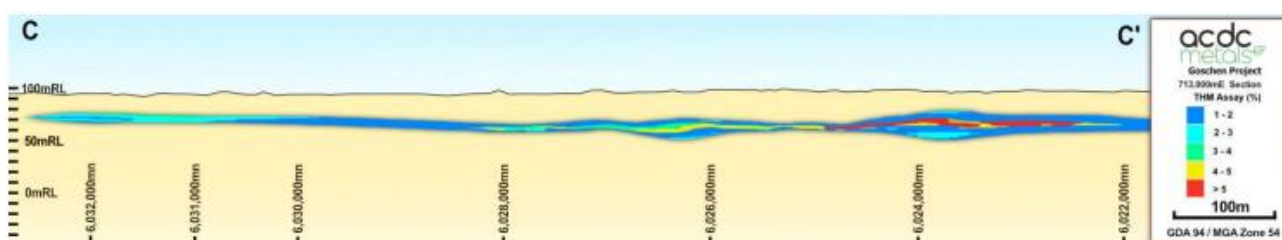


Figure 8 - - Long section C view 713000 mE, see figure 5.

*Figures 6, 7 and 8 vertically exaggerated.

Proposed work to further develop the Goschen Central Resource

ACDC Metals will conduct further work programs for resource growth and value creation by:

- Articulate the attractive value proposition of the Goschen Central Project, by progressing the Scoping Study with Mineral Technologies Ltd.
- Completing further mineralogy and sizing analysis to increase geological confidence and look for opportunities to increase grade.
- Continue marketing activity to develop relationships with potential customers utilizing key product quality data obtained from the pilot program.
- Additional drilling at Goschen Central in CY2025 to provide further geological data to the east of the indicated zone, and target the high-grade areas presented in Figure 5.

2. Victorian Government supports Critical Minerals

During the quarter the Victorian Government published The Critical Minerals Roadmap that outlines a framework to develop Victoria’s critical minerals projects, estimated to be worth approximately \$200 billion.

This government initiative represents a pivotal step for the future of minerals exploration and development in Victoria. It provides the ACDC with encouragement for our strategic vision and supports our continued investment in our flagship assets.

Important initiatives include streamlining of the Environmental Effects Statement (EES) process to an 18-month period, and identifying key development zones, which includes our Goschen Central Project. The approvals of the two mineral sands projects is highly significant for the Victorian mining sector, and the first in the state since 2008.

The Goschen Central Project (EL5278) has been identified in the Critical Minerals Roadmap as a key project to support the supply of critical minerals (Figure 8). The Goschen Central project contains key critical minerals, including:

- Zirconium
- Titanium (Rutile, Leucoxene, Ilmenite)
- Rare Earth Elements (key ones: neodymium, praseodymium, terbium and dysprosium).

Victoria’s Demonstrated Critical Mineral and Strategic Material Resources



Image source: Victorian Critical Minerals Roadmap – Resources for Net Zero – December 2024.

Figure 9 - Identified Victoria's critical minerals projects.

Link to the Victorian Critical minerals roadmap:

https://resources.vic.gov.au/_data/assets/pdf_file/0020/1076321/Critical-Minerals-Roadmap.pdf



3. Scoping Study

On the 22 April 2024¹ ACDC Metals released the results of the Goschen Central Scoping Study.

On the 3 May 2024 ACDC Metals retracted the Goschen Central Scoping Study announcement², released on 22 April 2024.

The announcement was retracted as the ASX advised it does not meet the requirements of Listing Rule 5.16 and 5.17. Two items of question were the duration of the mine plan and the scheduling of inferred material throughout the mine plan.

The Company is committed to update and release the Scoping Study. ACDC Metals plans to complete an updated mine plan optimisation on the updated mineral resource estimate. This mineral resource update is now underway, and will be incorporating drilling conducted in Q1 CY2024 and the feed characterisation work as part of the heavy mineral separation pilot program.

Project Overview

Goschen Central is a heavy mineral sand and rare earth element project located in the Murray Basin of northwestern Victoria. The project is held within EL5278, located approximately 50 km south-southwest of Swan Hill. Goschen Central includes fine-grained sheet-style HMS mineralisation, interpreted to have been deposited in an off-shore environment. Fine grained, off-shore HM deposits in the Murray Basin are often referred to as WIM-style deposits.

WIM-style deposits have been long recognised as rich potential sources of zircon and titania products (rutile, ilmenite, leucoxene), however more recently have been acknowledged for their significant rare earth element content, held in the minerals monazite and xenotime.

An updated Scoping Study is planned, will be based on an updated mineral resource estimate for the Goschen Central project.

In addition to zircon and titania minerals, Goschen Central provides the opportunity to vertically integrate a heavy mineral sand mining operation with a rare earth processing plant (REPP) project, to unlock a significant uplift in value through the potential production of a mixed rare earth oxide (or equivalent).

Phase 1 involves construction of a long lived mine at Goschen Central, paired with a nearby mineral sand processing plant, that will provide two (2) saleable products being a HMC rich in zircon and titania, and an REMC rich in monazite and xenotime, both suitable for international or domestic markets.

Phase 2 involves the construction of a rare earth processing plant (REPP) to process (“crack”) a monazite concentrate via a proprietary caustic crack process to produce a MREO. Phase 2 will result in three (3) saleable products from the Goschen Central project. The monazite mineral concentrate be transported to the REPP located in South Australia for hydrometallurgical processing. Phase 2 is scheduled to come online for year 3 of the combined operation.

¹ ACDC Metals – ASX Announcement 22 April 2024 – Exceptional Results Goschen Central Scoping Study

² ACDC Metals – ASX Announcement 3 May 2024 – Retraction of Announcement.

4. Metallurgical Testwork on Goschen Central Bulk sample

ACDC Metals has completed a heavy mineral separation testwork program at Mineral Technologies Inc Queensland plant. Approximately 1.6 tonnes of mineralised material from the Goschen Central project has been processed through a full circuit, with the intent of producing the full suite of products to enable quality testing and marketing analysis.

TZMI Minerals International Pty Ltd were engaged to complete the marketing study.

Subsequent event: The company released the results of the Metallurgical testwork program and Marketing study to the market on 17 February 2025³.

Key Highlights:

- Positive metallurgical results returned from 1.6 tonne of heavy mineral sand sample from the Goschen Central Project.
- The results are typical for a Murray Basin “WIM style” heavy mineral sand project, with characteristics similar to other projects in the region, supporting a fast track for plant design.
- Test work validates the nominated flowsheet, where:
 - Monazite concentrate yielded 60.5% total rare earth oxides (TREO).
 - Chemical grade Zircon achieved.
 - Heavy Mineral Concentrate achieved >25% Zircon and >27% Titania grades.
- Product suite confirmed as saleable in TZMI marketing study completed on the product samples from Goschen Central
- Product testing is enabling potential offtake and strategic partner discussions.
- The testwork program delivered:
 - A representative sample of Heavy Mineral Concentrate (HMC) and Rare Earth Mineral concentrate (REMC).
 - Separated minerals to enable product quality testing, including:
 - Zircon, Rutile, Ilmenite, Monazite and Xenotime.
 - Process engineering inputs to enable the next stage of development towards feasibility.
 - Further confidence in resource definition to inform the mineral resource estimate.
 - A monazite sample to enable further development of the downstream rare earth element processing flowsheet.

North Watchem Project

Exploration at Watchem North successfully identified strandline-style mineralisation, with confirmation the discovery of a new 11.5 km strandline at shallow depths ranging between 10 and 25 meters.

Highlights from the drilling include:

- **6.0m @ 2.8% HM** from 15.0m, including **3.0m @ 4.4% HM** from 15.0m. 24WN155
- **9.0m @ 3.2% HM** from 10.5m, including **4.5m @ 5.3% HM** from 13.5m. 24WN160

³ ASX Announcement - 17 February 2025 – Met. Testwork program Completed for Goschen Central.

- **28.5m @ 1.1% HM** from 9.0m, including **1.5m @ 7.9% HM** from 18.0m. 24WN162
- **9.0m @ 1.6% HM** from 9.0m, including **1.5m @ 5.0% HM** from 16.5m. 24WN163
- **1.5m @ 1.2% HM** from 33.0m, including **1.5m @ 3.3% HM** from 15.0m. 24WN165
- **16.5m @ 1.2% HM** from 9.0m, including **1.5m @ 4.2% HM** from 30.0m. 24WN173

The reported mineralisation reached a peak grade of approximately 8% in hole 24WN162, with the grade appearing to increase southwards, and remains open. This zone offered an attractive exploration target for further work with the objective of adding grade and scale to this discovery.

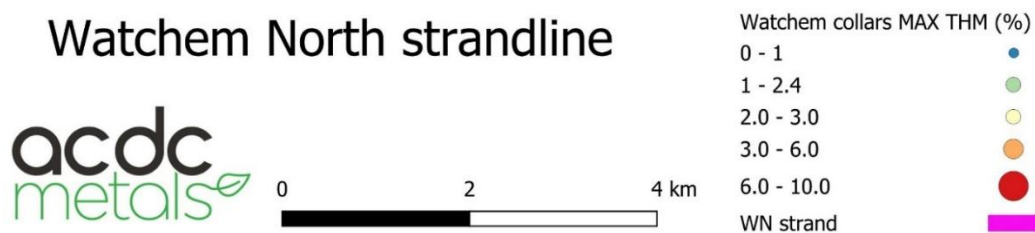
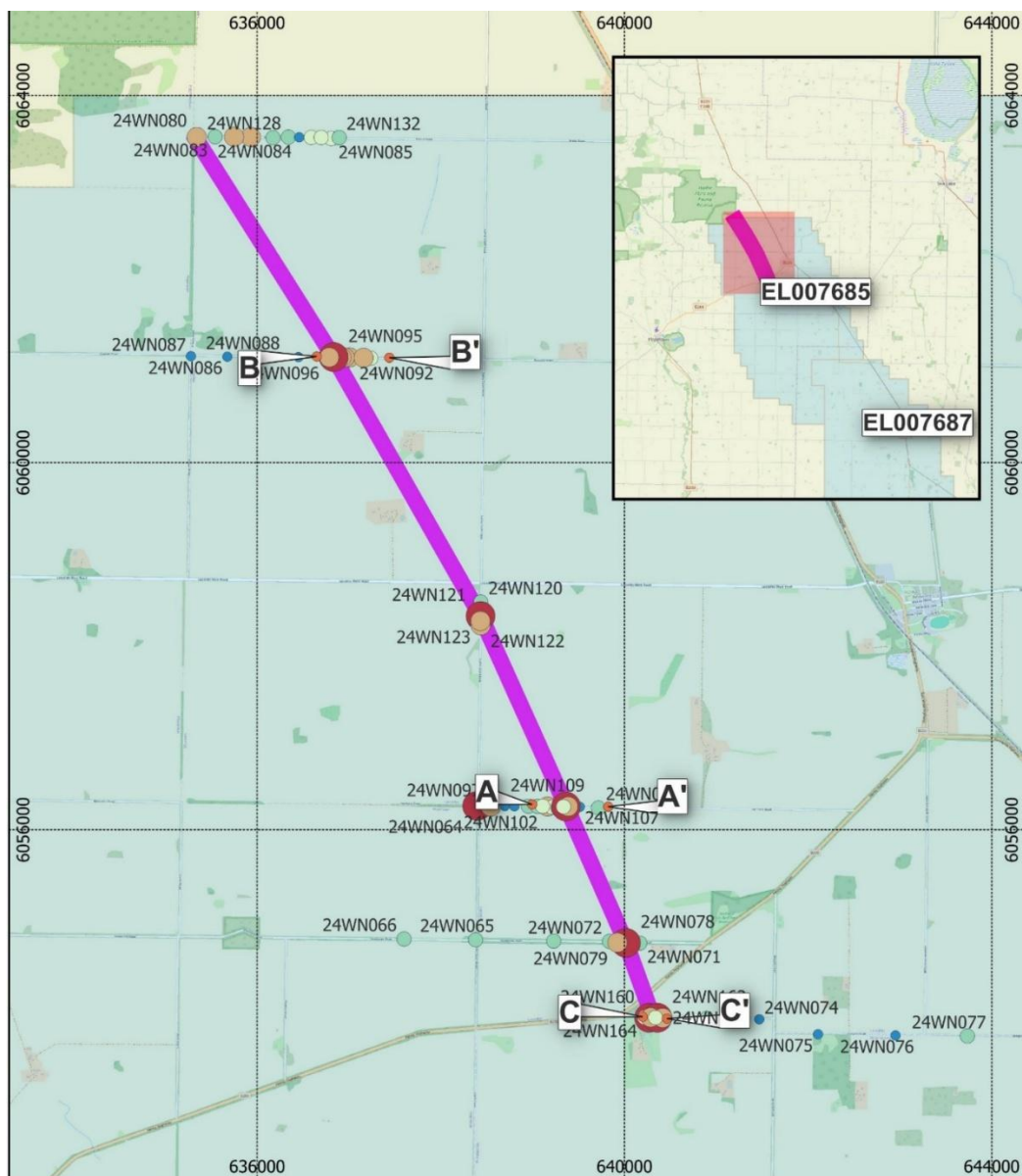


Figure 10 - Interpreted strandline position and section locations.

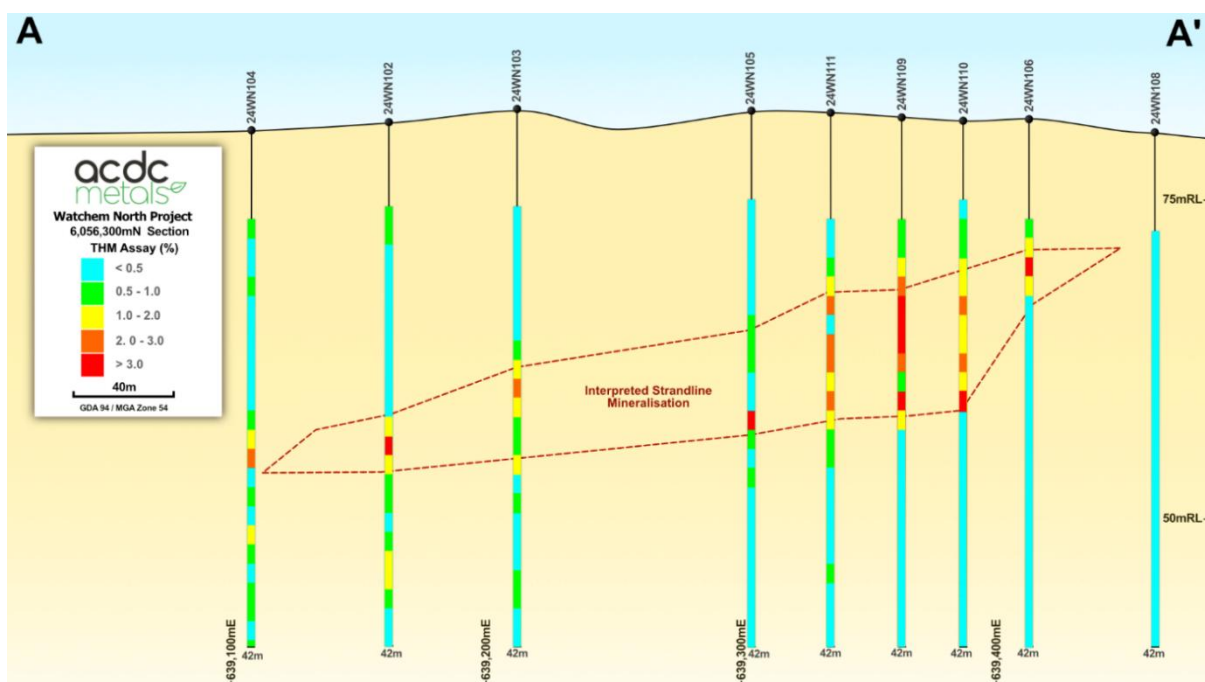


Figure 11 - Section A – A', see Figure 10. Note: Drill holes previously reported, see ADC announcement " High-Grade Assays

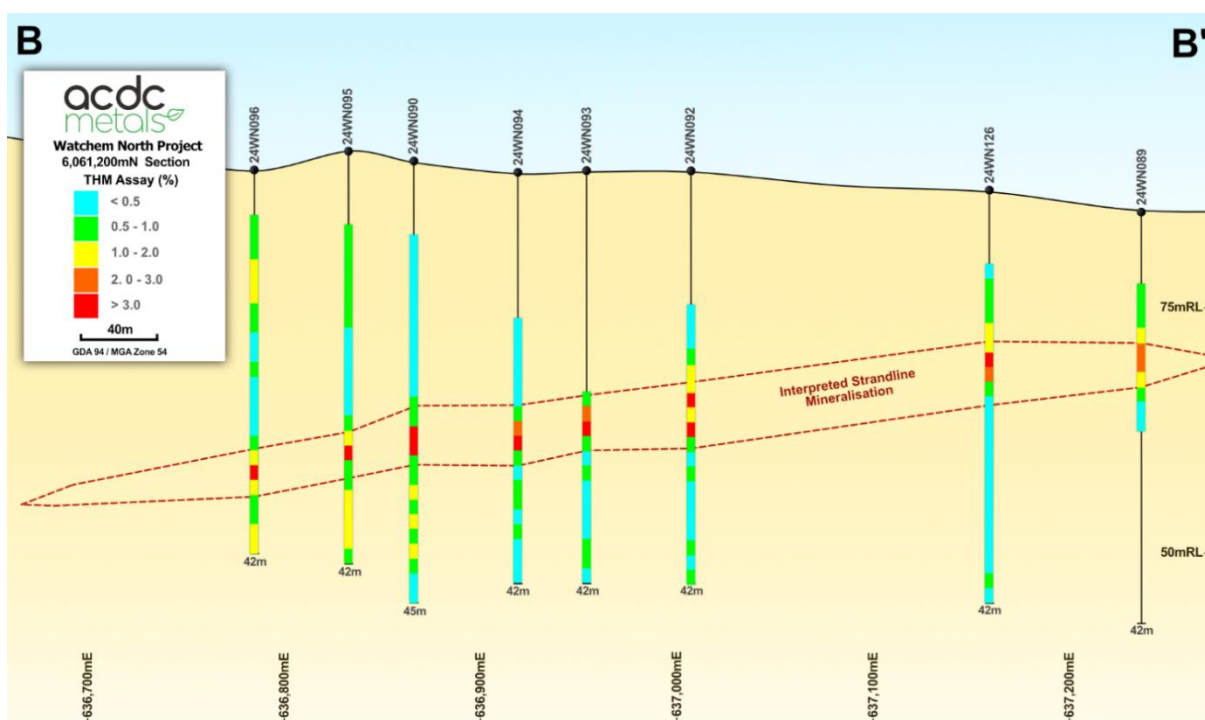


Figure 12 - Section B - B', see Figure 10. Note: Drill holes previously reported, see ADC announcement " High-Grade Assays

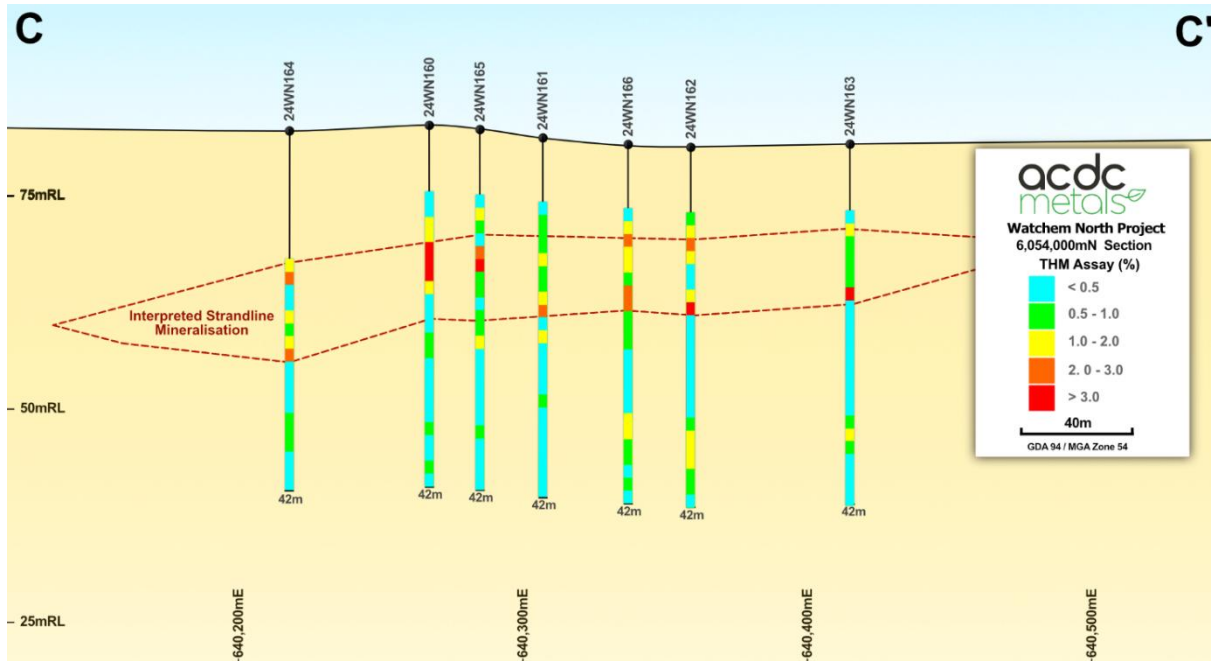
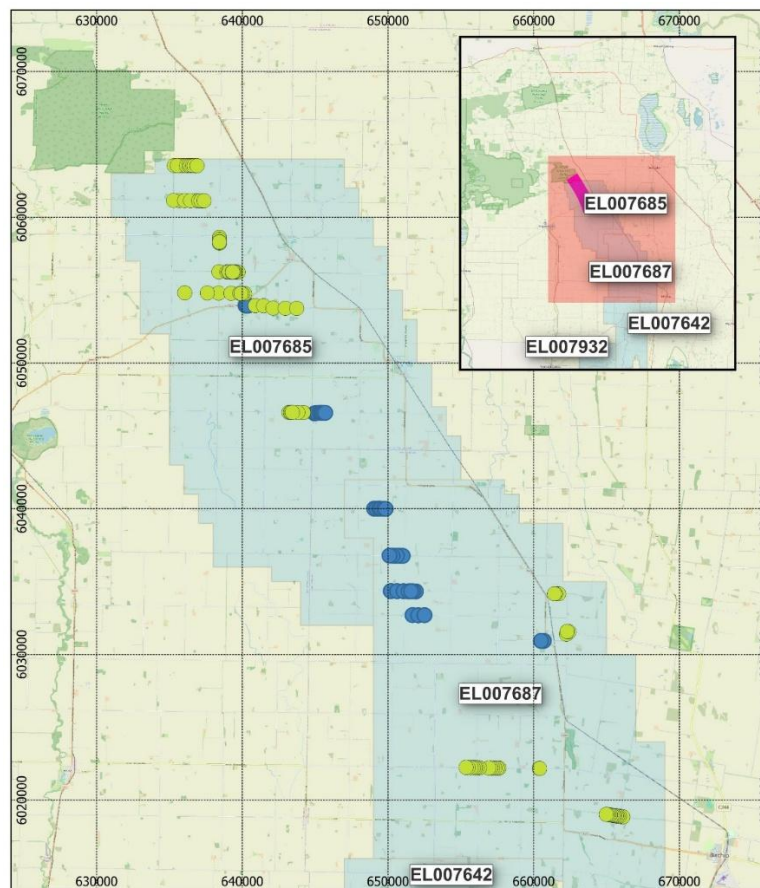


Figure 13 - Section C – C' see Figure 10.



Watchem North 2024 drill programs

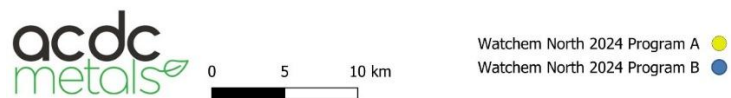


Figure 14 - Overview of 2024 Drill campaign at Watchem North Project.

Douglas Project

The May 2024 drilling campaign consisted of 27 aircore holes along roadsides, on east/west traverses to both the North and South of the previous Q1 drilling. The intent of the program was to explore the extent of the previously announced strandline discovery in both strike length and width. The program showed continuation of mineralisation and offered further targets for future exploration.

Drilling highlights include:

- **25.0m @ 2.1% HM** from 17.0m, including 1m @ 20.4% HM from 17.0m (24DAC023)
- **16.5m @ 3.2% HM** from 33.0m, including **1.5m @ 5.2% HM** from 33.0m and **4.5m @ 5.5% HM** from 45.0m (24DAC038)
- **34.5m @ 1.4% HM** from 13.5m, including **1.5m @ 10.3% HM** from 13.5m and **1.5m @ 5.3% HM** from 43.5m (24DAC042)

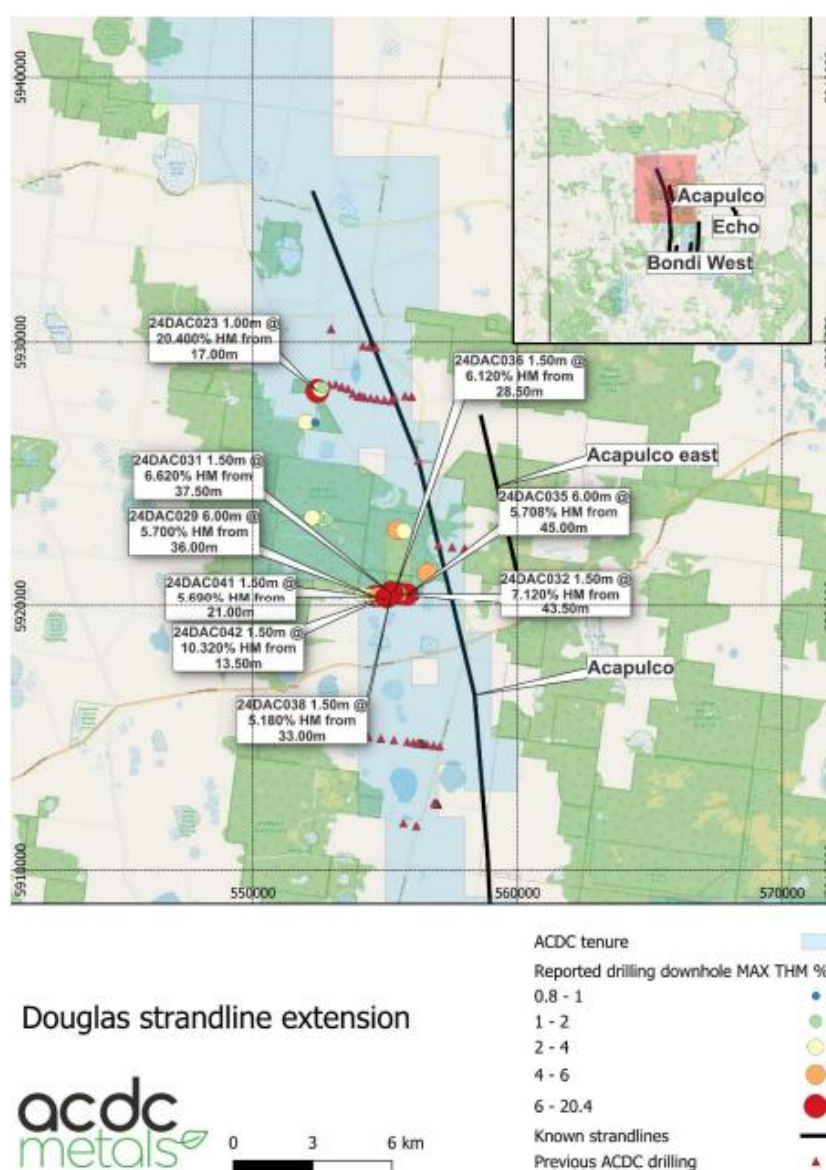


Figure 15 - Overview of 2024 Drill campaigns at Douglas Project (EL7544).



ACDC METALS LIMITED AND CONTROLLED ENTITIES DIRECTORS' REPORT

Your directors of ACDC Metals Limited ("the Company") present their report on the consolidated entity ("Group"), consisting of ACDC Metals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

General Information

Directors

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

Mr Mark Saxon
Mr Andrew Shearer
Mr Richard Boyce
Mr Ivan Fairhall

Unless otherwise stated, all directors were in office for the period under review, and up to the date of this report.

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2024 has been received and can be found on page 17 of the Financial Report.

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

A handwritten signature in blue ink, appearing to read 'Mark Saxon', written over a faint circular stamp.

Mark Saxon

Director

Dated: 14 March 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of ACDC Metals Ltd and its controlled entities for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 14th day of March 2025
Perth, Western Australia

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



		Group	
		31 December 2024	31 December 2023
	Note	\$	\$
Continuing operations			
Other income		75,038	99,146
Employee benefits expense		(106,134)	(111,054)
Audit fees		(9,227)	(10,227)
Listing and filing fees		(28,474)	(27,892)
Professional fees		(62,792)	(88,887)
Marketing expense		(35,485)	(56,538)
Occupancy expense		(9,000)	(7,585)
Other expenses		(77,350)	(70,158)
Share based payments		-	(76,325)
Loss before income tax		<u>(253,424)</u>	<u>(349,520)</u>
Tax expense		-	-
Net loss for the period		<u><u>(253,424)</u></u>	<u><u>(349,520)</u></u>
Earnings per share			
Basic and diluted losses per share (cents)	3	(0.35)	(0.48)

The accompanying notes form part of these financial statements.

ACDC METALS AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024



		Group	
		31 December 2024	30 June 2024
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents		2,681,889	3,596,478
Trade and other receivables		36,246	38,728
Other assets	6	30,636	6,814
Total Current Assets		2,748,771	3,642,020
Non-Current Assets			
Capitalised exploration expenditure	5	7,811,850	7,184,033
Other assets	6	71,353	81,353
Total Non-Current Assets		7,883,203	7,265,386
Total Assets		10,631,974	10,907,406
Liabilities			
Current liabilities			
Trade and other payables	7	107,871	324,879
Total Current Liabilities		107,871	324,879
Total Liabilities		107,871	324,879
Net Assets		10,524,103	10,582,527
Equity			
Issued capital	8	10,578,350	10,516,206
Reserves	12	2,032,636	1,906,506
Retained earnings		(2,086,883)	(1,840,185)
Total Equity		10,524,103	10,582,527

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
 ABN: 76 654 049 699
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



	Issued Capital	Retained Earnings	Option Reserve	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2023	10,516,206	(1,338,305)	1,882,636	11,060,537
Comprehensive income				
Loss for the period	-	(349,520)	-	(349,520)
Total comprehensive income for the period	-	(349,520)	-	(349,520)
Transactions with owners, in their capacity as owners, and other transfers				
Performance rights issued during the period	-	-	76,325	76,325
Total transactions with owners and other transfers	-	-	76,325	76,325
Balance at 31 December 2023	10,516,206	(1,687,825)	1,958,961	10,787,342
Balance at 1 July 2024	10,516,206	(1,840,185)	1,906,506	10,582,527
Comprehensive income				
Loss for the period	-	(253,424)	-	(253,424)
Total comprehensive income for the period	-	(253,424)	-	(253,424)
Transactions with owners, in their capacity as owners, and other transactions				
Shares issued during the year	62,144	-	(62,144)	-
Change in probability of performance rights	-	6,726	188,274	195,000
Total transactions with owners and other transactions	62,144	6,726	126,130	195,000
Balance at 31 December 2024	10,578,350	(2,086,883)	2,032,636	10,524,103

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



	Group	
	31 December 2024	31 December 2023
	\$	\$
Cash flows from operating activities		
Interest received	75,038	99,146
Payments to suppliers and employees	(421,970)	(444,230)
Net cash (used in) operating activities	<u>(346,932)</u>	<u>(345,084)</u>
Cash flows from investing activities		
Payments for exploration expenditure	(555,657)	(773,725)
Payments for tenements	(22,000)	-
Refund of tenement bonds	10,000	-
Net cash (used in) investing activities	<u>(567,657)</u>	<u>(773,725)</u>
Net decrease in cash held	(914,589)	(1,118,809)
Cash and cash equivalents at beginning of financial period	3,596,478	5,998,805
Cash and cash equivalents at end of financial period	<u><u>2,681,889</u></u>	<u><u>4,879,996</u></u>

The accompanying notes form part of these financial statements.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



The condensed consolidated financial statements of ACDC Metals Limited for the six months ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 17 February 2025 and covers the consolidated entity consisting of ACDC Metals Limited and its controlled entities ("the Group") as required by Corporations Act 2001.

Note 1 Summary of Material Accounting Policy Information

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in the annual financial report. It is therefore recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2024 and any public announcements made by the Company since 30 June 2024 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of Preparation

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

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group's last reported annual financial statements at 30 June 2024, unless otherwise stated.

(a) Exploration and Development Expenditure

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

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

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

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

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

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

(b) Critical Accounting Estimates and Judgments

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

Impairment of deferred exploration costs

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

Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors' understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

ACDC METALS LIMITED AND CONTROLLED ENTITIES
ABN: 76 654 049 699
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



Note 1: Summary of Material Accounting Policy Information (continued)

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

(c) Going Concern

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

The Company incurred a loss for the half-year of \$253,424 (31 December 2023: loss of \$349,520) and net cash outflows from operating activities of \$346,932 (31 December 2023: net cash outflows of \$345,084).

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

Note 2 Dividends

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

Note 3 Earnings per Share

	Group	
	31 December 2024	31 December 2023
	\$	\$
(a) Reconciliation of earnings to profit or loss		
Losses	(253,424)	(349,520)
Losses used to calculate basic and dilutive EPS	<u>(253,424)</u>	<u>(349,520)</u>
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	72,921,923	72,305,130
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>72,921,923</u>	<u>72,305,130</u>
Basic and diluted loss per share (cents)	<u>(0.35)</u>	<u>(0.48)</u>

Note 4 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

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

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		31 December 2024 (%)	31 December 2023 (%)
ACDC Metals Operations Pty Ltd	Australia	100%	100%
ACDC Metals Technology Pty Ltd	Australia	100%	100%
Fish Hawk Resources Pty Ltd	Australia	100%	100%



Note 5 Capitalised Exploration Expenditure

	Group	
	31 December 2024	30 June 2024
	\$	\$
Balance at beginning of year	7,184,033	5,111,199
Acquisition costs	22,000	18,000
Change in probability of performance rights	195,000	(45,000)
Current period expenditure capitalised	410,817	2,099,834
Balance at end of financial period	<u>7,811,850</u>	<u>7,184,033</u>

Note 6 Other Assets

	Group	
	31 December 2024	30 June 2024
	\$	\$
Current		
Prepayments	30,636	6,814
Total current assets	<u>30,636</u>	<u>6,814</u>
Non-Current		
Deposits	11,353	11,353
Bond deposit	60,000	70,000
Total non-current assets	<u>71,353</u>	<u>81,353</u>

Note 7 Trade and Other Payables

	Group	
	31 December 2024	30 June 2024
	\$	\$
Current		
Trade payables	65,045	185,310
Sundry payables and accrued expenses	42,826	139,569
	<u>107,871</u>	<u>324,879</u>

Note 8 Issued Capital

	Group	
	31 December 2024	30 June 2024
	\$	\$
73,275,130 fully paid ordinary shares (30 June 2024: 72,305,130 fully paid ordinary shares)	10,578,350	10,516,206
	<u>10,578,350</u>	<u>10,516,206</u>

The Group has authorised share capital amounting to 73,275,130 fully paid ordinary shares.

	Group			
	31 December 2024		30 June 2024	
	No.	\$	No.	\$
(a) Ordinary Shares				
At the beginning of the reporting period	72,305,130	10,516,206	72,305,130	10,516,206
Shares issued during the year	970,000	62,144	-	-
At the end of the reporting period	<u>73,275,130</u>	<u>10,578,350</u>	<u>72,305,130</u>	<u>10,516,206</u>



Note 8: Issued Capital (continued)

(b) Options

The following reconciles the outstanding listed options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial period.

	Group	
	31 December 2024	30 June 2024
	No.	No.
Opening Balance	38,152,565	38,152,565
Options issued during the year	-	-
	38,152,565	38,152,565

The following reconciles the outstanding unlisted options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial period.

	Group	
	31 December 2024	30 June 2024
	No.	No.
Opening Balance	9,550,000	9,550,000
Options issued during the year	-	-
	9,550,000	9,550,000

	Number	Issue Date	Expiry Date	Exercise Price	\$
Listed options	38,152,565	14/04/2023	14/04/2025	\$	0.30
Unlisted options	9,550,000	9/01/2023	9/01/2026	\$	0.30

Note 9 Operating Segments

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

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

Types of segments

(a) Exploration and project development

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

(b) Development of ACDC Metals Rare Earth Processing Plant (REPP) Project (formerly referred to as MMP)

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

(b) Corporate costs

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

ACDC METALS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



Note 9: Operating Segments (continued)

(c) Segment information

(i) Segment performance

	Exploration and Project Development	Development of REPP Project	Corporate Costs	Total
	\$	\$	\$	\$
(i) Six months ending 31 December 2024				
Total segment revenue	-	-	75,038	75,038
<i>Reconciliation of segment revenue to group revenue</i>				
Total segment revenue	-	-	-	-
Segment net loss from continuing operations before tax	-	-	(253,424)	(253,424)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>				
Net loss before tax from continuing operations				<u>(253,424)</u>

	Exploration and Project Development	Development of REPP Project	Corporate Costs	Total
	\$	\$	\$	\$
Six months ending 31 December 2023				
Total segment revenue	-	-	99,146	99,146
<i>Reconciliation of segment revenue to group revenue</i>				
Total segment revenue	-	-	-	-
Segment net loss from continuing operations before tax	-	-	(349,520)	(349,520)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>				
Net loss before tax from continuing operations				<u>(349,520)</u>

(ii) Segment assets

	Exploration and Project Development	Development of REPP Project	Corporate Costs	Total
	\$	\$	\$	\$
31 December 2024				
Segment assets	6,451,641	1,426,732	10,609,728	18,488,101
<i>Reconciliation of segment assets to group assets</i>				
Inter-segment elimination				(7,856,127)
Total group assets				<u>10,631,974</u>

	Exploration and Project Development	Development of REPP Project	Corporate Costs	Total
	\$	\$	\$	\$
30 June 2024				
Segment assets	6,380,743	803,290	10,795,978	17,980,011
<i>Reconciliation of segment assets to group assets</i>				
Inter-segment elimination				(7,072,605)
Total group assets				<u>10,907,406</u>

(iii) Segment liabilities

	Exploration and Project Development	Development of REPP Project	Corporate Costs	Total
	\$	\$	\$	\$
31 December 2024				
Segment liabilities	6,461,345	930,637	84,015	7,475,997
<i>Reconciliation of segment liabilities to group liabilities</i>				
Inter-segment elimination				(7,368,126)
Total group liabilities				<u>107,871</u>

ACDC METALS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



Note 9: Operating Segments (continued)

	Exploration and Project Development \$	Development of REPP Project \$	Corporate Costs \$	Total \$
30 June 2024				
Segment liabilities	5,912,222	868,673	128,545	6,909,440
<i>Reconciliation of segment liabilities to group liabilities</i>				
Inter-segment elimination				(6,584,561)
Total group liabilities				<u>324,879</u>

Note 10 Share-based Payments

The aggregate share-based payments for the half-year ended 31 December 2024 are set out below:

	31 December 2024		30 June 2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at the beginning of the year	11,550,000	0.30	11,550,000	0
Granted			-	-
	<u>11,550,000</u>	<u>-</u>	<u>11,550,000</u>	<u>0.30</u>
	31 December 2024		30 June 2024	
	Number	Fair Value	Number	Fair Value
Performance Rights outstanding at the beginning of the year	7,325,000	746,370	6,250,000	722,500
Granted	-	-	1,075,000	76,325
Vested	(970,000)	(62,144)	-	-
Expired	(105,000)	(6,726)	-	-
Movement in value of performance rights	-	195,000	-	(52,455)
	<u>6,250,000</u>	<u>872,500</u>	<u>7,325,000</u>	<u>746,370</u>

The following share-based payment arrangements were in existence during the current reporting period:

	Number	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Updated value at reporting date	Vesting Period
(i) Options granted	9,550,000	13 January 2023	9 January 2026	\$0.300	944,777	944,777	N/A
(ii) Options granted	2,000,000	14 April 2023	14 April 2025	\$0.030	43,603	43,603	N/A
(iii) Performance Rights granted	1,500,000	13 January 2023	13 January 2028	N/A	225,000	225,000	Refer below
(iv) Performance Rights granted	1,500,000	13 January 2023	13 January 2028	N/A	105,000	300,000	Refer below
(v) Performance Rights granted	2,500,000	13 January 2023	13 January 2028	N/A	325,000	325,000	Refer below
(vi) Performance Rights granted	750,000	13 January 2023	13 January 2028	N/A	67,500	22,500	Refer below
(vii) Performance Rights granted	600,000	18 September 2023	30 June 2024	N/A	42,600	34,506	Refer below
(viii) Performance Rights granted	475,000	18 September 2023	30 June 2024	N/A	33,725	27,638	Refer below



Note 10: Share-based Payments (continued)

Vesting conditions of Performance Rights

(a) Class A Performance Rights (1,500,000)

This is in relation to Douglas Tenements - EL7544 and EL7545

Delineation of an Inferred Mineral Resource (reporting in accordance with JORC Code 2012) of at least 60 million tonnes (Mt) of heavy mineral (HM) concentrate @ 4.0% HM or greater on EL7544 and EL7545 on or before 13 January 2028.

The probability used was 75%.

(b) Class B Performance Rights (1,500,000)

This is in relation to Goschen Tenement - EL5278

Delineation of an Inferred Mineral Resource (reporting in accordance with JORC Code 2012) of at least 10 million tonnes (Mt) of heavy mineral sands (HMS) concentrate @ 2.0% HM or greater on EL 5278 on or before 13 January 2028.

The probability used was 75%. During the reporting period, the vesting conditions of this class of performance right was met. As such, the probability has been adjusted to 100%.

(c) Class C Performance Rights (2,500,000)

This is in relation to ACDC Metals Rare Earth Processing Plant (REPP) project development (formerly referred to as MMP)

Completion of a Pilot Plant of a size and scale as an independent technical consultant deems appropriate to demonstrate the technical and economic viability of the REPP Technology on or before 13 January 2028.

The probability used is 65%.

(d) Class D Performance Rights (750,000)

This is in relation to ACDC Metals Rare Earth Processing Plant (REPP) project development (formerly referred to as MMP)

Mineral sand monazite processing refinery, known as a Monazite Cracking Facility been built by the Company or a wholly owned subsidiary of the Company operating at an average rate of not less than 80% of design capacity over a 30-day period and at a standard that an independent technical consultant deems appropriate and as agreed by the Parties on or before 13 January 2028.

The probability used was 15%.

(e) Class E Performance Rights (600,000)

This has been issued pursuant to the Company's Employee Securities Incentive Plan.

- 35% will vest on the execution of certain Board approved work programs (including scoping studies, testwork programs and drill
- 30% will vest pursuant to zero lost time or environmental management.
- 35% will vest at the discretion of the Board.

This vested and shares were issued on 6 September 2024. At 30 June 2024, 91% probability was used. However, only 90% vested.

(f) Class F Performance Rights (475,000)

This has been issued pursuant to the Company's Employee Securities Incentive Plan.

- 30% will vest on the execution of certain Board approved work programs (including scoping studies, testwork programs and drill
- 30% will vest pursuant to zero lost time or environmental management.
- 40% will vest at the discretion of the Board.

This vested and shares were issued on 6 September 2024. At 30 June 2024, 91% probability was used. However, only 90% vested.

Options were priced using the Black-Scholes model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate of the effects of non-transferability of exercise restrictions. Expected volatility is based on the historical share price volatility of the Company over the reporting period.

Number	Share price at grant date	Exercise Price	Expected volatility	Option life	Risk-free interest rate
9,550,000	\$ 0.20	\$ 0.30	90%	3 years	3.16%
2,000,000	\$ 0.10	\$ 0.30	90%	2 years	2.97%



Note 11 Subsequent to period end

Contingent Liability:

- a. ACDC Metals has received correspondence regarding a potential fraud committed by an external service provider (not an employee of ACDC or any of its subsidiaries) against a third party, but in connection with a subsidiary of ACDC [and ACDC].
- b. The facts of this matter are still under investigation, but initial findings suggest that the fraud involves GST credits and the Australian Taxation Office (ATO), with funds misappropriated by the external service provider for personal gain.
- c. At this stage, due to the ongoing investigation, any potential exposure, if any to ACDC cannot be quantified, and no liability or demand has been made against ACDC or its subsidiaries. ACDC will continue to investigate and assist the necessary authorities and will update the market in due course, if deemed necessary.

On 6 March 2025, the company announced to the market a change of Corporate Secretary, to Mr. Adrien Wing

On 17 January 2025, the following securities were released from escrow:

- 22,682,630 fully paid ordinary shares;
- 8,700,000 unlisted options with an exercise price of \$0.30, expiry date of 9 January 2026;
- 1,500,000 Class A Performance Rights
- 1,500,000 Class B Performance Rights
- 2,500,000 Class C Performance Rights
- 750,000 Class D Performance Rights

Note 12 Reserves

a. **Option Reserve**

The option reserve records items recognised as expenses on valuation of employee share options, broker options and performance rights.

	Group	
	31 December	30 June 2024
	2024	
	\$	\$
Balance at the beginning of the period	1,906,506	1,882,636
Options and rights issued during the year	-	76,325
Vesting of performance rights	(62,144)	-
Movement in value of performance rights	188,274	(52,455)
Balance at the end of the period	<u>2,032,636</u>	<u>1,906,506</u>

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



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

1. the financial statements and notes, as set out on pages 18 to 29, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2024 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and


Mark Saxon
Director

Dated this 14th day of March 2025

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

Conclusion

We have reviewed the accompanying half-year financial report of ACDC Metals Ltd (“the Company”) and Controlled Entities (“the Consolidated Entity”) which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors’ declaration.

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

- a. Giving a true and fair view of the Consolidated Entity’s financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 14th day of March 2025
Perth, Western Australia