

ASX: ADC

ACN 654 049 699

CAPITAL STRUCTURE

Share Price: A\$0.066
Cash: A\$4.15 M
Debt: Nil
Ordinary Shares: 72.3M
Market Cap: A\$4.8M
Enterprise Value: A\$0.65M
Options: 45.7M
*as of 24 Apr 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

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Quarterly Activities Report March 2024

Key Highlights

- **Completion of an extensive 9,300 metre aircore drill program across heavy mineral sand (HMS) and rare earth element (REE) projects in western Victoria.**
- **Scoping Study results for the Goschen Central project and REE processing plant released post reporting period.**
- **Pilot plant work commenced at Mineral Technologies Ltd.**
- **Intersection of significant high-grade mineralisation at Goschen Central, with 32 holes reporting intervals greater than 4% heavy minerals (HM).**

Significant intercepts include:

- 16.5m @ 2.33% HM from 21.0m, including 1.5m @ 9.15% HM from 28.5m (24GC018).
 - 28.50m @ 1.4% HM from 13.5m, including 1.50m @ 8.53% HM from 27.0m (24GC015).
 - 10.50m @ 2.7% HM from 27.0m, including 1.50m @ 7.53% HM from 28.5m (24GC021).
 - 12.00m @ 2.9% HM from 24.0m, including 1.50m @ 7.520% HM from 33.0m (24GC063).
 - 15.00m @ 2.15% HM from 25.5m, including 1.50m @ 7.200% HM from 28.5m (24GC017).
 - 13.50m @ 2.15% HM from 28.5m, including 1.50m @ 7.030% HM from 30.0m (24GC051)
- These results will be incorporated in to the revised JORC resource estimate for Goschen Central, expected to be released Q3 CY2024

ACDC Metals Limited (**ASX: ADC**) ("**ACDC**" or the "**Company**") announces the Quarterly Activities Report for the March 2024 Quarter. During the quarter, ACDC Metals completed 9,300 metres of aircore drilling across its portfolio.

ACDC Metals CEO Tom Davidson commented: *"This quarter has seen an enormous amount of work completed by our team, progressing discovery, exploration and project development. Our drilling program delivered on our plan, with an extension to the program of an additional 1,800 metres.*

The scoping studies and pilot program are the culmination of a large package of work that has been underway since listing. It is very pleasing to see this come together in a relatively short space of time and articulate the significant value of the Goschen Central project and our downstream processing technology.

ACDC Metals, continues to meet and exceed all expectations from the Company's IPO prospectus and is well positioned to further advance our portfolio of projects."

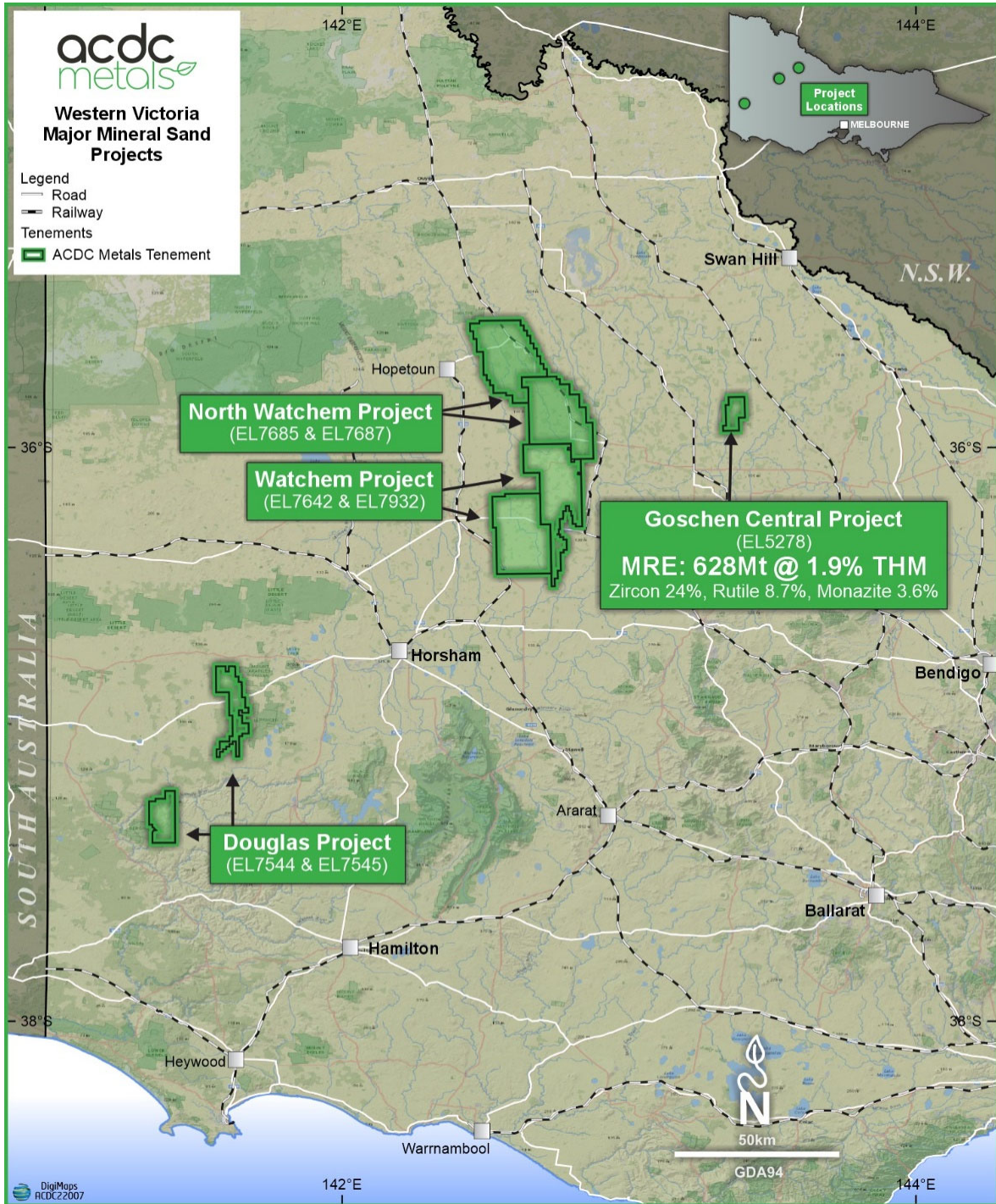


Figure 1. Overview of ACDC Metals tenements

Activities for the Quarter

OPERATIONS

Q1 CY2024 was a busy period for ACDC Metals which included the 9,300 metre aircore drill program across Goschen Central, North Watchem and Douglas Projects. Scoping studies for the Goschen Central Project and the rare earth processing plant were finalised and released post reporting date.

A pilot plant program for heavy mineral separation was commenced at Mineral Technologies, with the intent of validating the flowsheet design used in the Scoping Study, provide further metrics for the next stage of development, and importantly provide final separated products to enable potential off-taker quality testing. The separated monazite and xenotime will be used to commence the next stage of development of the rare earth processing plant.

Drill Program

ACDC Metals completed a large aircore drilling program of over 9,300 metres across its three HMS/REE projects in western Victoria. All drilling activities were completed within the quarter with samples delivered to a laboratory in Perth. Results from Goschen Central were received and reported¹.

The intent of the drill program at Goschen Central was to expand upon the drilling completed to date and the 2023 JORC mineral resource estimate². The program was designed to increase the high grade zone and improve confidence in the mineralisation.

At Watchem North (EL7687 and 7685) the program built on the work completed by ACDC Metals in 2023 at EL7642, and extended across the exploration licences acquired via joint venture to the north and test for strike extensions to known mineralisations³. A low impact exploration program was conducted on roadsides at a broad spacing.

In the coming quarter a drilling program at Douglas is scheduled to be undertaken on roadsides and will include infill drilling that was completed in 2023, to provide greater confidence in the project potential.

¹ ACDC Metals Exceptional drill results at Goschen Central <https://wcsecure.weblink.com.au/pdf/ADC/02785354.pdf>

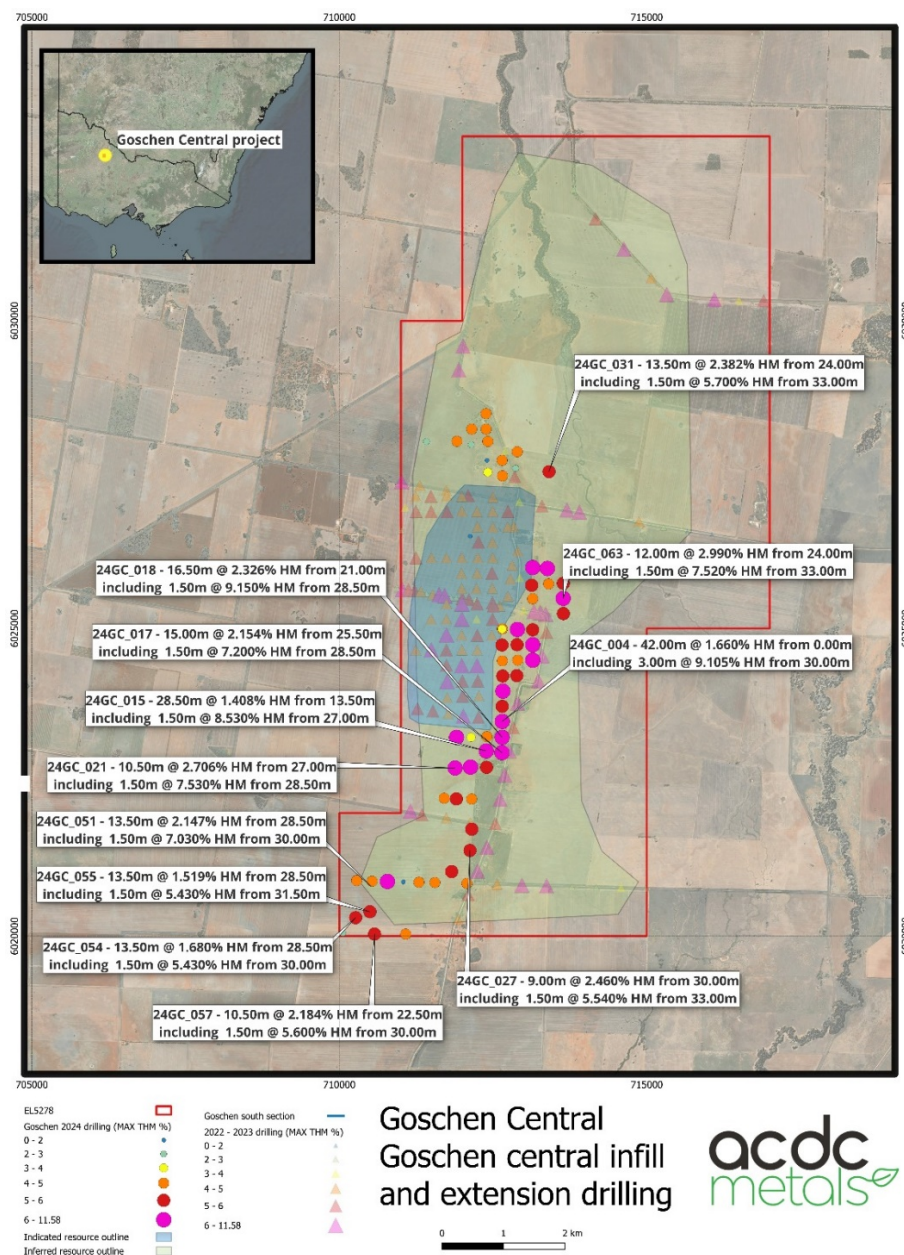
² ACDC Metals Delivers 122 Million Tonnes @ 3.4%THM for Maiden Heavy Mineral Sands and Rare earth Resource at Goschen Central project. <https://wcsecure.weblink.com.au/pdf/ADC/02737117.pdf>

³ ACDC Hit High Grade intervals at Watchem Project. <https://wcsecure.weblink.com.au/pdf/ADC/02697460.pdf>

Goschen Central Project

Extension drilling stepped out from the previously estimated indicated resource as represented in Figure 1. The program was designed to explore for extensions of the high-grade zone and increase geological confidence to enable upgrading to the resource.

Numerous holes have intersected greater maximum HM% intervals than the previously reported drill results⁴ in 2023. These results all support an interpretation that the high-grade zone remains open to the east, where there is potential for further extensions.



⁴ ACDC Metals – ASX Announcement 3 October 2023, ACDC’s Goschen Central High Grade drill results indicate widespread and consistent mineralisation over 7.5km². <https://wcsecure.weblink.com.au/pdf/ADC/02720176.pdf>

Figure 1 – Infill and extension resource drilling completed during January 2024.

Pilot Plant Program

ACDC commenced a heavy mineral separation pilot plant program at Mineral Technologies Ltd's Queensland plant, and will process 2 tonnes of mineralised material from the Goschen Central project. The program is progressing well with a site inspection conducted in February. The program is on track for completion in Q2 2024, and will provide product quality specifications and enable the next phase of testwork with ANSTO.



Figure 2 - Mineral Technologies pilot plant inspection

Subsequent Events post reporting

On the 22 April 2024⁵ ACDC Metals released the results of the Goschen Central Scoping Study.

Highlights:

- Study results highlight strong economics over a multi-decade operation at Goschen Central heavy mineral sand and rare earth element Project.
- Robust economics of integrated mining and downstream rare earth element (REE) processing validates the ACDC Metals Strategy, and demonstrates the unique value add of our proprietary processing technology.

⁵ ACDC Metals – ASX Announcement 22 April 2024 – Exceptional Results Goschen Central Scoping Study

- Significant upside opportunities exist by including finer heavy mineral fractions in the mineral resource, and resource expansion with recent extension drilling.
- Potential for further optimisation of the product suite from rare earth element processing plant.
- Testwork is in progress for the next phase of development.

Project Overview

Goschen Central is a heavy mineral sand and rare earth element project located in the Murray Basin of northwestern Victoria. The Goschen Central Project is held within EL5278, located approximately 50 km south-southwest of Swan Hill. The Goschen Central Project 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, leucosene), however more recently have been acknowledged for their significant rare earth element content, held in the minerals monazite and xenotime.

The Scoping Study was based on a Mineral Resource Estimate (MRE) of 628Mt @ 1.9% Total Heavy Mineral (THM), comprising of 130Mt @2.0% THM as Indicated category and 498Mt @ 1.9% THM as Inferred category⁶ and characterisation testwork conducted in Q2 2023.

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.

Outlook

As ACDC Metals commences Q2 CY2024, activity will be on the assay results from the drill program, and furthering our understanding of the projects. The outcome of the scoping study provides a potential economic case against which to explore optimisation opportunities and evaluate potential strategic and development alternatives..

⁶ ACDC Metals – ASX Announcement 8 November 2023 – Goschen Central Project Maiden Mineral Resource.

Further drilling at Goschen Central will build on the JORC compliant mineral resource quoted in 2023, and increase confidence in our geological understanding and explore opportunities identified within the scoping study, such as grade increase, mine optimisation and marketing. The additional drilling is anticipated to enable an update to the 2023 resource estimate to be completed in mid-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 Q2 2024 Program

- Completion of Scoping Studies and release to the Market. – released to the market post Q1 2024⁷
- Assay results for Douglas and North Watchem Projects.
- Completion of pilot program, and monazite sourcing for next phase of REPP development.
- Testing and characterisation of heavy mineral and REE products.
- Resource development for Goschen Central Project.

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:

RIU Resources – Fremantle WA - February 2024

Mineral Sands and Rare earth conference – March 2024

Upcoming events

RIU Resources – Sydney NSW - May 2024

ACDC Corporate Presentation

Corporate Presentation: <https://wcsecure.weblink.com.au/pdf/ADC/02772343.pdf>

Cash

The Company closed the quarter with \$4.15 million in cash at bank, 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	Actual use Q1 2024 Quarter	Balance Remaining
Exploration at Goschen Central Project	1,605,000	781,222	265,047	823,778
Exploration at Douglas Project	1,355,000	402,257	79,027	952,743
Exploration at Watchem Project	1,185,000	517,072	310,829	667,928
Medallion Monazite testing	1,450,000	281,200	138,976	1,168,800
Project Consideration (Goschen Central Project)	32,602	32,602	0	0
Project Consideration (Douglas Project)	16,372	16,372	0	0
Acquisition Costs (Watchem Project)	50,000	50,000	0	0
Expenses of the Offer*	1,075,000	768,197	0	306,803
Administration & Working Capital*	1,231,026	903,475	137,334	327,551
Total	8,000,000	3,752,397	931,214	3,752,397

*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 2024.

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 March 2024 Quarter the following ASX Announcements were made:

MARCH 15, 2024	<u>Exceptional Drill Results at Goschen Central</u>
MARCH 11, 2024	<u>Half Yearly Report and Accounts</u>
FEBRUARY 14, 2024	<u>RIU Conference Presentation</u>
JANUARY 30, 2024	<u>Quarterly Activities/Appendix 5B Cash Flow Report</u>
JANUARY 19, 2024	<u>Change of Company Secretary</u>
JANUARY 17, 2024	<u>ACDC Metals Commences Drilling at 3 Projects</u>
JANUARY 11, 2024	<u>Change in Substantial Holding - ADC</u>
JANUARY 11, 2024	<u>Application for quotation of securities - ADC</u>
JANUARY 4, 2024	<u>Notice of Release of Escrow Securities</u>

This Announcement has been authorised for release by the Board.

For Further Information

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Peter Taylor

Media & Investor Relations

Peter@NWRcommunications.com.au

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 MARCH 2024

Consolidated Statement of cash flows	Current quarter \$A'000	Year to date (9 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	(183)	(362)
(e) administration and corporate costs	(47)	(408)
1.3 Dividends received	-	-
1.4 Interest received	50	149
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	(180)	(621)

Appendix 5B

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

	Current quarter \$A'000	Year to date (9 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	(546)	(1,226)
(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	(546)	(1,226)

	Current quarter \$A'000	Year to date (9 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 (9 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	4,879	6,000
4.2 Net cash from /(used in) operating activities (item 1.9 above)	(180)	(621)
4.3 Net cash from /(used in) investing activities (item 2.6 above)	(546)	(1,226)
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	4,153	4,153

	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	4,153	4,879
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)	4,153	4,879

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)	(180)
8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(546)
8.3 Total relevant outgoings (item 8.1 + Item 8.2)	(726)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,153
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	4,153
8.7 Estimated quarters of funding available (Item 8.6 dividend by Item 8.3)	5.72

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 April 2024

Authorised by: The Board

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.